



Horizon Technology Finance
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Divergent Technologies Strengthens Capital Resources with \$60 Million Loan Facility Led by Horizon Technology Finance and \$20 Million Line of Credit from Bridge Bank

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LOS ANGELES, July 7, 2022 /PRNewswire/ -- Divergent Technologies Inc. ("Divergent"), the company that has developed the world's first end-to-end digital production system to revolutionize industrial-scale manufacturing, announced today that it has closed a new \$60 million venture loan facility led by Horizon Technology Finance Corporation (NASDAQ: HRZN) ("Horizon"), and a new \$20 million revolving line of credit provided by Bridge Bank, a division of Western Alliance Bank (NYSE: WAL) ("Bridge Bank"). The new facilities follow Divergent's successful \$160 million Series C funding earlier this year.

Under the terms of the venture loan agreement, Horizon, a leading specialty finance company that provides capital in the form of secured loans to venture capital backed companies in the technology, life science, healthcare information and services, and sustainability industries, funded \$15 million of the initial draw from the venture loan facility, and a private investment vehicle managed by Horizon Technology Finance Management LLC, Horizon's adviser, funded \$5 million. The venture loan facility provides up to an additional \$40 million of funding to Divergent upon meeting certain milestones.

Under the terms of the line of credit, Bridge Bank, whose Technology Banking Group provides financing solutions to venture capital backed technology companies at all stages of their life cycle, established a \$20 million line of credit with Divergent who will use the funds for growth and working capital purposes.

Divergent is building a global manufacturing infrastructure platform for the next generation industrial economy, with a current focus on the automotive industry. Its full-stack, state-of-the-art Divergent Adaptive Production System ("DAPS") simultaneously aids in automating design, additive manufacturing (3-D printing) and assembling complex vehicle structures. As a result, the DAPS platform significantly reduces development and production timelines, and Divergent has established a world-class pipeline of OEM customers.

"We are pleased to receive support from Horizon and Bridge Bank as we continue to revolutionize complex industrial manufacturing, initially with automobiles and over time with aerospace and defense," said Kevin Czinger, lead inventor, founder and Chief Executive Officer of Divergent. "DAPS makes it possible for the first time for manufacturers to forego the capital-intensive static design system they have been accustomed to for over a century, and utilize a variable cost flexible design system that is significantly more efficient. Through this added efficiency, DAPS radically reduces the impact of manufacturing on the environment, thereby making a meaningful contribution to global sustainability."

"Divergent is changing the game for manufacturing vehicles, with their DAPS end-to-end platform providing manufacturers with unmatched cost savings and flexibility," said Gerald A. Michaud, President of Horizon. "With over 500 patent filings, DAPS is a cutting-edge approach that enables Divergent customers to create new product models much more quickly and efficiently. We are excited to support Divergent's growth and expansion."

"Divergent is radically transforming auto manufacturing economics and environmental impact, and it is exciting to see Divergent deliver a solution that addresses system level challenges," said Mike Lederman, Senior Managing Director in Bridge Bank's Technology Banking Group. "Divergent is rethinking the manufacturing process for the auto industry and we are pleased to help support the company's evolution."

BayCross Capital Group acted as the placement agent on the debt (the securities portion of which was conducted via StillPoint Capital, LLC Member FINRA/SIPC).

About Divergent

Divergent harnesses additive manufacturing to unleash innovation in automotive manufacturing. Their breakthrough technology platform transforms the economics and environmental impact of designing and manufacturing complex structures such as cars. Divergent's planet-saving manufacturing approach can be used for volume manufacturing without costly, traditional tooling and capital expenses, enabling manufacturers to quickly iterate and invent new vehicle models for competitive advantage. For more information, please visit www.divergent3d.com.

About Horizon Technology Finance

Horizon Technology Finance Corporation (NASDAQ: HRZN) is a leading specialty finance company that provides capital in the form of secured loans to venture capital backed companies in the technology, life science, healthcare information and services, and sustainability industries. The investment objective of HRZN is to maximize its investment portfolio's return by generating current income from the debt investments it makes and capital appreciation from the warrants it receives when making such debt investments. Horizon Technology Finance Management LLC is headquartered in Farmington, Connecticut, with a regional office in Pleasanton, California, and investment professionals located in Portland, Maine, Austin, Texas, and Reston, Virginia. To learn more, please visit horizontechfinance.com.

About Bridge Bank

Bridge Bank, a division of Western Alliance Bank, Member FDIC, helps business clients realize their ambitions. Founded in 2001 in Silicon Valley, Bridge Bank offers a better way to bank for small to mid-market businesses across many industries, as well as emerging technology companies and the private equity community. Geared to serving both venture-backed and non-venture-backed companies, Bridge Bank delivers a broad scope of financial solutions, including startup banking, capital, equipment and working capital credit facilities, venture debt, treasury management, asset-based lending, SBA and commercial real estate loans and a full line of international products and services. Based in San Jose, Bridge Bank has 15 offices in major markets across the country, along with Western Alliance Bank's powerful array of specialized financial services. Western Alliance Bank is the

primary subsidiary of Phoenix-based Western Alliance Bancorporation, with more than \$60 billion in assets. Western Alliance is #2 best-performing of the 50 largest public U.S. banks in the S&P Global Market Intelligence listing for 2021 and ranks high year after year on the Forbes list of "America's Best Banks." For more information, visit [Bridge Bank online](#).

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