

May 26, 2020



# 180 Degree Capital Corp. Life Science Portfolio Company Acquisition Closed

MONTCLAIR, N.J., May 26, 2020 (GLOBE NEWSWIRE) -- 180 Degree Capital Corp. (NASDAQ:TURN) ("180") announced today that the sale of one of its privately held life science portfolio companies has closed, and that 180 has received its share of the upfront payment of \$4.4 million in cash. In addition, 180 received \$305,000 in cash from its ownership in an entity affiliated with the acquired life science portfolio company.

As noted in 180's initial press release, the terms of the acquisition are confidential. 180 notes, however, that in addition to the up-front payments already received, approximately \$350,000 in additional proceeds is held in escrow for one year from the date of the closing. 180 is also eligible, through its ownership in the acquired company and the affiliated entity, to receive up to approximately \$87 million in potential future payments upon the achievement of undisclosed development and commercial milestones. 180 currently estimates that the first milestone payment could occur in 2-3 years, and subsequent milestone payments could occur at various points over the subsequent 10-15 years. The timing and likelihood of the acquirer achieving these milestones is highly uncertain, and if these milestones are achieved, the timing may be materially different than current estimates. These factors will be used to develop a fair market value based on a probability-weighted net present value analysis of the potential future milestone payments as of 180's next valuation date, which is June 30, 2020. Preliminary valuation work leads us currently to believe that the transaction could result in an increase in value of approximately 5x from our \$2.2 million value of this privately held life science portfolio company as of March 31, 2020.

As of the close of the public markets on May 22, 2020, 180 had approximately \$40.0 million in cash and securities of publicly traded companies versus its \$48 million market capitalization.

"We are pleased that this sale is closed, and we are now focused on deploying this cash in our public market investment strategy," said Kevin M. Rendino, Chief Executive Officer of 180. "Additionally, taking into consideration our currently estimated fair market value of the potential future milestone payments from this transaction, our current stock price reflects the rest of our private portfolio being valued at nearly zero."

## **About 180 Degree Capital Corp.**

180 Degree Capital Corp. is a publicly traded registered closed-end fund focused on investing in and providing value-added assistance through constructive activism to what we believe are substantially undervalued small, publicly traded companies that have potential for significant turnarounds. Our goal is that the result of our constructive activism leads to a reversal in direction for the share price of these investee companies, i.e., a 180-degree turn. Detailed information about 180 and its holdings can be found on its website at [www.180degreecapital.com](http://www.180degreecapital.com).

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### **Forward-Looking Statements**

This press release may contain statements of a forward-looking nature relating to future events. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. These statements reflect 180's current beliefs, and a number of important factors could cause actual results to differ materially from those expressed in this press release. Please see 180's securities filings filed with the Securities and Exchange Commission for a more detailed discussion of the risks and uncertainties associated with 180's business and other significant factors that could affect 180's actual results. Except as otherwise required by Federal securities laws, 180 undertakes no obligation to update or revise these forward-looking statements to reflect new events or uncertainties. The reference and link to the website [www.180degreecapital.com](http://www.180degreecapital.com) has been provided as a convenience, and the information contained on such website is not incorporated by reference into this press release. 180 is not responsible for the contents of third-party websites.



Source: 180 Degree Capital Corp.