

December 21, 2020



180 Degree Capital Corp. Announces the Initiation of Repurchases under Its \$2.5 Million Stock Buyback Program, a 1-for-3 Reverse Stock Split, and Q4 2020 Updates

MONTCLAIR, N.J., Dec. 21, 2020 (GLOBE NEWSWIRE) -- 180 Degree Capital Corp. (NASDAQ:TURN) ("180" and the "Company"), today announced that it plans to begin share repurchases under its \$2.5 million stock buyback program, that it will be initiating a 1-for-3 reverse stock split effective on January 4, 2021, and provided additional Q4 2020 updates. Each of these topics are discussed in more detail below in the following letter to shareholders.

Fellow 180 Shareholders,

I now know what it is like to live the life of a dog; in that every dog year lived is equivalent to seven years lived for human beings. 2020 has definitely felt like more than one year; it has actually felt like a decade. This year has been a trying one for many as a global pandemic claimed over 320,000 lives in the United States. To put that into horrific perspective, that is the equivalent of having a 9/11 terrorist attack, where over 3,000 lives were lost, every day for 107 straight days. I sympathize with anyone, who, because of the pandemic, has had to endure a loss of a loved one. I equally sympathize with those that suffered from economic hardship as a result of the fallout from the events of this year. For those that have sought to minimize the effects of the pandemic, I question their sanity, their belief in facts and science, and their overall motives. Thankfully, vaccines are here and are being distributed. We are now near the end of what has been a year to forget as far as I'm concerned. Over the years, I have had so many wonderful conversations with 180 shareholders and I truly hope all of our shareholders are safe and well.

As we exit the year, we are going to be instituting two actions for 180 shareholders. First, effective January 4, 2021, we will be initiating a 1-for-3 reverse stock split. Second, we will begin share repurchases under our \$2.5 million stock buyback program, particularly in the event that our share price responds in the opposite way to what is intended by this announcement of the reverse stock split. I think almost everyone who has followed us over the last four years knows that we are fully transparent with all that we are doing in our effort to create value for our shareholders. As such, we wanted to discuss each of these steps in more detail with you.

First things first, the reverse stock split. By definition, a stock price split has no inherent effect on a company's enterprise value. The market capitalization of 180 after the split should have exactly the same value as it does before the split. If I was cooking and the recipe called for a stick of butter, would it make a difference if I added a whole stick or two halves? No.

You would have exactly the same amount of butter. But in the three-dimensional psychological analysis world of stock splits, to some, reverse stock splits are perceived to be a “bad” thing, while the popular 2-for-1 (or whatever the ratio is) stock splits are perceived to be a “good” thing. It is true that some reverse stock splits are enacted from low quality companies whose price per share is below \$1. These companies face delisting from stock exchanges that have minimum share price rules. Well, that’s obviously not 180. As of the close of business December 18, 2020, we have grown our cash and securities of publicly traded companies to nearly \$58 million or \$1.86/share. That is up from \$17 million net of outstanding debt, or \$0.55/share, in mid-2016. Over our history we have carved out a name for ourselves for our unique strategy in the asset class we invest in. 180 has a remade balance sheet, a healthy business model, and hopefully you agree, both a short and long term shareholder friendly view of value creation. We have heard from a number of shareholders that a higher priced stock would attract more attention from both the institutional and retail world of investors. Many institutions require a company’s stock price to be above \$3/share, or even \$5/share before they even consider investing in the company. Many of our shareholders have asked us to do the reverse stock split to make us more attractive to a more diverse set of shareholders. That is it. There is nothing more complicated about why we sought and obtained shareholder approval for the reverse stock split at our 2020 Annual Meeting of Shareholders. There is no bad news here and there is no ulterior motive! As a matter of fact, while there are still a couple weeks left in the year, we currently believe we will grow our net asset value per share (“NAV”) once again in Q4 2020.

Now, for those that maintain some sort of negative view on a reverse stock split, while I will never agree with your view based on math, I do not live under a rock as it relates to understanding the perception issue related to them. Should unexpected weaknesses arise, we will use the opportunity to repurchase our stock under our Board-authorized \$2.5 million share repurchase program. Since our shareholder call in November, we have continued to grow our net asset value through our public investment strategy. While there are still a couple weeks left in 2020, we currently estimate that our NAV will be back above \$3.00 by December 31, 2020. Within this estimated NAV, cash and securities of publicly traded companies account for approximately \$1.86/share, or approximately \$58 million, as of December 18, 2020. This amount of cash and securities of publicly traded companies does not include the carried interest on our separately managed account that we currently estimate will be more than \$2 million. Our closing stock price as of December 18, 2020, was \$1.91, which suggests investors are ascribing virtually zero value to our private portfolio holdings. To be blunt, I find our public market valuation to be absurd. I have consistently stated that over the last year as our management team has personally reached into our pockets and bought TURN in the open market. Today’s accretive share repurchase is the next step towards the goal of creating value for our shareholders.

This repurchase says nothing about our belief in our ability to create value from our strategy. This has everything to do with our own stock price. This management team has bought over 5% of the Company with its own after-tax dollars in the last four years. We have completely transformed our business with competitive public market stock picking performance. We have grown our cash and securities of publicly traded companies by over \$40 million since I joined 180’s Board. Our NAV is currently expected to climb to above \$3.00 by year end. And for all that, the market believes our business is worth \$1.91? We do not. As such, we will be aggressive in our share repurchases.

If anyone wants to discuss any of these announcements, you know where to find us and I will look forward to that call. On behalf of all of 180, I hope everyone has a happy holiday season, and we look forward to talking to you in 2021.

Best Regards,

Kevin M. Rendino
Chairman and Chief Executive Officer

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.

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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 the Company'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 the Company's securities filings filed with the Securities and Exchange Commission for a more detailed discussion of the risks and uncertainties associated with the Company's business and other significant factors that could affect the Company's actual results. Except as otherwise required by Federal securities laws, the Company 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 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.