



# Value Creation Through Constructive Activism

Q2 2020 Shareholder Update Call

August 11, 2020

This presentation may contain statements of a forward-looking nature relating to future events. Statements contained in this presentation that are forward-looking statements are intended to be made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. 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 herein.

Please see the Company's filings with the Securities and Exchange Commission for a more detailed discussion of the risks and uncertainties associated with the Company's business, including but not limited to the risks and uncertainties associated with investing in privately held and publicly traded companies and other significant factors that could affect the Company's actual results. Except as otherwise required by Federal securities laws, 180 Degree Capital Corp. undertakes no obligation to update or revise these forward-looking statements to reflect new events or uncertainties.

	Based on Stock Price as of August 10, 2020	Based on Stock Price as of June 30, 2020	Based on Stock Price as of March 31, 2020
<b>Stock Price</b>	<b>\$1.895</b>	<b>\$1.74</b>	<b>\$1.3582</b>
Value of Publicly Traded Portfolio Companies Per Share*	\$1.53	\$1.18	\$0.9255
Cash Per Share**	\$0.25	\$0.25	\$0.1164
Net Other Non-Investment Assets Per Share	\$0.02	\$0.02	\$0.0173
Total Liabilities Per Share	\$(0.05)	\$(0.05)	\$(0.0509)
<b>Total Non-Private Portfolio Net Assets Per Share</b>	<b>\$1.750</b>	<b>\$1.40</b>	<b>\$1.0083</b>
<b>Remaining Per Share Value Ascribed to Private Portfolio</b>	<b>\$0.145</b>	<b>\$0.34</b>	<b>\$0.3499</b>
Private Portfolio Value Per Share	\$1.30	\$1.30	\$1.1128
<b>Effective Market Value Per Share / Value of Private Portfolio Per Share</b>	<b>11.2%</b>	<b>26.2%</b>	<b>31.4%</b>

\* Includes accrued partial liquidating damages of approximately \$700,000 from MVEN, an increase of \$277,000 from the prior quarter.

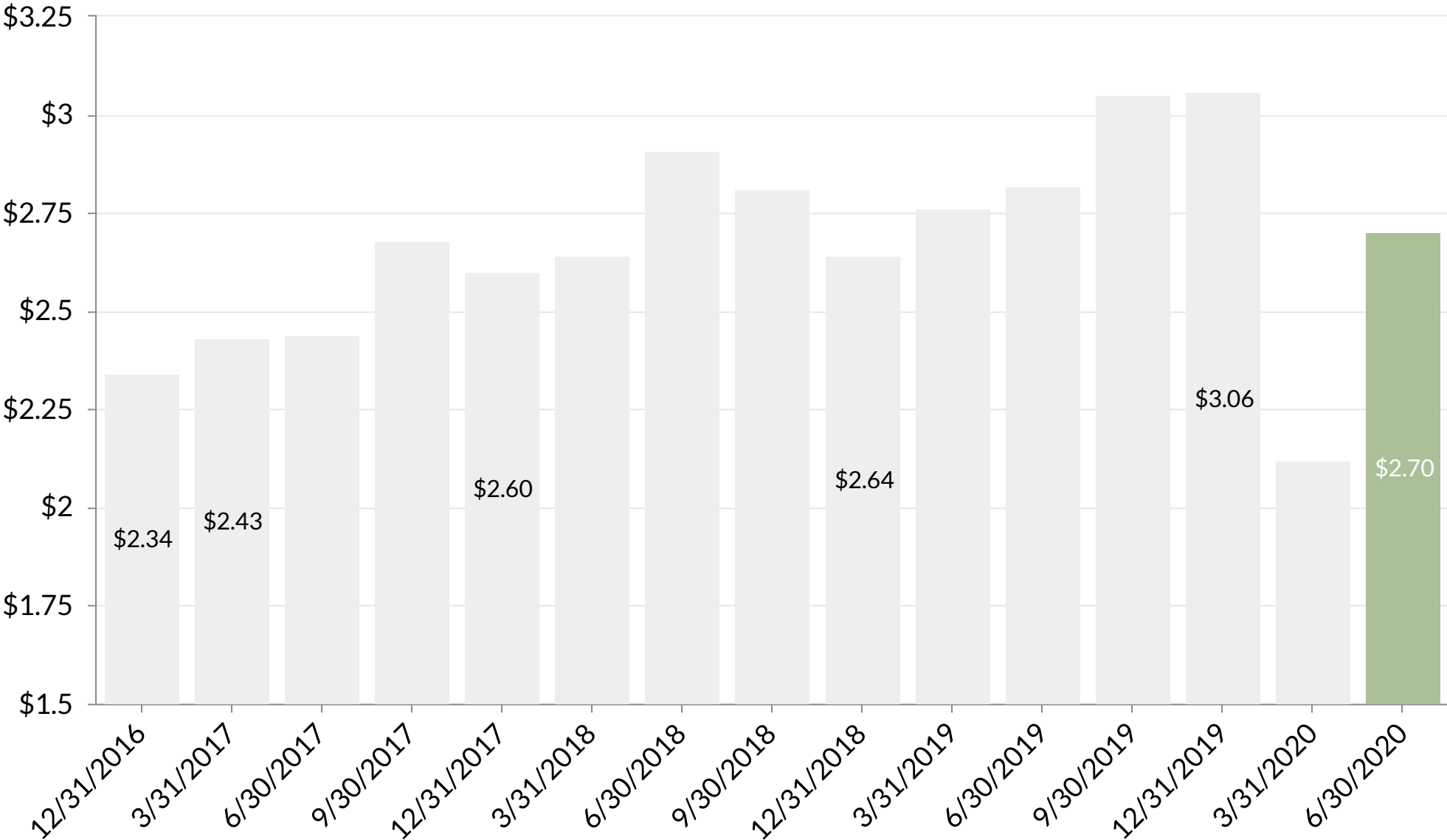
\*\* Net of unsettled trades as of the end of each period.

- Increases in stock price, NAV/share, and cash + liquid securities:
  - Stock Price: \$1.3582 -> \$1.74 (28.1%)
  - NAV/Share: \$2.12 -> \$2.70 (27.4%)
  - Stock Price/NAV: 64% -> 64%
  - Cash + Liquid Securities\*: \$32.4 million -> \$44.6 million (37.7%)
- 180 portfolio notes
  - Public portfolio net value increased by approximately \$8.3 million from prior quarter.
    - Largest increases in value: FRG (\$4.1 million), ALTG (\$2.1 million), LTRX (\$2.0 million) and QMCO (\$1.4 million).
    - Largest decreases in value: MVEN (\$-1.4 million) and PBPB (\$-1.1 million)
    - One new core position\*\*: SONM (\$4.4 million)
  - Private portfolio net value increased by \$10.6 million from the prior quarter.
    - Largest increases in value: Petra, EchoPixel, ORIG3N
    - Largest decrease in value: Lodo
- Separately managed account portfolio notes
  - Began managing \$25 million in separate account on June 3, 2020.
- Market notes:
  - Significant rebound in market indices, including microcaps. Growth stocks increased more than value stocks.
- Q3 2020 Developments
  - Gross total return of public portfolio +11.7% in July 2020 and +24.6% QTD through August 10, 2020.

\* Net of unsettled trades as of the end of the quarters, respectively.

\*\* Cost basis of investment.

**Inception to Q2 2020 Change of NAV of 15.4%  
Versus 7.0% for the Russell Microcap Index**



# TURN Stock Price Discount to NAV History

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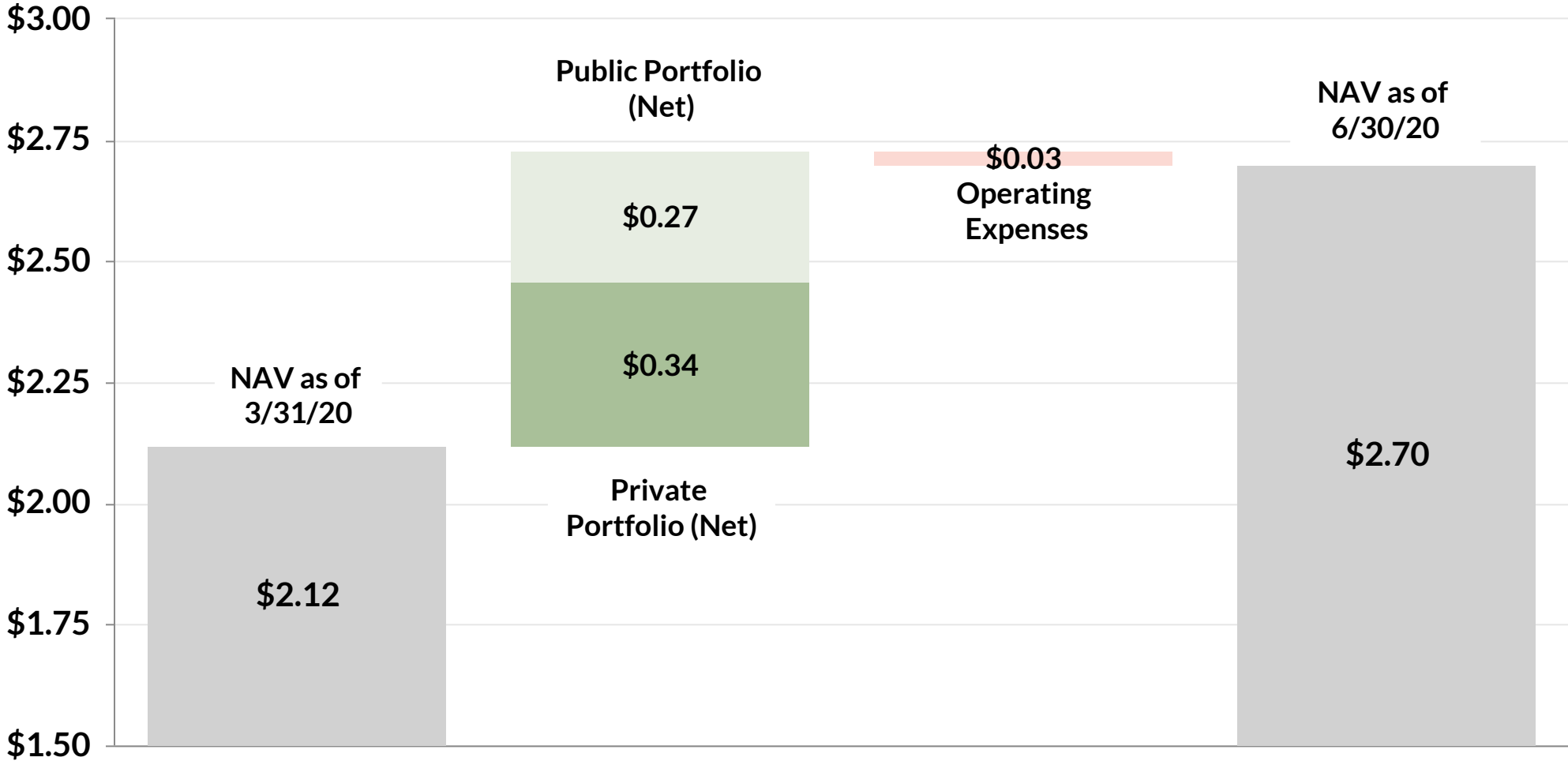
# Value vs. Growth Over the Past 40+ Years

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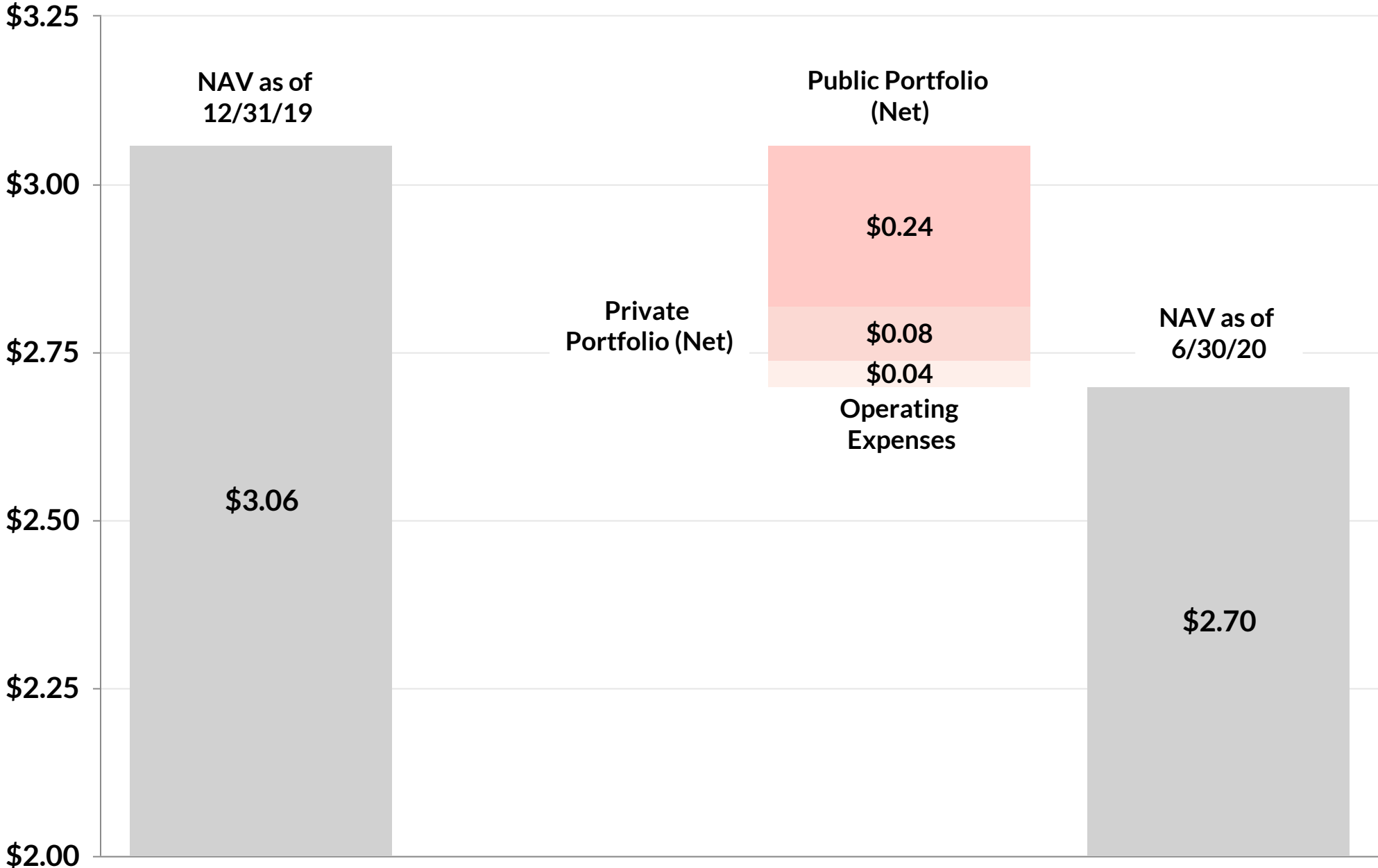
RLV - Russell 1000 Value Index  
RLG - Russell 1000 Growth Index

# Sources of Changes in Net Assets - Q1 2020 to Q2 2020



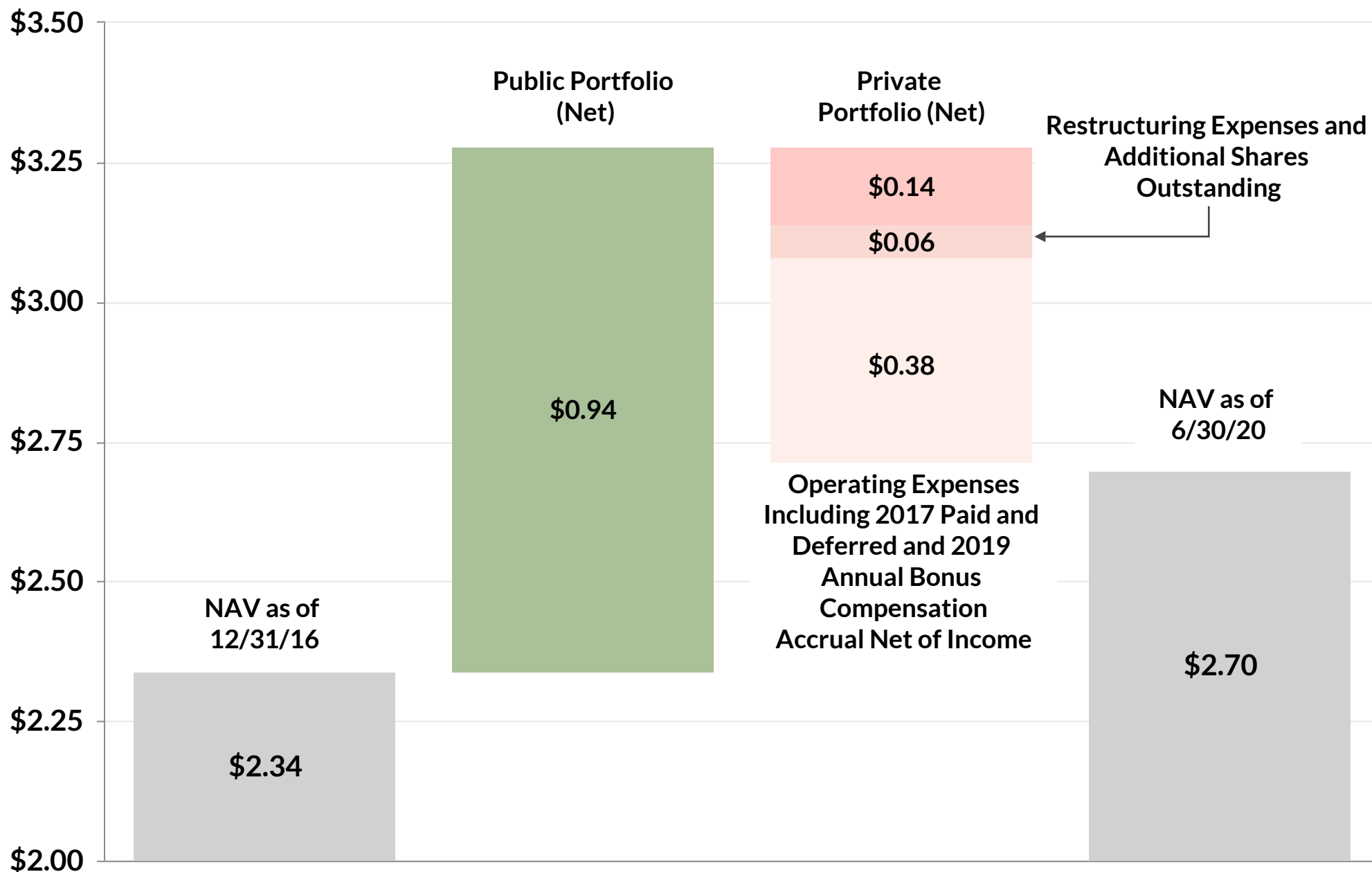


# Sources of Changes in Net Assets - Q4 2019 to Q2 2020



# Sources of Changes in Net Assets - Q4 2016 to Q2 2020

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Appreciation of MRSN pre-IPO to the IPO price is allocated to the private portfolio and post-IPO to the public portfolio. Interest write-off related to PWA included in private portfolio value change rather than change in income for this chart. Carried interest from TST SPV included in public portfolio results.

# Public Portfolio Performance in Q2 2020

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Ticker Symbol	Total Shares Owned on 3/31/20	Shares Purchased	Shares Sold	Total Shares on 06/30/20	IPO PPS / PPS @ 03/31/20	Avg. Purchase PPS	Avg. Sale PPS	PPS on 6/30/20	Gross Investment / Value @ 03/31/20	Cash Invested	Cash Received From Sales	Value @ 06/30/20	Value + Cash Received	Total Net Change	% Change
ALTG	495,560	104,340	41,272	558,628	\$4.27	\$4.61	\$8.73	\$7.77	\$2,116,041	\$481,305	\$360,272	\$4,340,540	\$4,700,812	\$2,103,466	81.0%
ALTG/WS	150,000			150,000	\$0.599			\$1.0473	\$89,805			\$157,095	\$157,095	\$67,290	74.9%
EMKR	154,038		154,038		\$2.24		\$2.16		\$345,045		\$332,879		\$332,879	\$(12,166)	(3.5)%
FRG*	264,706		121,537	143,169	\$8.424		\$25.80	\$21.88	\$2,229,783		\$3,202,206	\$3,132,538	\$6,334,744	\$4,104,961	184.1%
ITI	370,600		370,600		\$3.20		\$4.53		\$1,185,920		\$1,680,253		\$1,680,253	\$494,333	41.7%
LTRX	1,129,402	86,269		1,215,671	\$1.96	\$3.03		\$3.71	\$2,207,981	\$261,664		\$4,510,139	\$4,510,139	\$2,040,494	82.6%
MVEN**	15,428,571			15,428,571	\$0.6043			\$0.4908	\$9,747,136			\$8,336,041	\$8,336,041	\$(1,411,094)	(14.5)%
PBPB	1,420,000	69,455		1,489,455	\$3.09	\$1.93		\$2.28	\$4,387,800	\$134,085		\$3,395,957	\$3,395,957	\$(1,125,928)	(24.9)%
QMCO	1,501,120	14,485		1,515,605	\$2.95	\$2.73		\$3.86	\$4,428,304	\$39,585		\$5,850,235	\$5,850,235	\$1,382,346	30.9%
SONM		5,901,547		5,901,547		\$0.75		\$0.8009		\$4,426,238		\$4,726,549	\$4,726,549	\$300,311	6.8%
SYNC***	1,708,501	12,387		1,720,888	\$1.02			\$1.13	\$1,792,494			\$1,988,283	\$1,988,283	\$195,789	10.9%
Other****									\$271,272	\$194,390	\$369,944	\$204,964	\$574,908	\$109,246	23.5%
Total Public Portfolio									\$28,801,581	\$5,537,266	\$5,945,553	\$36,642,341	\$42,587,895	\$8,249,048	
Public Portfolio Gross Total Return															23.9%

Note: Past performance is not an indication or guarantee of future performance. Amounts above are gross unrealized and realized returns. 180 Degree Capital Corp. is an internally managed registered closed end fund and does not have an external manager that is paid fees based on assets and/or returns. 180 also has approx. half of its investment portfolio in legacy privately held investments. Please see its filings with the SEC for information on its expenses and expense ratio.

\* FRG value includes approximately \$66,000 in dividend income.

\*\* 180 owns convertible preferred securities of MVEN that will convert into approx. 15.5 million shares of common stock upon amendment of MVEN's articles of incorporation. Value @ 6/30/20 includes approximately \$700,000 in accrued liquidated damages due for failure to file its financial statements with the SEC as of that date.

\*\*\* SYNC value includes unvested stock options and restricted stock units received for service on the company's board of directors.

\*\*\*\* "Other" refers to positions that have not yet been disclosed publicly and/or immaterial warrant positions.

- **Franchise Group (FRG): Increased by \$4.1 million (\$0.13/share) from PPS of \$8.424 to \$21.88 (159.7%)**
  - Provided business update in May 2020 that assuaged investor fears that the company was insolvent and/or at risk of bankruptcy.
  - Continued quarterly dividend of \$0.25/share
  - Raised gross proceeds of \$97.7 million in June 2020 @ \$23.25/share
  - Sold 121,537 shares during Q2 2020 at an average price per share of \$25.80
  - Stock is up 12.0% through July 31, 2020.
  
- **Alta Equipment Group (ALTG): Increased by \$2.1 million (\$0.07/share) from PPS of \$4.27 to \$7.77 (82.0%)**
  - ALTG provided investors with a useful framework to understand operating leverage in the company's business in the face of COVID-19-related impacts.
  - While business was impacted by stay-at-home orders, lifting of those orders in the second quarter led to quick recovery in certain markets (FL construction-related business) and slower, but meaningful recovery in rest of business. Warehouse business in IL was less impacted.
  - Announced and closed two acquisitions in quarter (logistics consulting company and NYC-focused dealership)
  - Purchased additional 104,340 shares during Q2 2020 at average price per share of \$4.61.
  - Sold 41,272 shares during Q2 2020 at average price per share of \$8.73.
  - Stock is down 2.2% through July 31, 2020.

- **Lantronix (LTRX): Increased by \$2.0 million (\$0.07/share) from PPS of \$1.96 to \$3.71 (89.8%)**
  - Reported record revenue for CYQ1 2020 / FYQ3 2020 despite supply chain and business disruptions due to COVID-19 pandemic.
  - Increasing strength in the company's remote connectivity solutions.
  - Continued additions of prior Microsemi employees to senior management team.
  - Purchased 86,269 shares during Q2 2020 at average price per share of \$3.03.
  - Stock is up 7.8% through July 31, 2020.
  
- **Quantum Corporation: Increased by \$1.4 million (\$0.04/share) from PPS of \$2.95 to \$3.86 (30.8%)**
  - Renegotiated covenants on outstanding debt that provided increased operating flexibility and reduced investor concern over default risk.
  - Hyperscaler customers returning to purchasing, albeit not at the same rate as prior to December 2019 pause.
  - Positives during the quarter were tempered by lower than expected guidance for CYQ2 2020, due primarily to delays in purchasing by media and entertainment customers.
  - Purchased 14,485 shares during the quarter at average price per share of \$2.73.
  - Stock is up 12.7% through July 31, 2020.

- **TheMaven (MVEN): Decreased by \$1.4 million (\$0.05) from \$0.6043 to \$0.4948 (-18.1%)**
  - Valued based on VWAP of at least 1% of outstanding shares traded and net of additional accrued partial liquidating damages of +\$276,000.
  - COVID pandemic shut down sports, reduced advertising spend and continues to materially impact MVEN's business. Currently believe advertising spend hit bottom in mid Q2 2020 and is slowly recovering.
  - 180 joined MVEN's board as an observer during the quarter.
  - Stock 1%-trading volume VWAP is up 11.7% from 1%-trading VWAP through July 31, 2020.
- **Potbelly Corporation (PBPB): Decreased by \$1.1 million (\$0.04/share) from \$3.09 to \$2.28 (-26.2%)**
  - Q1 2020 earnings call gave impression to investors that the company was headed for bankruptcy as a negotiating tactic with its landlords. The company attempted to clarify its operating position in subsequent release and presentation.
  - 180 purchased additional shares for 180 and separately managed account and became largest reporting shareholder of the company at a combined ownership of 8.58%.
  - 180 filed a 13D on June 29, 2020, noting its ownership and the poor performance of the company under its CEO, while commending the actions of the board to bring restaurant experience onto the management team and board.
  - New CEO with deep restaurant experience announced on July 20, 2020.
  - Purchased 69,455 shares during the quarter at average purchase price of \$1.93/share.
  - Stock is up 53.5% through July 31, 2020.
- **Synacor (SYNC): Increased by \$195.8k (\$0.01/share) from \$1.02 to \$1.13 (10.8%)**
  - SYNC and QUMU jointly announced termination of merger agreement.
  - Kevin became interim chairperson of the SYNC board during the quarter.
  - Stock is up 3.5% through July 31, 2020.

# Public Portfolio Performance in YTD to Q2 2020

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Ticker Symbol	Total Shares Owned on 12/31/19	Shares Purchased	Shares Sold	Total Shares on 06/30/20	IPO PPS / PPS @ 12/31/19	Avg. Purchase PPS	Avg. Sale PPS	PPS on 6/30/20	Gross Investment / Value @ 12/31/19	Cash Invested	Cash Received From Sales	Value @ 06/30/20	Value + Cash Received	Total Net Change	% Change
ALTG		599,900	41,272	558,628		\$7.86	\$8.73	\$7.77		\$4,712,281	\$360,272	\$4,340,540	\$4,700,812	\$(11,469)	(0.2)%
ALTG/WS		150,000		150,000		\$1.49		\$1.0473		\$222,879		\$157,095	\$157,095	\$(65,784)	(29.5)%
EMKR	652,508	17,400	669,908		\$3.04	\$3.17	\$2.89		\$1,983,624	\$55,158	\$1,938,922		\$1,938,922	\$(99,860)	(4.9)%
FRG		264,706	121,537	143,169		\$17.00	\$25.80	\$21.88		\$4,500,003	\$3,202,206	\$3,132,538	\$6,334,744	\$1,834,741	40.8%
IOTS	197,392		197,392		\$8.50		\$12.42		\$1,677,832		\$2,451,554		\$2,451,554	\$773,722	46.1%
ITI	370,600		370,600		\$4.99		\$4.53		\$1,849,294		\$1,680,253		\$1,680,253	\$(169,041)	(9.1)%
LTRX	952,042	263,629		1,215,671	\$3.55	\$2.41		\$3.71	\$3,379,749	\$636,463		\$4,510,139	\$4,510,139	\$493,927	12.3%
MRSN	100,000		100,000		\$5.73		7.35		\$573,000		\$734,820		\$734,820	\$161,820	28.2%
MVEN*	15,428,571			15,428,571	\$0.66			\$0.4948	\$10,266,323			\$8,336,041	\$8,336,041	\$(1,930,281)	(18.8)%
PBPB	1,122,049	367,406		1,489,455	\$4.22	\$3.70		\$2.28	\$4,735,047	\$1,360,800		\$3,395,957	\$3,395,957	\$(2,699,890)	(44.3)%
QMCO	1,723,000	76,705	284,100	1,515,605	\$7.42	\$3.27	\$7.50	\$3.86	\$12,784,660	\$250,713	\$2,132,129	\$5,850,235	\$7,982,364	\$(5,053,009)	(38.8)%
SONM		5,901,547		5,901,547		\$0.75		\$0.8009		\$4,426,238		\$4,726,549	\$4,726,549	\$300,311	6.8%
SYNC**	1,611,882	109,006		1,720,888	\$1.52	\$0.90		\$1.13	\$2,525,959	\$97,867		\$1,988,283	\$1,988,283	\$(635,543)	(24.2)%
TST***	4,715,218		4,715,218				\$0.01		\$21,218		\$49,834		\$49,834	\$28,616	134.9%
Other****									\$4,153	\$1,078,166	\$369,944	\$204,964	\$574,908	\$(507,411)	(46.9)%
Total Public Portfolio									\$39,800,859	\$17,340,568	\$12,919,933	\$36,642,341	\$49,562,275	\$(7,579,151)	
Public Portfolio Gross Total Return															(14.3)%

Note: Past performance is not an indication or guarantee of future performance. Amounts above are gross unrealized and realized returns. 180 Degree Capital Corp. ("180") is an internally managed registered closed end fund and does not have an external manager that is paid fees based on assets and/or returns. 180 also has more than 50 percent of its investment portfolio in legacy privately held investments. Please see its filings with the SEC for information on its expenses and expense ratio.

\* 180 owns convertible preferred securities of MVEN that will convert into 15.5 million shares of common stock upon amendment of MVEN's articles of incorporation.

\*\* 180 also holds stock options to purchase 65,000 shares of Synacor and 10,072 restricted stock units, all received for board compensation.

\*\*\* TST completed a 10-for-1 reverse split and a distribution of \$17.70 per post-split share on April 22, 2019 and additional distributions in August 2019 and February 2020. No shares of TST were sold during the period and inclusion in the sale column is to indicate the completion of the investment following the final distribution. Cash received from sales includes \$4,640 of realized carried interest from TST SPV in the period.

\*\*\*\* "Other" refers to positions that have not yet been disclosed publicly, ETF option trades and/or immaterial warrant positions.

# Public Portfolio Performance in End Q4 2016 to Q2 2020

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Ticker Symbol	Total Shares Owned on 12/31/16	Shares Purchased	Shares Sold	Total Shares on 07/31/20	IPO PPS / PPS @ 12/31/16	Avg. Purchase PPS	Avg. Sale PPS	PPS on 7/31/20	Gross Investment / Value @ 12/31/16	Cash Invested	Cash Received From Sales	Value @ 07/31/20	Value + Cash Received	Total Net Change	% Change	Gross IRR
AIRG		256,282	256,282			\$9.04	\$13.31			\$2,315,666	\$3,411,635		\$3,411,635	\$1,095,970	47.3%	71.7%
ALTG		621,200	41,272	579,928		\$7.82		\$7.60		\$4,854,767	\$360,272	\$4,407,453	\$4,767,725	\$(87,042)	(1.8)%	(4.3)%
ALTG/WS		150,000		150,000		\$1.49		\$1.41		\$222,879		\$211,485	\$211,485	\$(11,394)	(5.1)%	(10.8)%
EMKR		721,408	721,408			\$4.69	\$3.18			\$3,385,427	\$2,291,450		\$2,291,450	\$(1,093,977)	(32.3)%	(25.5)%
ENUM	7,966,368		7,966,368		\$0.13		\$0.01		\$1,035,628		\$87,041		\$87,041	\$(948,587)	(91.6)%	(98.4)%
FRG		264,706	149,403	115,303		\$17.00		\$24.50		\$4,500,003	\$3,950,368	\$2,824,924	\$6,775,291	\$2,275,288	50.6%	239.7%
HEAR		285,714	285,714			\$3.50	\$17.13			\$1,000,000	\$4,893,675		\$4,893,675	\$3,893,675	389.4%	>2000%
IMI		2,799,054	2,799,054			\$1.03	\$1.16			\$2,876,888	\$3,235,135		\$3,235,135	\$358,247	12.5%	51.9%
IOTS	1,769,868	537,404	2,307,272		\$1.85	\$5.24	\$9.04		\$3,274,256	\$2,814,308	\$20,847,976		\$20,847,976	\$14,759,413	242.4%	168.1%
ITI		597,186	597,186			\$4.36	\$4.85			\$2,604,884	\$2,894,367		\$2,894,367	\$289,483	11.1%	14.6%
LTRX		1,215,671		1,215,671		\$3.19		\$4.00		\$3,882,558		\$4,862,684	\$4,862,684	\$980,126	25.2%	19.9%
MRSN	294,554	84,438	378,992		\$15.00	\$9.29	9.28		\$4,418,310	\$784,666	\$3,516,758		\$3,516,758	\$(1,686,218)	(32.4)%	(20.9)%
MVEN		15,428,571		15,428,571		\$0.52		\$0.55		\$8,000,000		\$9,258,277	\$9,258,277	\$1,258,277	15.7%	14.8%
PBPB		1,489,455		1,489,455		\$4.16		\$3.50		\$6,195,901		\$5,213,093	\$5,213,093	\$(982,808)	(15.9)%	(22.8)%
PCTI		447,310	447,310			\$4.52	\$6.95			\$2,019,605	\$3,108,615		\$3,108,615	\$1,089,010	53.9%	1,020.0%
PDLI		500,000	500,000			\$2.37	\$2.99			\$1,183,826	\$1,493,632		\$1,493,632	\$309,805	26.2%	211.1%
QMCO		2,180,896	665,291	1,515,605		\$2.64	\$6.57	\$4.35		\$5,766,885	\$4,369,508	\$6,592,882	\$10,962,390	\$5,195,505	90.1%	117.1%
SONM		6,045,229		6,045,229		\$0.75		\$0.95		\$4,541,166		\$5,740,549	\$5,740,549	\$1,199,383	26.4%	371.1%
SYNC		1,730,960		1,730,960		\$2.57		\$1.17		\$4,447,375		\$2,025,223	\$2,025,223	\$(2,422,152)	(54.5)%	(23.2)%
TST		4,715,218	4,715,218			\$1.04	\$2.56			\$4,914,626	\$12,065,805		\$12,065,805	\$7,151,179	145.5%	76.2%
USAK		262,165	262,165			\$6.68	\$14.13			\$1,749,985	\$3,705,596		\$3,705,596	\$1,955,612	111.8%	529.5%
Other									\$108,456	\$2,875,875	\$1,505,907	\$947,597	\$2,453,504	\$(530,827)	(17.8)%	(94.4)%
Total Public Portfolio									\$8,836,650	\$70,937,290	\$71,737,740	\$42,084,167	\$113,821,906	\$34,047,968		
Public Portfolio Gross Total Return															197.4%	35.5%

Note: Past performance is not an indication or guarantee of future performance. Amounts above are gross unrealized and realized returns. 180 Degree Capital Corp. ("180") is an internally managed registered closed end fund and does not have an external manager that is paid fees based on assets and/or returns. 180 also has a material portion of its investment portfolio in legacy privately held investments. Please see its filings with the SEC for information on its expenses and expense ratio. Portfolio company specific notes:

- MRSN: Completed an IPO in June 2017 at \$15.00. This analysis measures the performance of MRSN stock using the IPO price as the starting value. MRSN was an investment of 180 as a privately held company.

- MVEN: 180 owns convertible preferred securities of MVEN that will convert into 15 million shares of common stock upon amendment of MVEN's articles of incorporation. MVEN value includes \$701,000 in partial liquidated damages owed to 180 as of June 30, 2020.

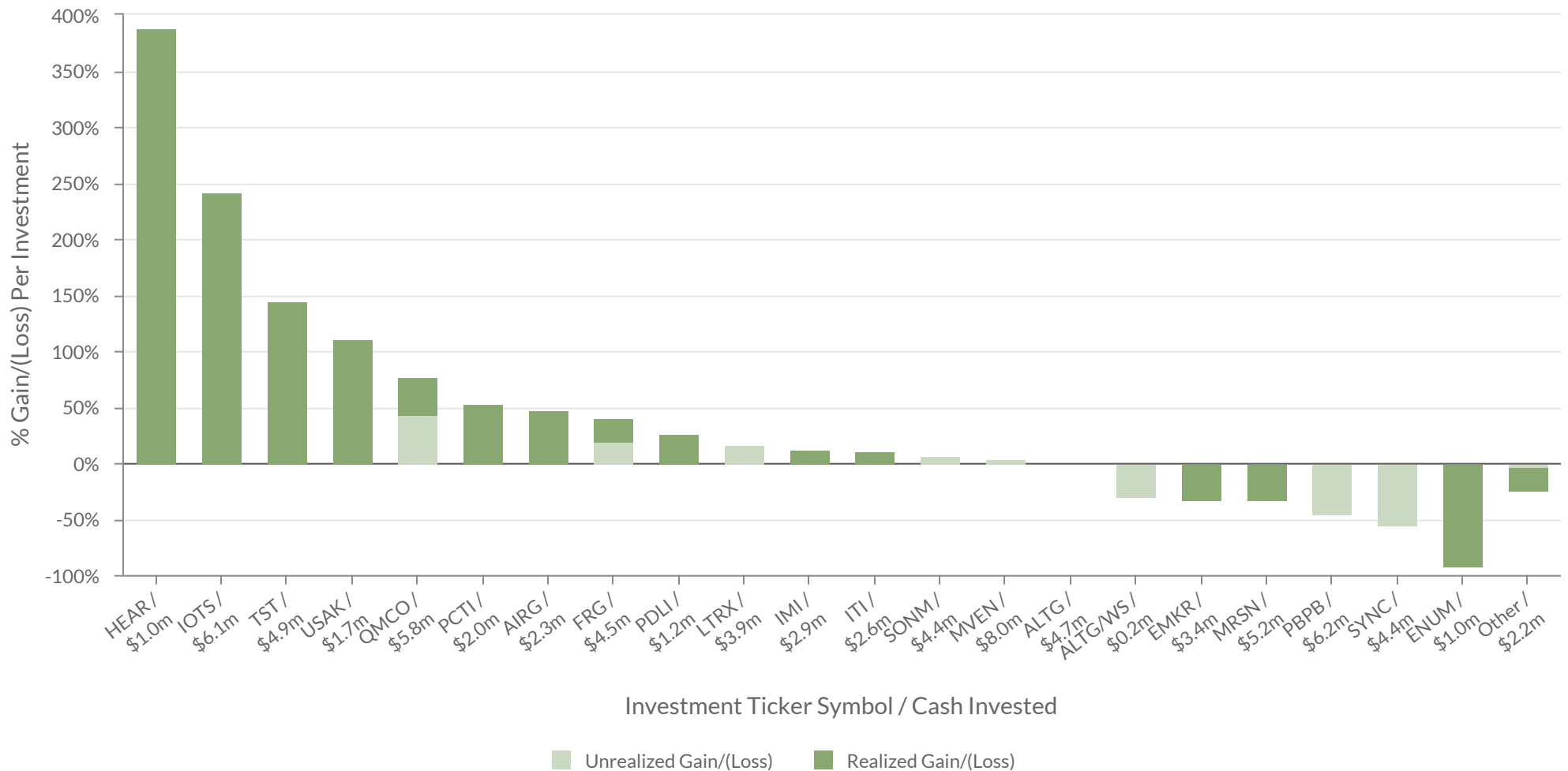
- TST: Completed a distribution of \$1.77 per post-split share on April 22, 2019 and additional distributions in August 2019 and February 2020. No shares of TST were sold during the period and inclusion of the shares in the sold column represents the close out of the investment following the final distribution. Cash received from sales includes \$638,000 of realized carried interest from TST SPV Series.

- "Other" refers to positions that have not yet been disclosed publicly, ETF option trades and/or immaterial warrant positions.



# 180 Historical Individual Investment Performance

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Note: Past performance is not an indication or guarantee of future performance. Amounts above are net unrealized and realized returns per investment and do not include allocation of expenses or other items. Investments shown include all publicly traded investments managed by the current management of 180 since the company's business transition in 2017 to investing in publicly traded companies. The starting value for any publicly traded investments as of the beginning of 2017 that are included in the return calculations are as of that starting date. Realized portion of the returns include dividends received, if any.

- TST realized return includes \$638,000 of realized carried interest from TST SPV.
- MVEN unrealized gain includes \$700,000 in accrued partial liquidated damages plus interest due for not being up to date with filings with the SEC.
- MRSN completed an IPO in June 2017 at \$15.00. This analysis measures the performance of MRSN stock using the IPO price as the starting value. MRSN was an investment of 180 as a privately held company.
- "Other" refers to positions that have not yet been disclosed publicly, ETF option trades and/or immaterial warrant positions.
- Cash invested amounts include values of IOTS (\$3.3m) and ENUM (\$1.0m) as of December 31, 2016, and MRSN at IPO (\$4.4m) plus additional capital invested, if applicable.

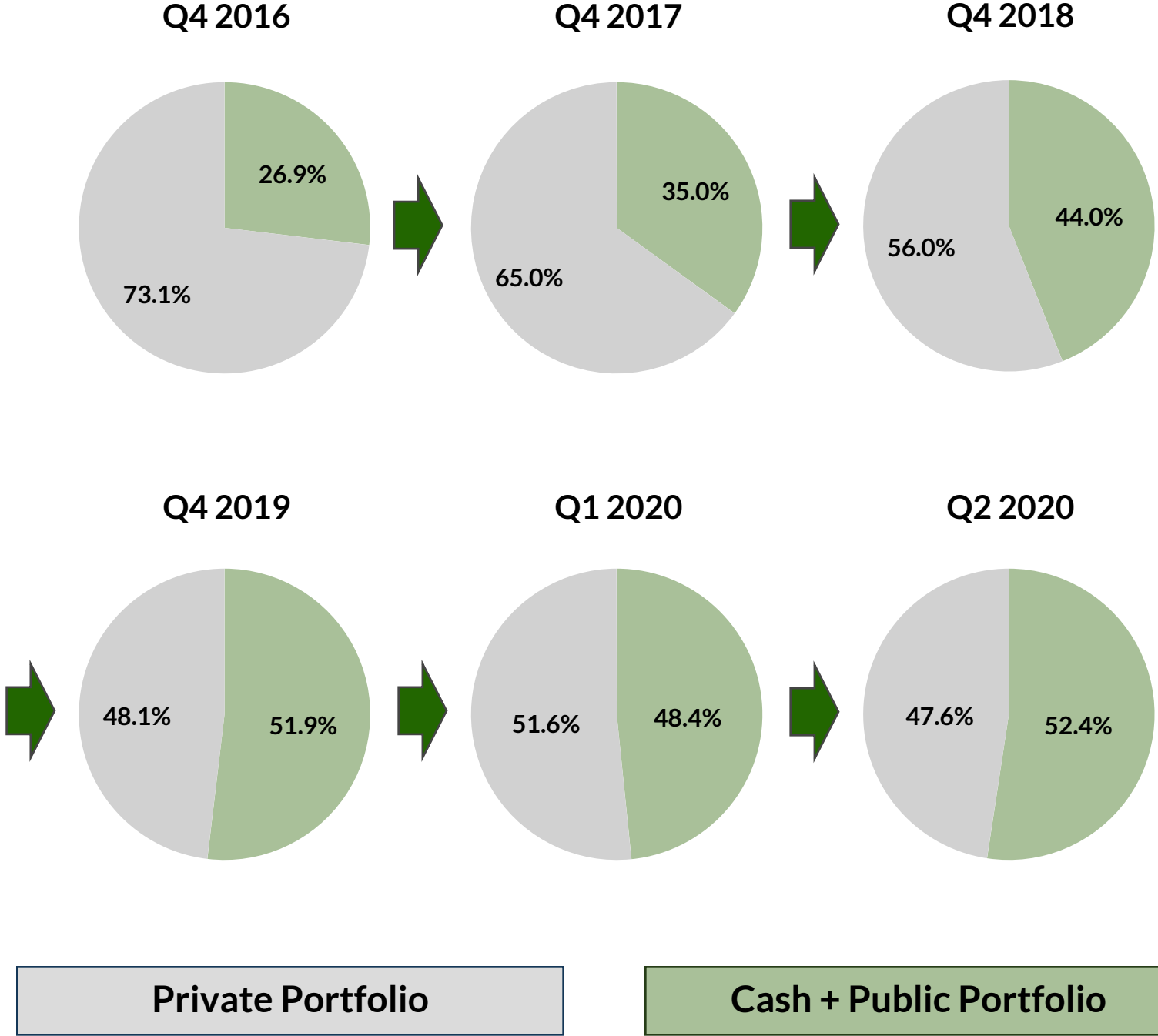
# Public Portfolio Gross Total Return and NAV vs. Market Indices

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	Quarter	YTD	1 Year	3 Year	Inception to Date
	Q2 2020	Q4 2019- Q2 2020	Q2 2019- Q2 2020	Q2 2017- Q2 2020	Q4 2016-Q2 2020
<b>TURN Public Portfolio Gross Total Return</b>	<b>23.9%</b>	<b>(14.3%)</b>	<b>18.2%</b>	<b>121.8%</b>	<b>166.2%</b>
<b>Change in NAV</b>	<b>27.4%</b>	<b>(11.8%)</b>	<b>(4.3%)</b>	<b>10.7%</b>	<b>15.4%</b>
Russell Microcap Index	30.5%	(11.2%)	(4.8%)	2.6%	7.0%
Russell Microcap Value Index	22.7%	(21.4%)	(14.9%)	(8.8%)	(6.4%)
Russell 2000	25.4%	(13.0%)	(6.7%)	6.1%	11.4%

Note: Past performance is not an indication or guarantee of future performance. Amounts above are gross total returns. 180 Degree Capital Corp. ("180") is an internally managed registered closed-end fund and does not have an external manager that is paid fees based on assets and/or returns. 180 also has a material portion of its investment portfolio in legacy privately held investments and these privately held investments generate expenses that would otherwise not be incurred by 180. Please see its filings with the SEC for information on its expenses and expense ratios. Total returns are calculated compounding quarterly, as applicable.

# Cash + Public vs. Private Portfolio Percentages



- Public portfolio increased in value by \$11.0 million (+24.6%), or \$0.35/share from end of Q2 2020 through August 10, 2020.
  - During same period, Russell Microcap is +10.2% and Russell Microcap Value is 8.8%.
  - For the year, our public portfolio is **+3.4 million (+6.8%), or +\$0.11/share.**
  - Largest increases value:
    - PBPB: \$2.8m (\$0.09/share), QMCO: \$2.3m (\$0.07/share), SONM: \$1.7m (\$0.06/share), LTRX: \$1.5m (\$0.05share), MVEN: \$1.2m (\$0.04/share), FRG: \$550k (\$0.02/share)
  - Largest declines in value:
    - ALTG: -\$18k (<\$0.01/share)
- Separately managed account increased in value by \$4.1 million (+16.3%) from end of Q2 2020 through August 10, 2020.

Note: All amounts above may change materially by the end of the third quarter of 2020.

## SONM Company Profile

Sonim Technologies Inc. (NASDAQ: SONM) is a communications company that provides rugged cellular phones and accessories specifically designed for workers who are physically engaged in their environments and often in mission-critical roles. These workers are typically in industrial/public sector enterprises operating across the construction, energy, utility, hospitality, logistics, manufacturing, public safety and transportation sectors.

SONM's business is divided into three product categories: smartphones (XP6, XP7, XP8), feature phones (XP3, XP5, XP5s), and accessories. SONM's products are generally sold to end customers by wireless carriers often on a subsidized basis. SONM generates over 90% of its revenues in the US and Canada.

Primary competitors in the rugged handset market include Samsung, Kyocera, Bullitt Group Ltd. (provider of CAT branded rugged phones).

SONM's began restructuring efforts in September 2019 following the appointment of a new CEO and CFO. Forward looking guidance was suspended until these restructuring efforts are complete and visibility improves following the COVID-19 pandemic.

**Recent financial summary:** On a consolidated basis, revenue declined 52% from \$26.5 million in Q1 2019 to \$12.7 million in Q1 2020. Smartphone sales decreased 44% on a YoY basis, and feature phone demand similarly fell by 30%. Smartphone and feature phones comprised 30% and 70% respectively of the 47k units sold during the quarter. SONM's consolidated gross profit fell 76% from \$9.0 million (34% gross margin) in Q1 2019 to \$2.2 million (17% gross margin) in Q1 2020.

Note: Actual results may be materially different. The information is included for illustration purposes only.

## Investment Thesis

**Familiarity with SONM's CEO:** Kevin Rendino's prior fund, RGJ Capital, was a significant shareholder in Xplore Technologies Corporation ("XPLR"), the prior company of SONM's new CEO, Tom Wilkinson. Under Tom's leadership, XPLR's business was dramatically improved and the company was ultimately acquired. 180 has confidence in Tom's abilities as an executive to engineer a similar turnaround at SONM.

**Clean-Up of Balance Sheet:** The loans outstanding to B. Riley Principal Investments, LLC created substantial uncertainty as to the viability of the current business and prevented the company from investing in next-generation mobile devices and connectivity platforms. 180 believes removal of this debt overhang could unlock value in the near term by cleaning up the company's balance sheet and the long-term by enabling the company to invest in its future products.

**Low Entry Valuation Provides Margin of Safety:** 180's investment at \$0.75 per share equates to an EV/TTM revenues of <0.2x. XPLR, a good comparable publicly traded company, was acquired at approximately 1x EV/TTM revenues.

**First Responder Connectivity Increasingly Important:** The recent COVID-19 pandemic as well as other domestic and global events place additional importance on connectivity in all environments. This secular trend could provide meaningful growth opportunities for SONM.

## Timeline of 180 Involvement in SONM

**August 2018:** Introduced to SONM as a private company evaluating options to aid in removal of a right of first refusal for acquisition by one of its investors, including a public offering. 180 passed on investing in the round of financing.

**May - September 2019:** Technical and software issues with SONM's devices, carrier agreement delays, and mismanaged sales delivery timing resulted in revised guidance and decline of SONM's stock to ~\$3 per share from a peak of ~\$18 per share in June.

**September 2019:** SONM hires Tom Wilkinson as CEO and Bob Tirva as CFO.

**April - June 2020:** 180 and SONM actively explored financing solutions to resolve debt overhang and provide growth capital.

**June 2020:** 180 anchors public offering of 36.8 million common shares at \$0.75 per share that raised gross proceeds of \$27.6 million. An additional 8.3 million shares were issued in exchange for conversion of 60% of the outstanding debt and \$4 million was repaid in cash. SONM now has a clean balance sheet with no debt and substantial capital resources to fund development of its next-generation devices.

## SONM Trading History and Key Events



# New Core Level 3 Position: Sonim Technologies, Inc. (SONM)

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## Offering and Conversion Terms

Q2 Beginning Cash Balance	\$12.36
<b>Offering Terms</b>	
EWB Facility Draw Down	\$0.00
Shares Issued- Offering (m)	32
Offering Price Per Share	\$0.75
Offering Gross Cash Proceeds	\$24.00
Greenshoe Shares (m)	4.8
Greenshoe Price Per Share	\$0.75
Greenshoe Gross Cash Proceeds	\$3.60
Underwriting Fees per Share	\$0.045
Underwriting Discount / Commis. Fees	\$1.66
Other Underwriting Fees	\$0.85
Total Underwriting Fees	\$2.51
<b>Total Net Cash Proceeds</b>	<b>\$25.09</b>
<b>Total Shares Issued (m)</b>	<b>36.8</b>

## Debt Conversion

B Riley Convertible Note Face Value	\$10.26
Principal Pay Down	\$4.00
Face Value Post Pay Down	\$6.26
Remaining Note Converted (%)	100%
Conversion Price per Share	\$0.75
Ending Note Face Value	\$0.00
<b>Shares Issued- Note Conv. (m)</b>	<b>8.34</b>

## Cash Position

Post-Offering Pro Forma Cash Balance	\$33.46
Q2 Pro Forma Change in Cash	(\$6.20)
<b>Q2 Pro Forma Ending Cash Balance</b>	<b>\$27.26</b>
Cash Reserved for Legal Settlement	(\$5.00)
Cash Reserved for 5G Project	\$0.00
<b>Q2 Pro Forma Ending Cash Balance, Net of Reserves</b>	<b>\$22.26</b>

## Share Count

Total Shares Out- Pre-Offering	20.81
Total Shares Issued in Offering + Conversion	45.14
<b>Total Shares Out- Post-Offering</b>	<b>65.95</b>
New Shareholder Ownership (%)	68.45%

## Valuation Estimates

	Q2 Pre-Deal 2020E	Q2 Post-Deal 2020E	FY 2020E
Price Per Share	\$0.83	\$0.75	\$1.13
Total Shares	20.81	65.95	65.95
<b>Market Cap</b>	<b>\$17.28</b>	<b>\$49.46</b>	<b>\$74.79</b>
Debt	\$9.96	\$0.00	
Cash	\$12.36	\$33.46	
<b>EV</b>	<b>\$14.88</b>	<b>\$16.01</b>	<b>\$41.33</b>
TTM Sales	\$102.47	\$102.47	\$82.67
EV / TTM Sales	0.15x	0.16x	0.50x
EV / 2020 Sales	0.18x	0.19x	
TTM EBITDA	(14.71)	(14.71)	(10.18)
P / Sales	0.17x	0.48x	0.90x

\*Figures referenced reflect reported TTM figures as of end of Q1, with the exception of Cash / Debt items that are adjusted for deal terms

## Modeled PPS of SONM Stock Following Removal of Debt Overhang and Raise of Operating Capital Based on Multiple to Est. 2021 Revenues

EV / Sales Multiple Range		0.55x	0.70x	0.85x	1.00x	1.15x	1.30x	1.45x
FY 2021 Sales Estimates (\$ Millions)	\$70	\$1.09	\$1.25	\$1.41	\$1.57	\$1.73	\$1.89	\$2.05
	\$80	\$1.17	\$1.36	\$1.54	\$1.72	\$1.90	\$2.08	\$2.27
	\$90	\$1.26	\$1.46	\$1.67	\$1.87	\$2.08	\$2.28	\$2.49
	\$100	\$1.34	\$1.57	\$1.80	\$2.02	\$2.25	\$2.48	\$2.71
	\$110	\$1.42	\$1.67	\$1.92	\$2.18	\$2.43	\$2.68	\$2.93
	\$120	\$1.51	\$1.78	\$2.05	\$2.33	\$2.60	\$2.87	\$3.15
	\$130	\$1.59	\$1.89	\$2.18	\$2.48	\$2.77	\$3.07	\$3.37
	\$140	\$1.67	\$1.99	\$2.31	\$2.63	\$2.95	\$3.27	\$3.59

Note: Actual results may be materially different. Terms and figures below reflected as of offering date (06/09/2020). The information is included for illustration purposes only.

Top Ten Active Private Portfolio Companies by Value	
Portfolio Company	Value as of 6/30/20
AgBiome, LLC	\$13,235,474
TARA Biosystems, Inc.	\$3,060,048
Essential Health Solutions, Inc.	\$2,860,427
ORIG3N, Inc.	\$2,683,783
HALE.life Corporation	\$2,452,681
Nanosys, Inc.	\$1,806,169
EchoPixel, Inc.	\$1,795,092
DWSI Holdings, Inc. (formerly D-Wave Systems, Inc.)	\$1,235,956
Lodo Therapeutics Corporation	\$856,451
Accelerator IV-New York Corporation	\$679,446

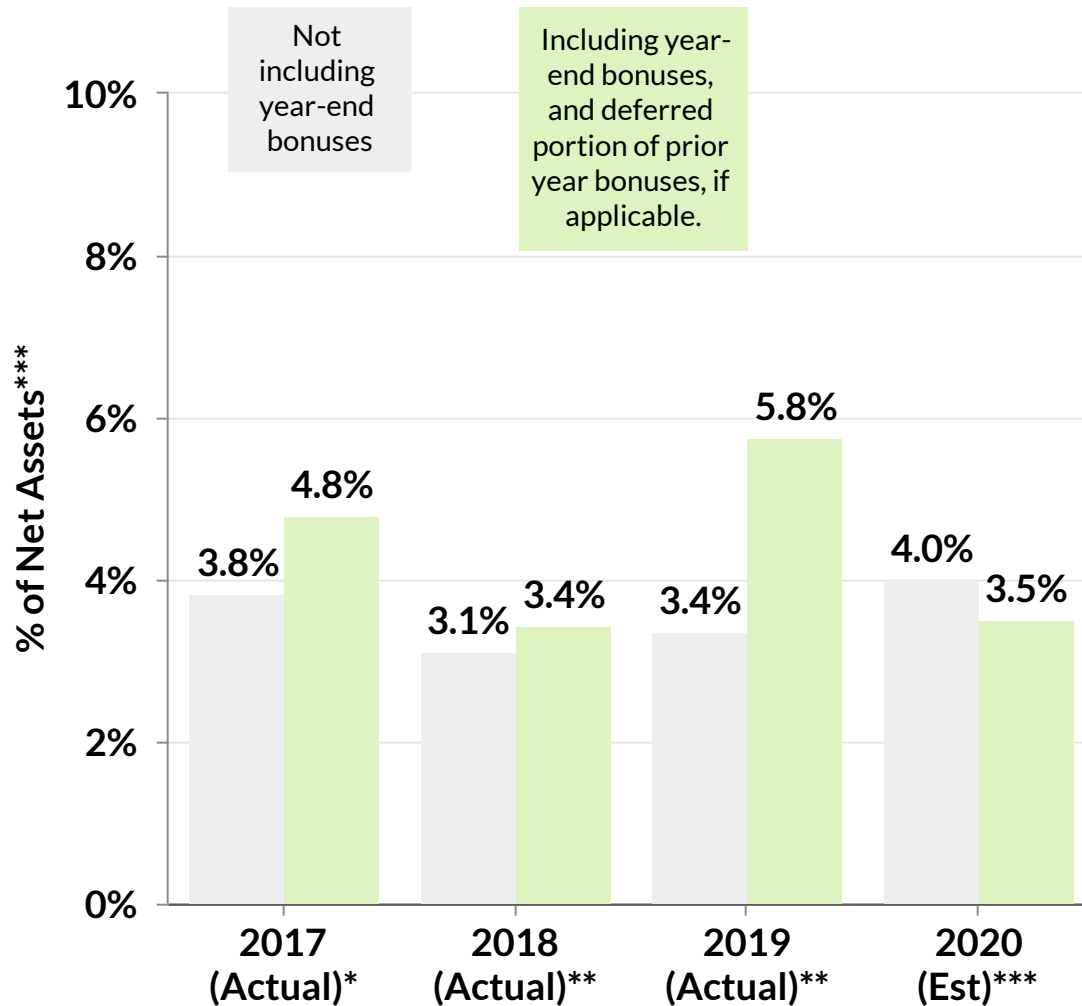
# Q2 2019 to Q2 2020 Actual Comparison

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Expenses	Q2 2019 Actual	Q2 2020 Actual	Difference	%
Total Personnel Related	\$358,927	\$414,231	\$55,304	15%
Total Admin & Ops Expenses	89,754	104,895	15,141	17%
Total Professional Fees	103,705	219,768	116,063	112%
Total Office Rent	57,531	6,837	(50,694)	(88)%
Total Insurance Expense	58,920	60,744	1,824	3%
Directors Fees	69,375	62,919	(6,456)	(9)%
Bank Custody	1,468	4,527	3,059	208%
Depreciation	1,263	1,273	10	1%
BD Expenses	23,347	18,291	(5,056)	(22)%
<b>Total Operating Expenses</b>	<b>\$764,290</b>	<b>\$893,485</b>	<b>\$129,195</b>	<b>17%</b>



# Day-to-Day Expense Ratio Comparison

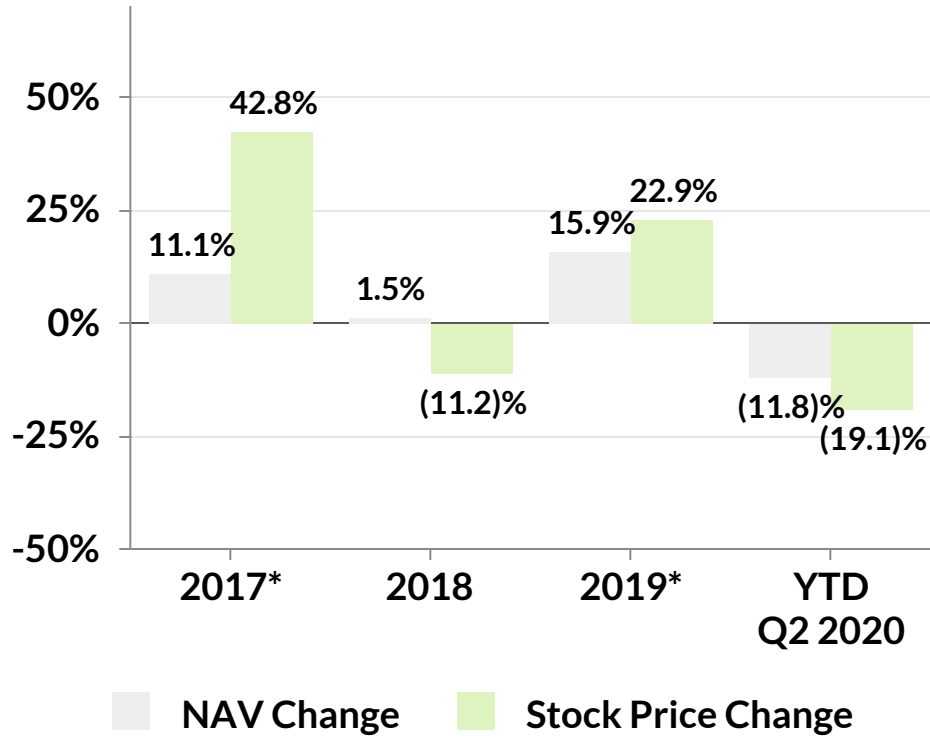


- Increase in expense ratios due substantially to decline in average net assets as of June 30, 2020 versus the end of 2019.
- No bonus accrual for 2020, and accrued portion of 2019 bonus (\$317k) reversed last quarter and is source of different in gray and green bars in 2020.

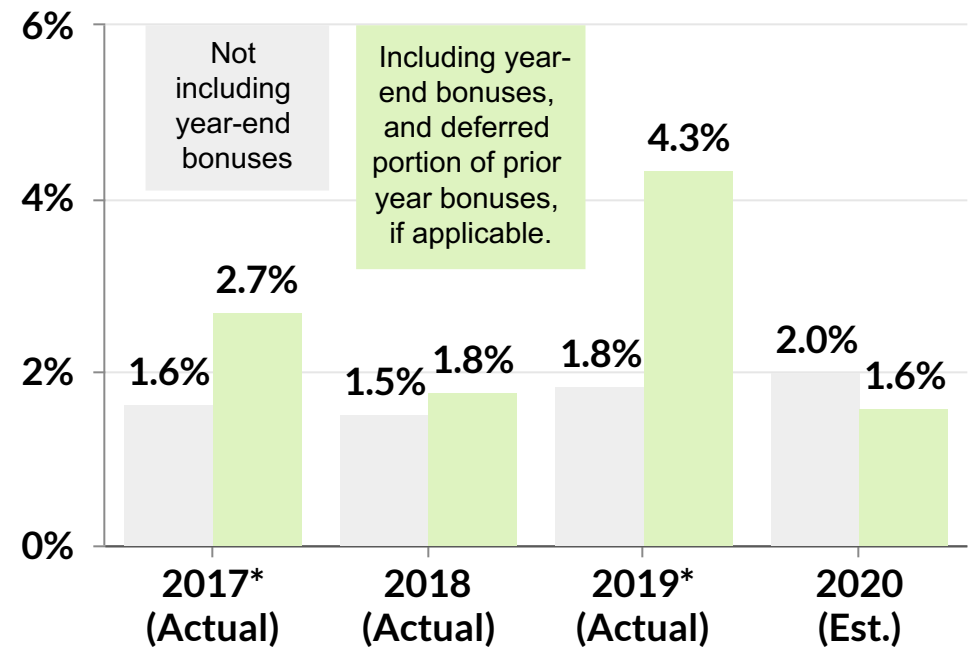
\* Is net of sublease income of \$135,000 and excludes one-time benefit of \$190,000 related to forfeited restricted stock in 2017 and \$1 million in restructuring expenses.

\*\* Is net of sublease income of approximately \$250,000 in each year, respectively.

\*\*\* Calculation based on average net assets and end of period assets, respectively, as of June 30, 2020. Actual end of year percentages may be materially different than those shown on this slide. The reversal of the 2019 deferred bonus accrual may be reinstated in a future period at the discretion of the Compensation Committee.



## Total Compensation as Percentage of Average Net Assets\*\*



\* Change in NAV and total compensation expense percent of NAV in 2017 and 2019 includes year-end bonuses of \$1.2 million and \$2.8 million, respectively, a portion of which will be deferred and payable based on board-defined metrics in subsequent two years. The deferred portion from 2017 was paid in full in 2018 and 2019.

\*\* Percentage excluding bonuses is based on average net assets during the year. Percentage including year-end bonuses is based on net assets at the end of each period.

There was no bonus in 2018. Half of deferred 2017 bonus is included in 2018 total compensation percentage and remainder is included in the 2019 percentages along with a total bonus pool of \$2.8 million for 2019. Of the \$2.8 million, approximately \$760,000 was deferred for payment over the subsequent two years. This accrual of \$317,000 was reversed as of March 31, 2020. This accrual may be reinstated in a future period at the discretion of the Compensation Committee. Estimated 2020 compensation as a percentage of assets may be materially different at the end of 2020.

	Based on Stock Price as of June 30, 2020	Based on Stock Price as of March 31, 2020
<b>Stock Price</b>	<b>\$1.74</b>	<b>\$1.3582</b>
Value of Publicly Traded Portfolio Companies Per Share*	\$1.18	\$0.9255
Cash Per Share**	\$0.25	\$0.1164
Net Other Non-Investment Assets Per Share	\$0.02	\$0.0173
Total Liabilities Per Share	\$(0.05)	\$(0.0509)
<b>Total Non-Private Portfolio Net Assets Per Share</b>	<b>\$1.40</b>	<b>\$1.0083</b>
<b>Remaining Per Share Value Ascribed to Private Portfolio</b>	<b>\$0.34</b>	<b>\$0.3499</b>
Private Portfolio Value Per Share	\$1.30	\$1.1128
<b>Effective Market Value Per Share / Value of Private Portfolio Per Share</b>	<b>26.2%</b>	<b>31.4%</b>

\* Includes accrued partial liquidating damages of approximately \$700,000 from MVEN, an increase of \$277,000 from the prior quarter.

\*\* Net of unsettled trades as of the end of each period.

	Based on Stock Price as of August 10, 2020	Based on Stock Price as of June 30, 2020	Based on Stock Price as of March 31, 2020
<b>Stock Price</b>	<b>\$1.895</b>	<b>\$1.74</b>	<b>\$1.3582</b>
Value of Publicly Traded Portfolio Companies Per Share*	\$1.53	\$1.18	\$0.9255
Cash Per Share**	\$0.25	\$0.25	\$0.1164
Net Other Non-Investment Assets Per Share	\$0.02	\$0.02	\$0.0173
Total Liabilities Per Share	\$(0.05)	\$(0.05)	\$(0.0509)
<b>Total Non-Private Portfolio Net Assets Per Share</b>	<b>\$1.75</b>	<b>\$1.40</b>	<b>\$1.0083</b>
<b>Remaining Per Share Value Ascribed to Private Portfolio</b>	<b>\$0.15</b>	<b>\$0.34</b>	<b>\$0.3499</b>
Private Portfolio Value Per Share	\$1.30	\$1.30	\$1.1128
<b>Effective Market Value Per Share / Value of Private Portfolio Per Share</b>	<b>11.5%</b>	<b>26.2%</b>	<b>31.4%</b>

\* Includes accrued partial liquidating damages of approximately \$700,000 from MVEN, an increase of \$277,000 from the prior quarter.

\*\* Net of unsettled trades as of the end of each period.

	Starting Measurement Values December 31, 2019	June 30, 2020
Stock Price	\$2.15	\$1.74
NAV / Share <sup>(1)</sup>	\$3.06	\$2.70
Cash + Public Portfolio Value <sup>(2)</sup>	\$51,225,377	\$44,575,343
Private Portfolio Value	\$47,548,264	\$40,486,250
Cash + Public Portfolio Value / Net Assets	53.8%	53.1%
Stock Price / NAV	70.3%	64.4%
Full Year Actual Expenses <sup>(3)</sup>	\$2,998,308	\$3,271,375
Additional Third-Party Capital Raised and Invested <sup>(4)</sup>	\$6,060,000	\$31,060,000

- (1) December 31, 2019, NAV/share includes accrual of deferred bonus compensation for management in 2017 and bonus compensation for 2019. The NAV/share as of June 30, 2020, does not include a bonus pool for management in 2020, nor any of the deferred portion of the 2019 bonuses.
- (2) Cash, net of unsettled trades.
- (3) Does not include potential annual bonus accruals for executives.
- (4) All of the capital invested in TST was returned through distributions and merger consideration in 2019 and release of final escrow in February 2020.

# 180° CAPITAL CORP



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