



# Value Creation Through Constructive Activism

Q1 2018 Financial Results and Shareholder Update Call

May 8, 2018

# Safe Harbor Statement



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.

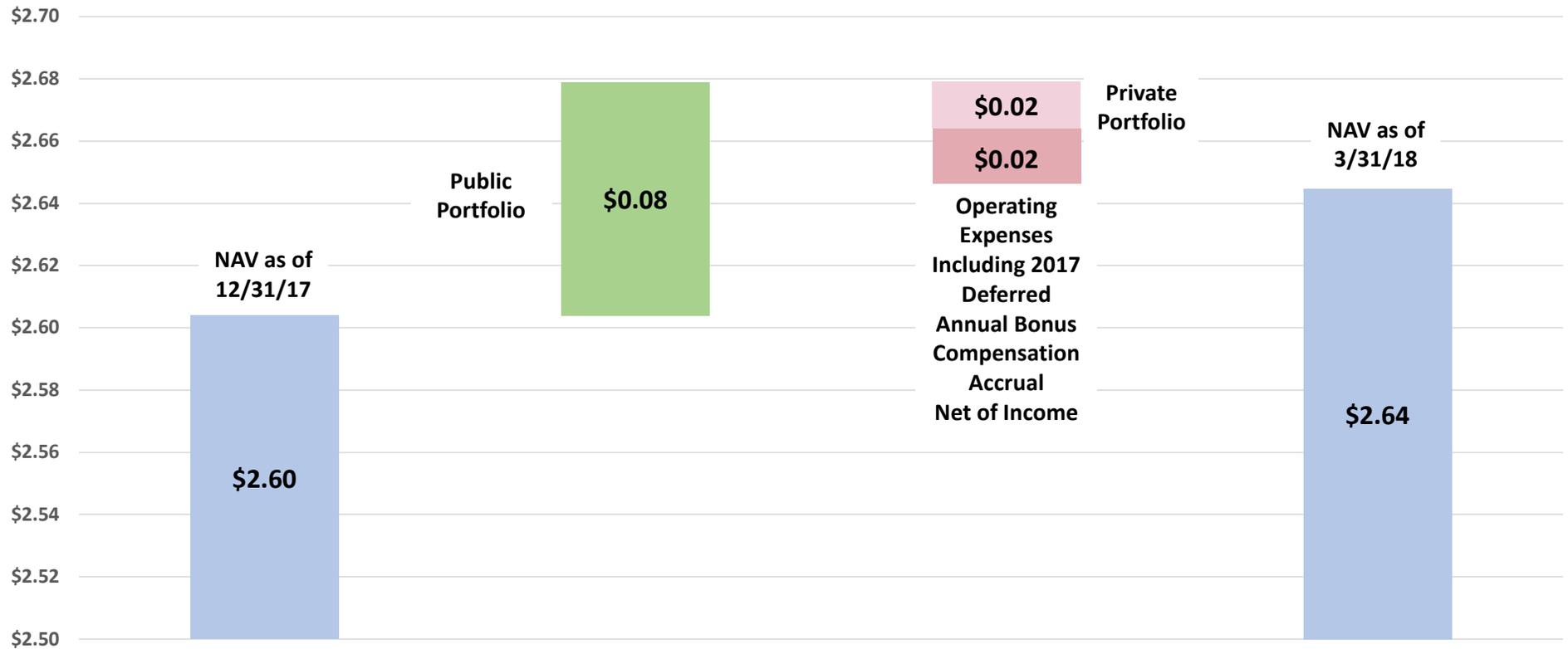
Please see the Company's filings with the Securities and Exchange Commission for a more detailed discussion of the risks and uncertainties associated with the Company's business, including but not limited to the risks and uncertainties associated with investing in privately held and publicly traded companies 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.

# Summary of Q4 2017 -> Q1 2018

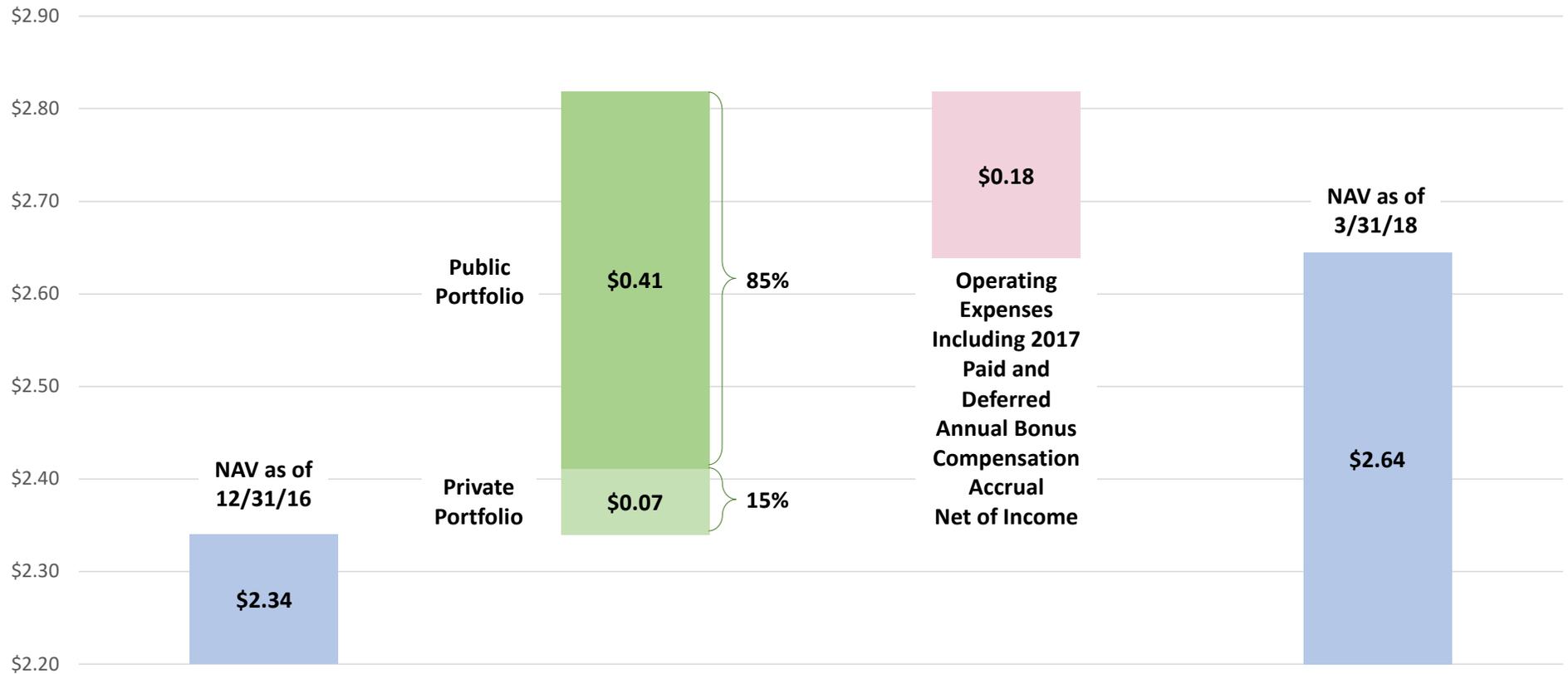


- Increases in NAV/share and cash + liquid securities; decreases in stock price and PPS/NAV:
  - NAV/Share: \$2.60 -> \$2.64 (+1.5%)
  - Stock Price: \$1.97 -> \$1.86 (-5.6%)
  - Stock Price/NAV: 75.8% -> 70.5%
  - Cash + Liquid Securities: \$27.7mm -> \$28.1mm (+1.4%)
- Portfolio notes
  - Public portfolio had net increase of \$2.36 million, \$0.08 per share or 9.7%, during the quarter led by Adesto and TheStreet and offset by Synacor and Mersana.
  - Private portfolio decreased by approximately \$450,000, or \$0.02 per share or 0.8%, led down by Essential Health Solutions and OPM-related adjustments.

# Source of Changes in Net Assets – Q4 2017 to Q1 2018



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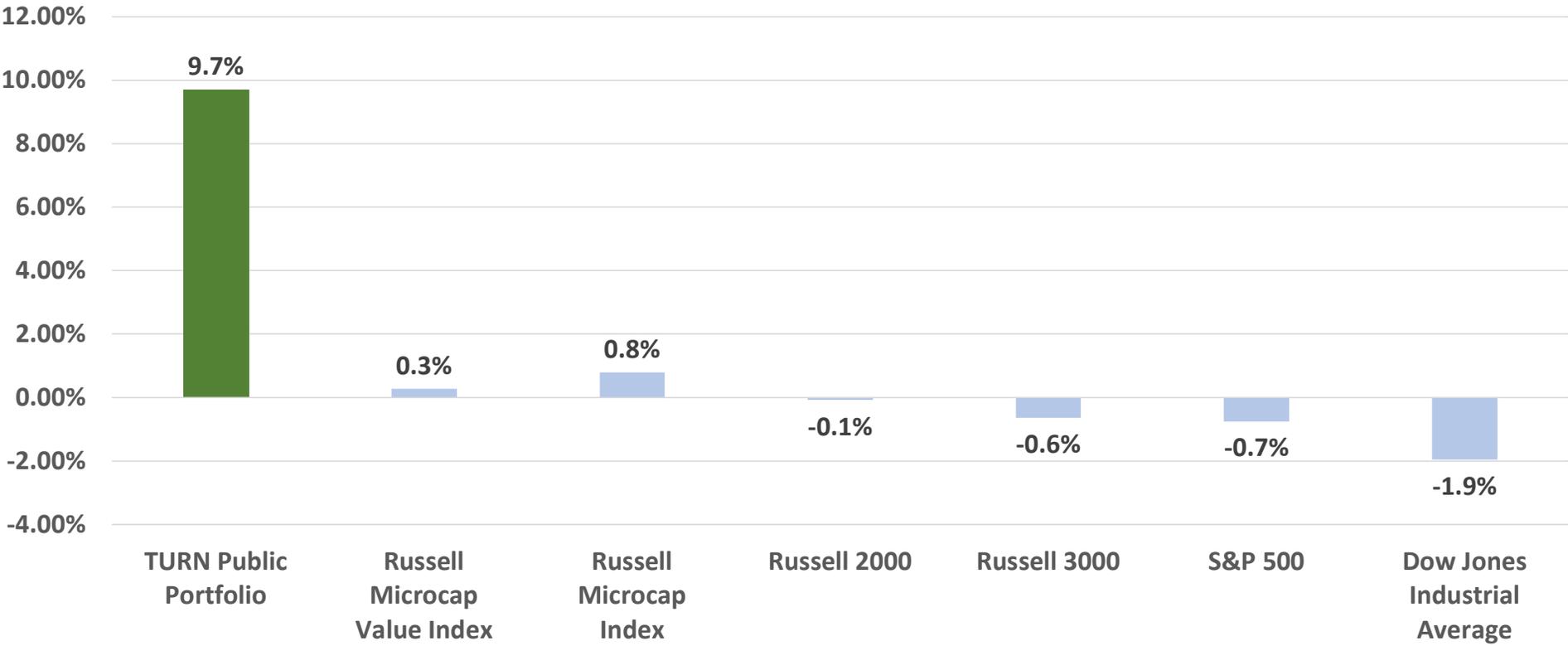
# Public Company Portfolio Performance in Q1 2018

	Total Shares Owned on 12/31/17	PPS/VPS on 12/31/17	Value as of 12/31/17	Shares (Sold) / Purchased Since 12/31/17	Avg. Price Per Share	Net Cash (Received) / Invested	PPS/VPS on 3/31/18	Value as of 3/31/18	Value + Cash Received	Change from 12/31/17	% Change
IOTS	1,539,983	\$6.45	\$9,932,890	(14,723)	\$7.55	(\$111,131)	\$7.40	\$11,286,924	\$11,398,055	\$1,465,165	14.8%
MRSN	294,557	\$16.43	\$4,839,522	*		(\$8,393)	\$15.77	\$4,645,117	\$4,653,510	(\$186,012)	(3.8%)
SYNC	1,180,200	\$2.30	\$2,714,460	125,000	1.81	\$226,430	\$1.60	\$2,088,320	\$1,861,890	(\$852,570)	(31.4%)
TST/TST PIPE	4,636,363	\$1.38	\$6,387,424			\$0	\$1.79	\$8,299,090	\$8,299,090	\$1,911,667	29.9%
HHS				*		\$2,822			(\$2,822)	(\$2,822)	*
EMKR	50,700	\$6.45	\$327,015	(50,700)	6.21	(\$348,336)			\$348,336	\$21,321	6.5%
<b>Total Public Portfolio</b>			<b>\$24,201,311</b>			<b>(\$238,608)</b>		<b>\$26,319,450</b>	<b>\$26,558,059</b>	<b>\$2,356,748</b>	<b>9.7%</b>

\* Indicates the same number of shares were purchased and sold during the quarter.

Note: TST PIPE shares were valued at 12/31/17 using a discount for lack of marketability owing to restrictions on transfer of unregistered shares purchased in PIPE transaction.

# 180's Public Portfolio Performance in Q1 2018 Versus Indices



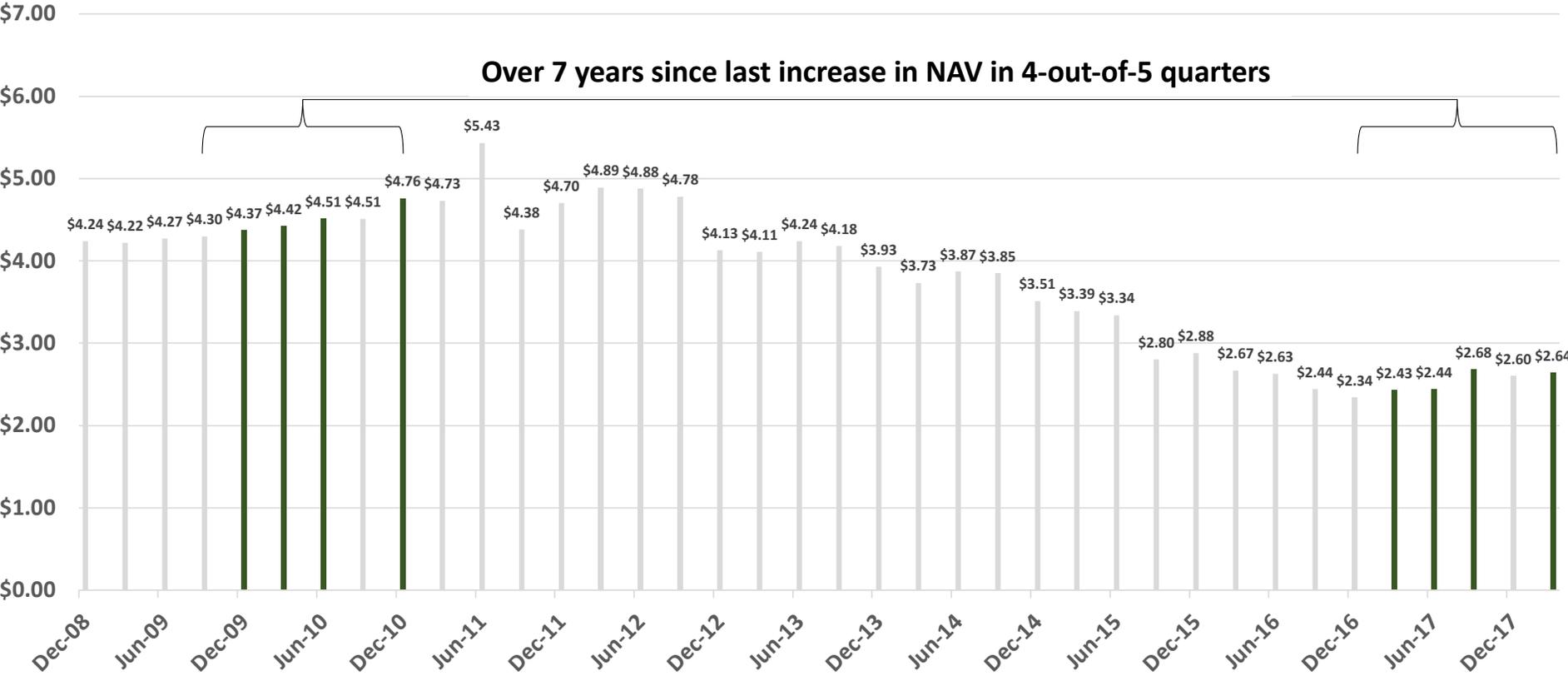
# Scorecard as of March 31, 2018

	Starting Measurement Values	
	December 31, 2017	As of March 31, 2018
Stock Price	\$1.97	\$1.86
NAV / Share*	\$2.60	\$2.64
Cash + Public Portfolio Value	\$27,717,529	\$28,075,881
Private Portfolio Value	\$55,196,472	\$55,123,891
Cash + Public Portfolio Value / Net Assets	34.2%	34.1%
Stock Price / NAV	75.8%	70.5%
Full Year Actual/Estimated Expenses**	\$2,913,727	\$3,185,483
Additional Third-Party Capital	Yes - \$3.85m	No, but \$3.35m raised in new SPV in April 2018

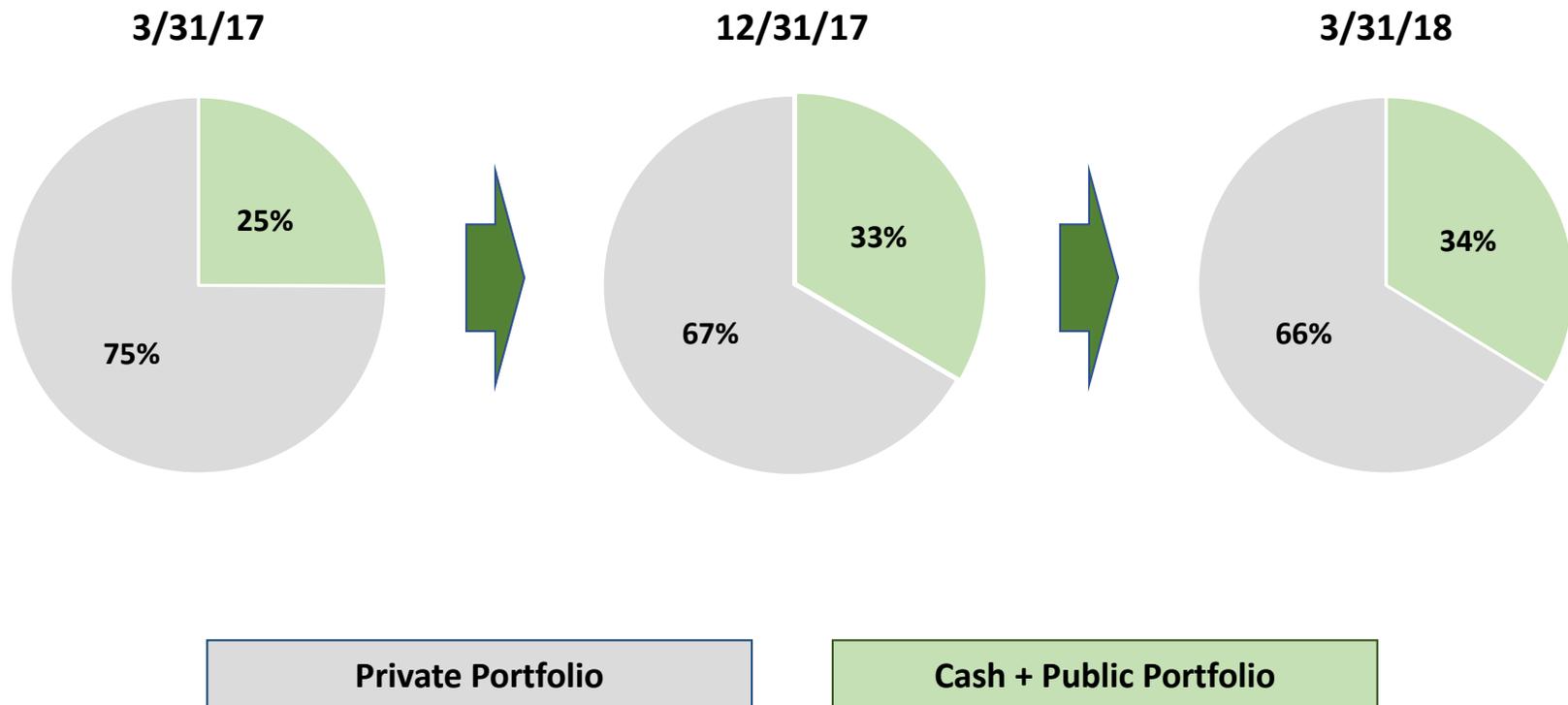
\* Includes accrual of \$968,370 in bonus and deferred bonus compensation for management in 2017 and additional \$63,608 for deferred portion of 2017 bonus through Q1 2018.

\*\* On-going expenses net of sublease income. Does not include restructuring costs, 2017 bonus accruals or non-cash benefit for cancellation/modification of restricted stock in 2017.

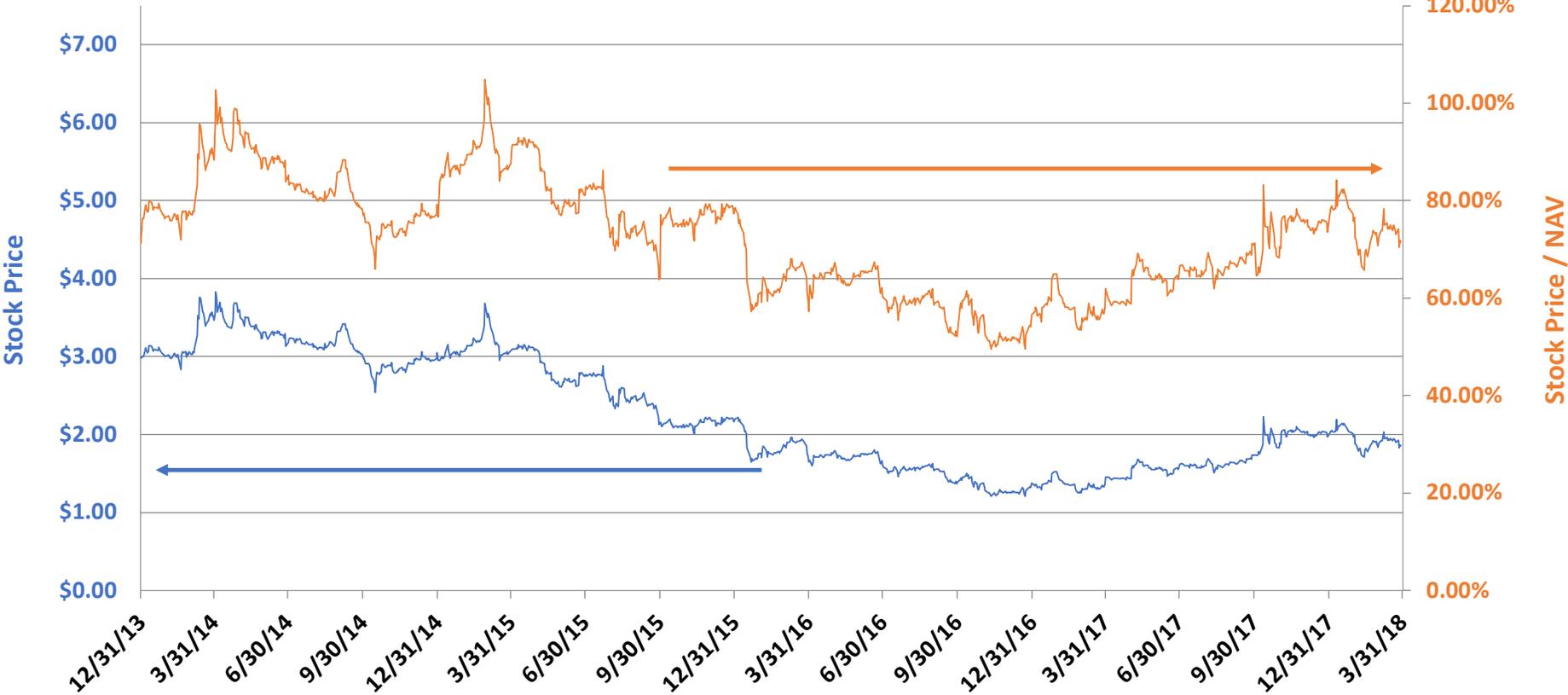
# Historical Trend of NAV



# Cash + Public vs. Private Portfolio Percentages



# Historical Stock Price and Percent of NAV



Note: Share price / NAV calculated on a historical NAV basis.

# Sum of the Parts of TURN

	Based on Stock Price as of March 31, 2018	Based on Stock Price as of December 31, 2017
<b>Stock Price</b>	<b>\$1.86</b>	<b>\$1.97</b>
Value of Publicly Traded Portfolio Companies Per Share	\$0.85	\$0.78
Cash Per Share	\$0.05	\$0.11
Net Other Non-Investment Assets Per Share	\$0.04	\$0.04
Total Liabilities Per Share	(\$0.07)	(\$0.10)
<b>Total Non-Private Portfolio Net Assets Per Share</b>	<b>\$0.87</b>	<b>\$0.83</b>
<b>Remaining Per Share Value Ascribed to Private Portfolio</b>	<b>\$0.99</b>	<b>\$1.14</b>
Private Portfolio Value Per Share	\$1.77	\$1.77
<b>Effective Market Value Per Share / Value of Private Portfolio Per Share</b>	<b>55.7%</b>	<b>64.2%</b>

# Our Most Mature Private Portfolio Companies

Portfolio Company	Value as of March 31, 2018
AgBiome, LLC	\$11.1 million
D-Wave Systems, Inc.	\$10.0 million
HZO, Inc.	\$6.5 million
Nanosys, Inc.	\$3.5 million
	<b>\$31.1 million</b>
Remaining Privately Held Portfolio Companies	\$24.0 million
Effective market value ascribed to <u>entire</u> private portfolio	<b><u>\$30.8 million</u></b>

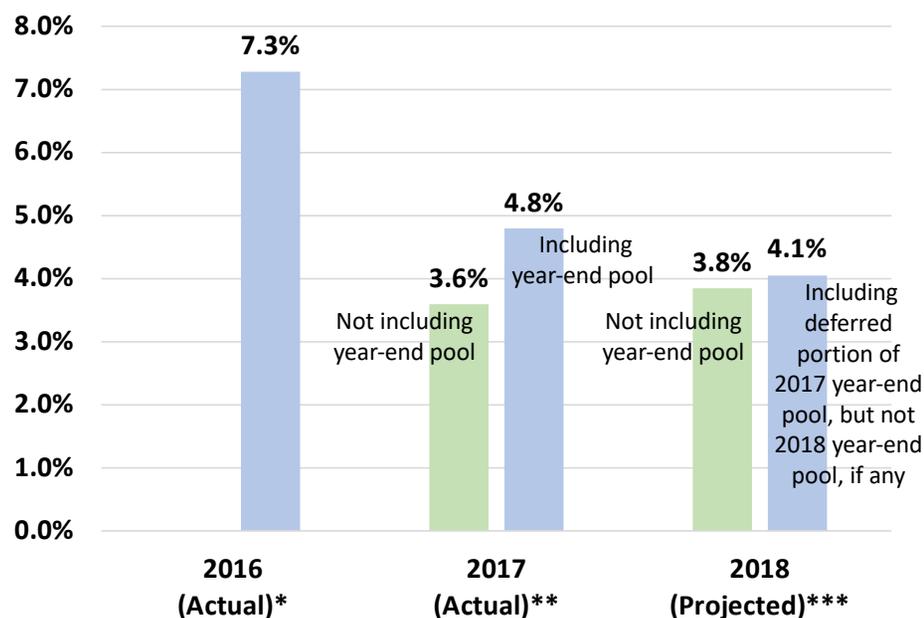
Note: Realized amounts may be materially different than the values listed above.

# Q1 2017 to Q1 2018 Actual Comparison

<u>Expenses</u>	Q1 2017 Actual	Q1 2018 Actual	Difference	%	Notes
Personnel Related	\$617,842	\$388,754	(\$229,088)	(37%)	
Admin & Ops Expenses	\$62,271	\$64,637	\$2,366	4%	Q1 2017 included \$88k accrual reversal from 2016
Professional Fees	\$153,291	\$141,520	(\$11,771)	(8%)	
Rent (Net of Sublease Income)	\$57,220	\$14,966	(\$42,254)	(74%)	
Insurance Expense	\$59,068	\$53,404	(\$5,664)	(10%)	
Directors' Fees and Expenses	\$85,047	\$69,375	(\$15,672)	(18%)	
Custody Fees	\$7,788	\$7,740	(\$48)	(1%)	
Depreciation	\$10,702	\$1,230	(\$9,472)	(89%)	
<b>Total Operating Expenses</b>	<b>\$1,053,229</b>	<b>\$741,626</b>	<b>(\$311,603)</b>	<b>(30%)</b>	

Note: Does not include restructuring, stock-based compensation or year-end deferred bonus accruals, as applicable.

# Day-to-Day Expense Ratio Comparison



- Increase from 2017 reflects continued expectation to hire an investment team member.
- Portion of 2017 deferred year-end bonus is approximately \$170,000
- Day-to-day expense side of ratio is optimized; further reductions in expense ratio will come from growing net assets.

\* Excludes average of \$1.2 million per year in historical stock-based compensation expenses. 180 does not issue stock-based compensation.

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

\*\*\* Expenses for 2018 is an estimate as of the date of this presentation. Assumes net assets remain flat at \$82.3 million. The actual expenses and net assets may be materially different than those used to calculate the percentage above.

## New Transactions in Q2 2018

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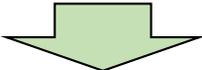
- Turtle Beach (NASDAQ:HEAR) PIPE Investment
- 180.2 SPV Series – Target company unannounced

# Turtle Beach (NASDAQ:HEAR) PIPE Investment

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- Turtle Beach is the leading provider of headsets to the gaming industry.
- Even though it is the leader, it is trading at 0.67x est. 2018 revenues due in part to a complex balance sheet that includes ~\$19 million of preferred stock accruing interest at a relatively high rate.
- The company negotiated to buy out this preferred stock for \$7.45 million using \$950,000 from its balance sheet and \$6.5 million in newly issued common stock.
- 180 invested \$1 million in the transaction @ \$3.50 per share. Closing price on April 26, 2018 was \$4.89 per share.
- Registration statement will be filed within 30 days of transaction.

# HEAR PIPE Share Price Analysis

	Multiple and PPS on 4/26/2018	Modeled PPS at other multiples to revenue						
	0.71x	0.65x	0.70x	0.75x	0.80x	0.85x	0.90x	0.95x
HEAR Modeled Stock Price	\$4.89	\$4.07	\$4.76	\$5.45	\$6.14	\$6.82	\$7.51	\$8.20
								
	0.71x	0.65x	0.70x	0.75x	0.80x	0.85x	0.90x	0.95x
HEAR Modeled Stock Price	\$5.51	\$4.81	\$5.40	\$6.00	\$6.60	\$7.20	\$7.79	\$8.39
Change Following Preferred Stock Repurchase Assuming Multiples Remain Constant	13%	18%	13%	10%	8%	5%	4%	2%
Change from PIPE Purchase Price	57%	37%	54%	71%	89%	106%	123%	140%

Note: Models provided for illustration purposes only. Actual results may be materially different than those above.

# Strategic Initiatives Update



- We are making progress on obtaining a broker dealer license.
  - Currently target completing the licensing process in Q2 2018.
- We expect to make other investments in our business in 2018 that can help us achieve our goals.

# Our Goals for 180



- We want 180 to be known as a prominent and dominant leader in our world of public company constructive activism.
- We will continue to strive for excellence in investment performance.
- We want to be known as game changers in helping businesses generate positive shareholder returns.

**Management is 100% aligned with shareholders,  
we must increase the price of our stock to be truly successful.**

# 180° CAPITAL CORP



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