



# Value Creation Through Constructive Activism

Q1 2017 Shareholder Update Call

May 2, 2017

# 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 Q1 2017

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- Increases in stock price and NAV/share
  - \$1.38 -> \$1.45 (+5.1%)
  - \$2.34 -> \$2.43 (+3.8%)
- Completed restructuring
  - Name change
  - CEO change
  - Expense ratio reduction
- Began execution on new business investing in deeply undervalued publicly traded companies.
  - Filed 13D/A re: Adesto

# How Should We Measure Success?



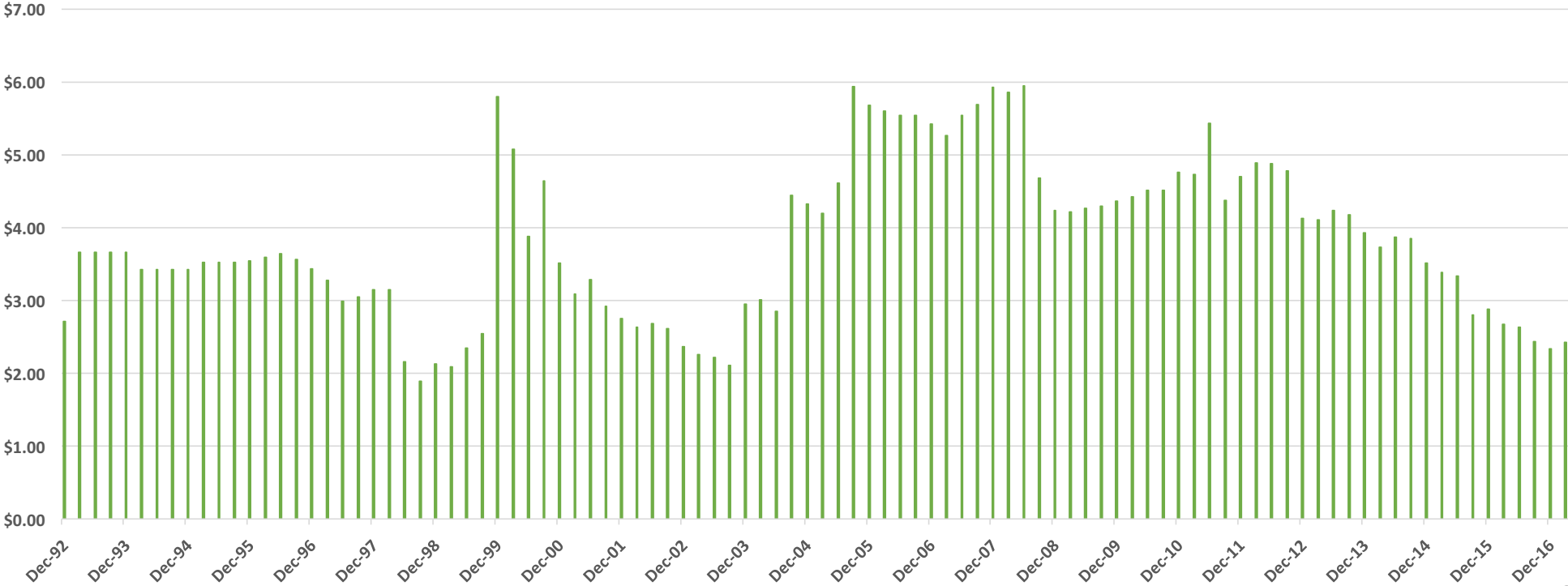
**Appreciation in the price of our stock.**

# TURN Stock Price History - 3/31/09-3/31/17



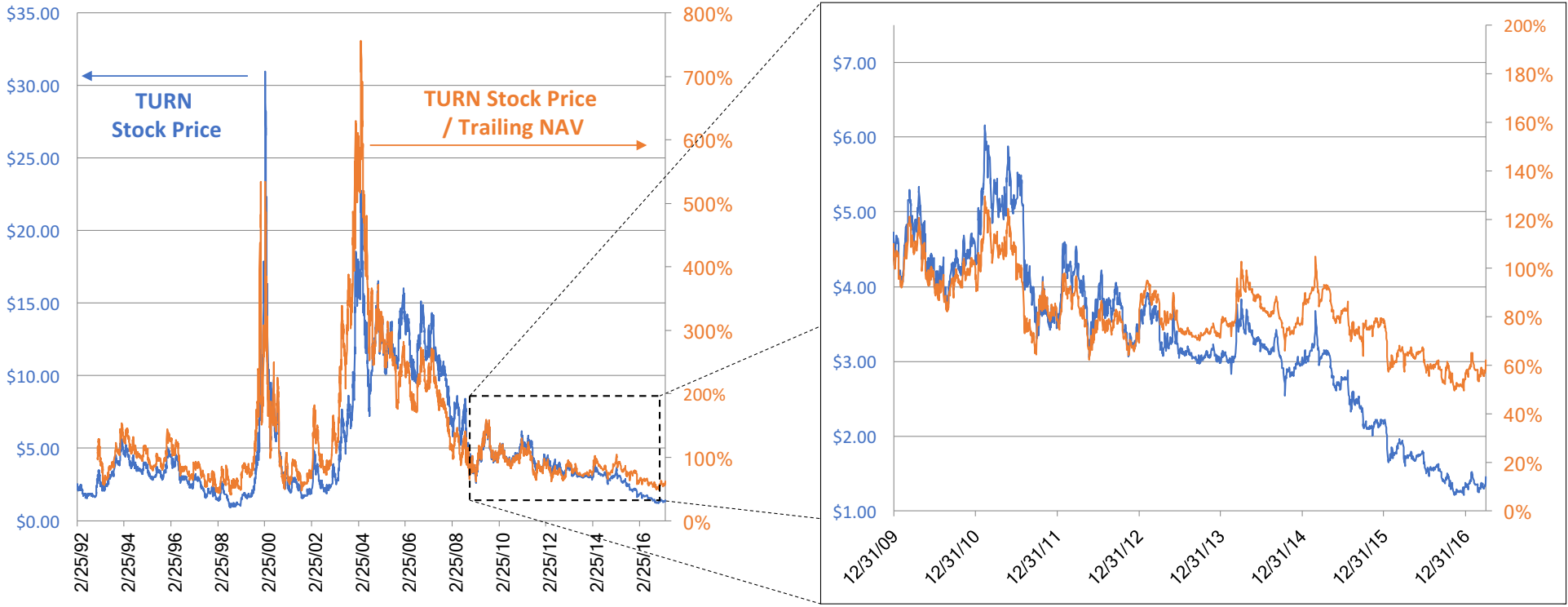
# Historical Trend of NAV

**NAV has been in a general state of decline since 2011.  
We must reverse this trend.**



# Historical Stock Price and Percent of NAV

**We are trading at a historical low percentage of NAV  
We must narrow this discount.**

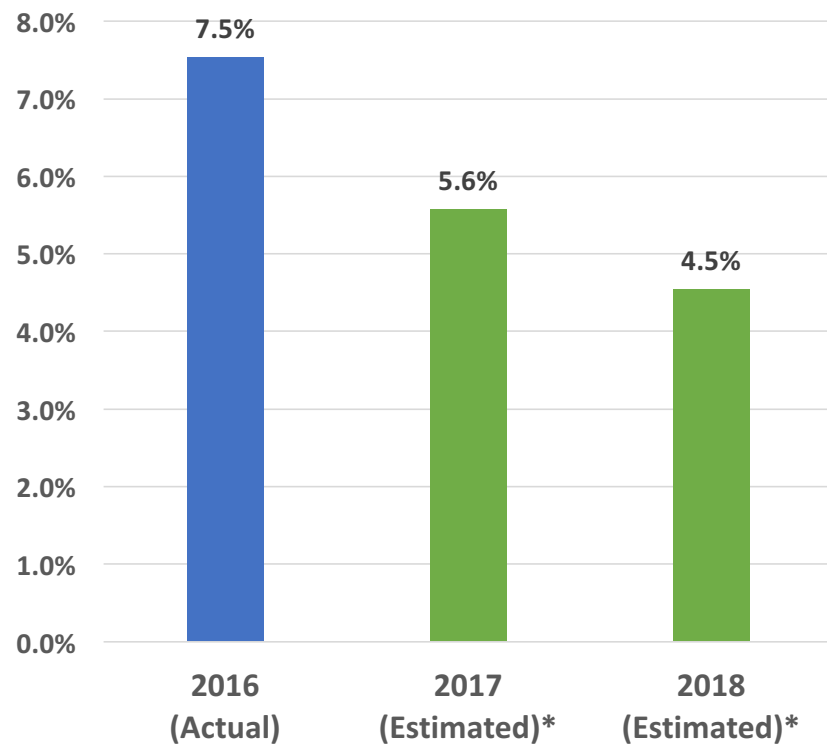


# Sum of the Parts of TURN

	Based on Stock Price as of May 1, 2017
Value of public companies	\$12.6 million
Cash (as of May 1, 2017)	\$8.2 million
Net other assets (as of March 31, 2017)	\$(680,000)
Shares outstanding	31.1 million
Stock Price	\$1.43
Market capitalization	\$44.5 million
Effective value ascribed to private portfolio	\$24.4 million
Private portfolio value as of 3/31/17 + addn'l invested capital	\$57.2 million
<b>Effective market value / value of private portfolio</b>	<b>43%</b>



# Day-to-Day Expense Ratio Reduction

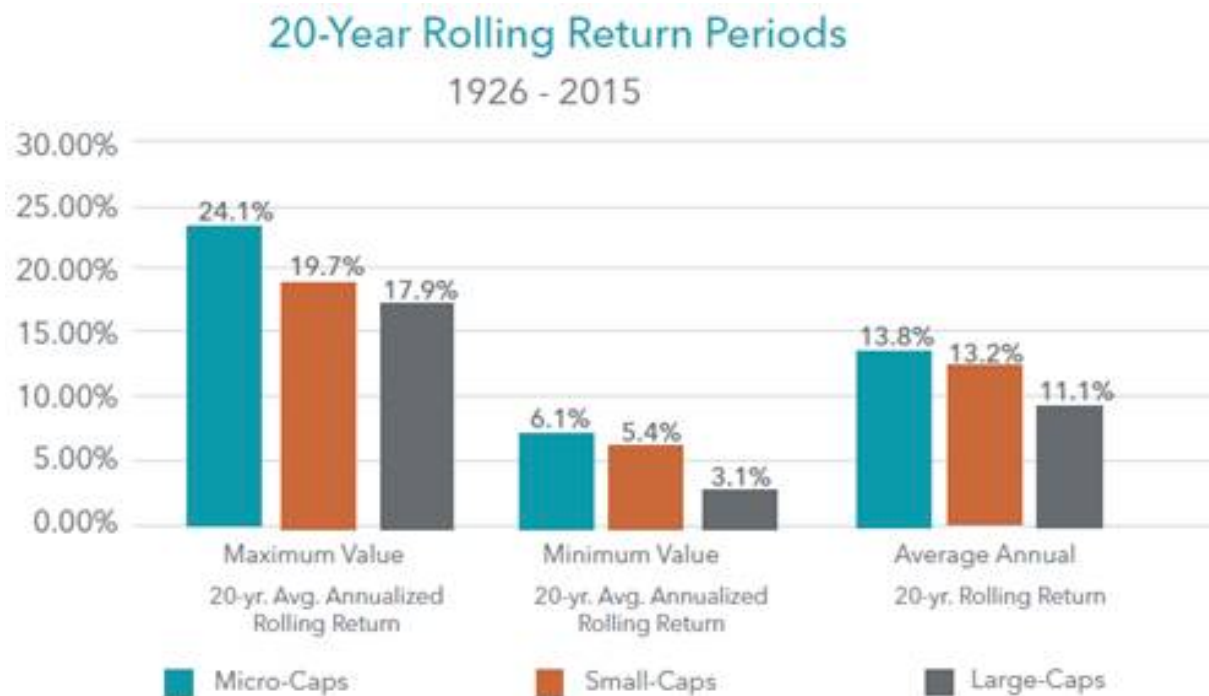


\* Assumes net assets remain flat at \$75.5 million.

- Change from BDC to closed-end fund projected to enable reduction in operating expenses by over \$1 million in 2017 vs 2016.
- One-time expenses related to restructuring totaled ~\$850,000 that will be substantially realized by the end of Q1 2018.
- Day-to-day expense side of ratio is essentially optimized; further reductions in expense ratio will come from growing net assets.

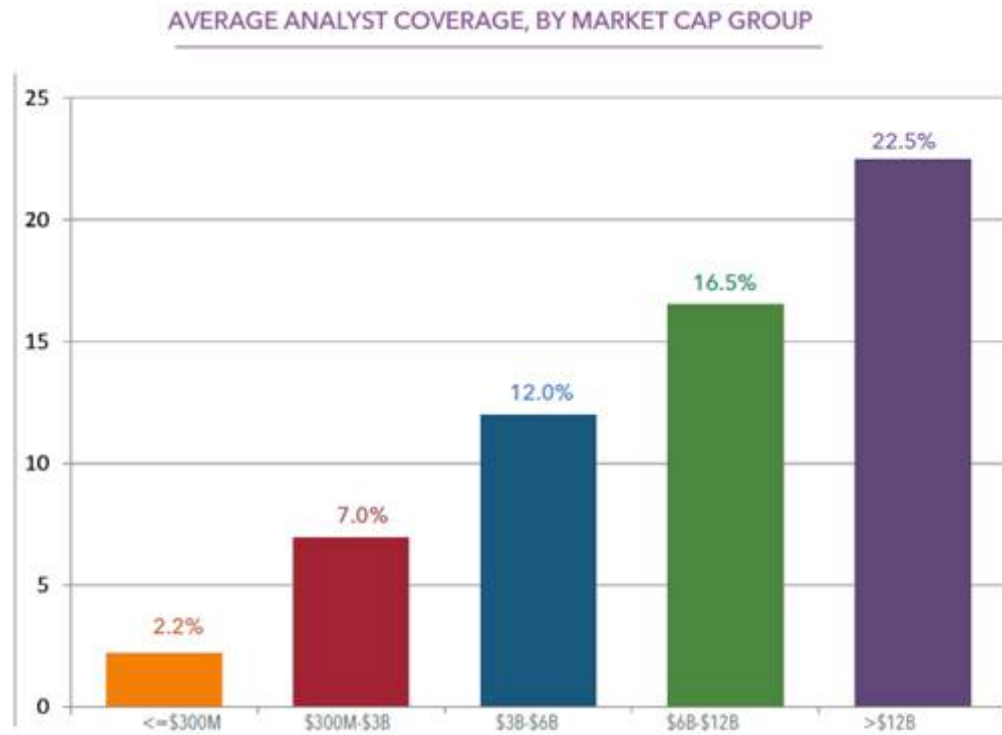
Actual expenses for 2017 and 2018 may be materially different than the percentages listed above.

# Why We Are Focused on Micro Capitalization Stocks



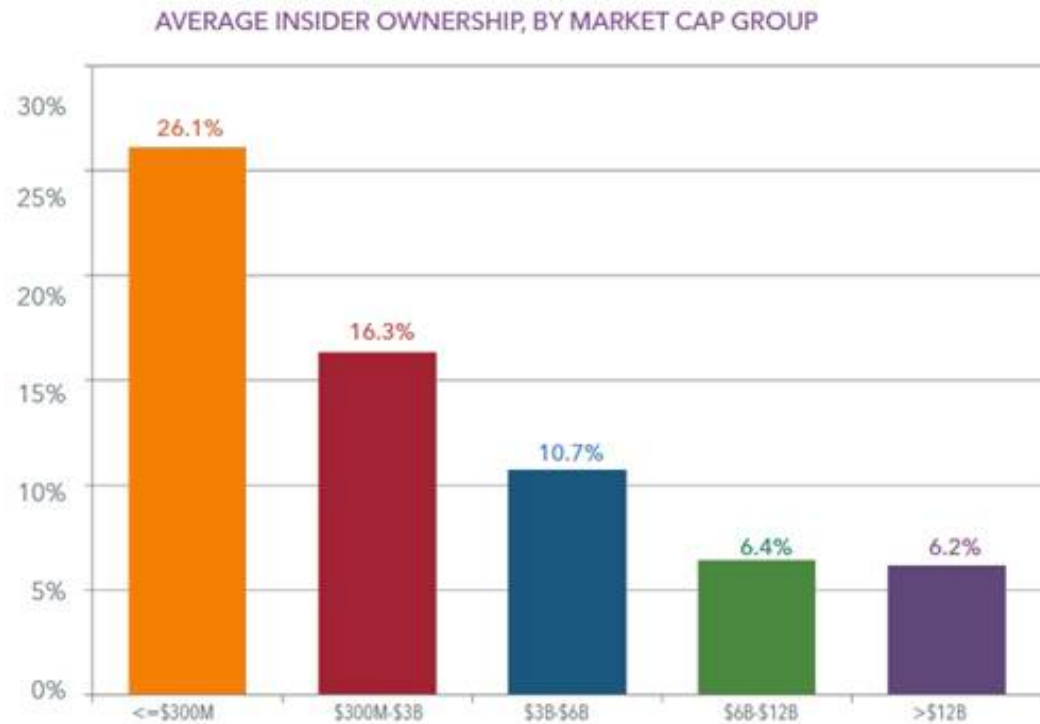
Source: Ibbotson Classic Yearbook, 2015 via Grant Wasylik, Uncommon Wisdom Daily.

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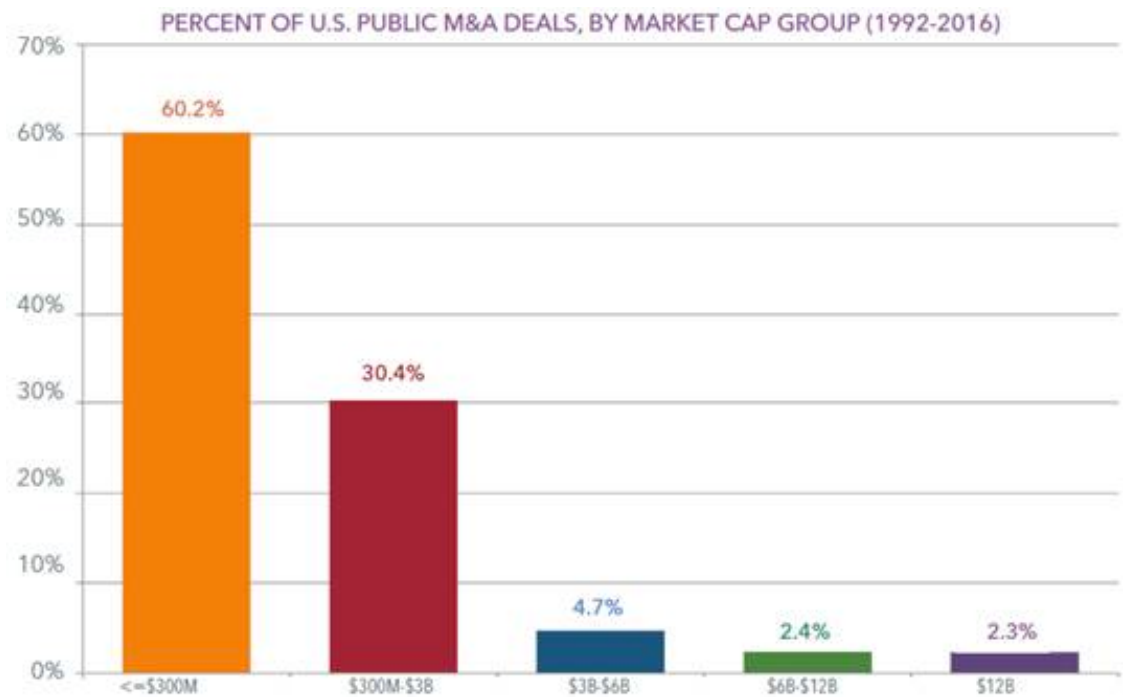
Source: Furey Research Partners, March 2016 via Grant Wasyluk, Uncommon Wisdom Daily.

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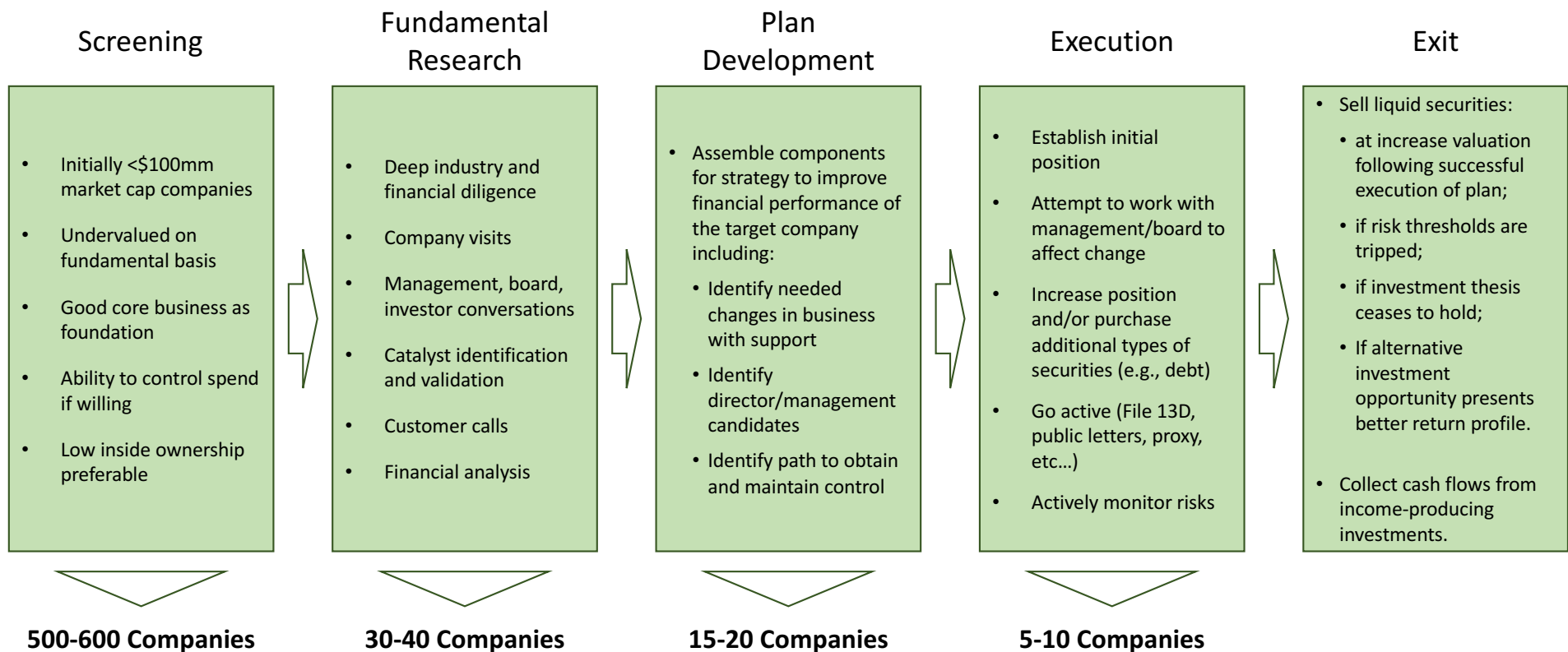
# Why We Are Focused on Micro Capitalization Stocks

## CORRELATIONS OF ANNUAL RETURNS 1926-2015

Category	Large Company Stocks	Small Company Stocks	L-T Government Bonds	Treasury Bills
Large Company	1.00			
<b>Small Company</b>	<b>0.76</b>	<b>1.00</b>		
Long-Term Gov't Bonds	0.00	-0.08	1.00	
Treasury Bills	-0.02	-0.08	0.18	1.00

Source: FactSet via Grant Wasylik, Uncommon Wisdom Daily.

# Investment Process



# Current Expectations of Evolution of Our Form of Constructive Activism

## Initial Focus

### Phase 1:

Near-term potential winners that do not require substantial time/involvement

Approach: Identify quality, deeply undervalued companies with strong management teams in the process of executing a turnaround.

#### Constructive Activism:

- Our shareholder base that could become investors in those companies.
- Our reach into institutional investors that own or have owned our stock.
- Our general knowledge of the public markets gained over our collective 40+ years of experience.

### Phase 2:

Near-term potential winners that may require a bit of time/involvement, but not substantial allocations

Approach: Identify quality, deeply undervalued companies with strong management teams but where we believe small changes can result in increased value and management is interested in engaging constructively.

#### Constructive Activism (Phase 1+):

- Actively suggest changes to IR strategy and/or messaging.
- Actively suggest changes in business related primarily to financial performance improvements.

## Future Focus

### Phase 3:

Longer-term projects where we instigate/lead turnarounds of businesses

Approach: Identify deeply undervalued companies in need of dramatic changes.

#### Constructive Activism (Phase 1 and 2+):

- Propose changes to management and/or board.
- Propose fundamental changes to business, including potential sale of company.
- If required, run competing proxy campaigns.
- Take seat(s) on board
- Leverage control to drive change.



# Adesto (NASDAQ:IOTS)



13D/A filed

Actively engaged with IOTS management

+182%

# Our Most Mature Private Portfolio Companies

Portfolio Company	Value as of 03/31/17
D-Wave Systems, Inc.	\$9.8 million
AgBiome, LLC	\$9.2 million
HZO, Inc.	\$6.6 million
Nanosys, Inc.	\$3.7 million
Mersana Therapeutics, Inc.	\$2.8 million
<b>Total</b>	<b>\$32.1 million</b>
Effective market value ascribed to <u>entire</u> private portfolio	\$24.4 million

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

# Synacor (NASDAQ:SYNC)



Introduced to SYNC

Conducted Diligence

180 Invests \$2.25 million @ \$3.50/share

# Steps to an Increased Stock Price

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- We endeavor to increase our stock price through:
  - Narrowing of discount to NAV/share.
  - Increasing NAV/share through investment appreciation.
  - Decrease/eliminate drag on NAV from non-investment activities through:
    - Minimizing day-to-day operating expenses as much as possible.
    - Generate income from managing third-party capital or other sources.

**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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