

March 22, 2021



# 180 Degree Capital Corp. Issues Second Open Letter to the Board and Shareholders of Enzo Biochem, Inc.

MONTCLAIR, N.J. , March 22, 2021 (GLOBE NEWSWIRE) -- 180 Degree Capital Corp. (NASDAQ:TURN) ("180" and the "Company"), today issued the following open letter to the board and shareholders of Enzo Biochem, Inc. ("ENZ").

To The Independent Directors of Enzo,

Dov Perlysky  
Rebecca Fischer  
Dr. Ian Walters  
Dr. Mary Tagliaferri

This is a highly bothersome and rather disappointing second public letter that I feel we must write to you, the Board of ENZ. While we were mildly supportive of the leadership change that you announced last week, we also knew at the end of the day you would end up playing games. We are appalled by what we believe is a shameful decision by ENZ's Nominating/Governance Committee to not accept the resignation of Dr. Elazar Rabbani from ENZ's Board. You clearly have no respect for the will of your shareholders who are the true owners of this company. You also appear to have no idea of what we believe is your role as board members and what the word accountability means. We believe that your job as directors of a publicly traded company is to practice proper corporate governance, oversee the company's strategy, and ensure that the management team is creating value for its shareholders. As we noted in our first public letter, and discuss further below, Dr. Rabbani has not generated value for shareholders. In fact, he has destroyed value for shareholders; and yet you chose to look the other way and somehow convince yourselves that he is irreplaceable. I thought the two new board members, Dr. Tagliaferri and Dr. Walters, would provide an objective analysis of the situation. Instead, they appear to have drunk the Kool-Aid and participated in a decision that is akin to giving the middle finger to your shareholders.

In your release, you state the reason Dr. Rabbani is staying as a member of the ENZ' Board is due to his "historical knowledge of the Company's business and the industry." Where was the section where you examined his execution on behalf of shareholders as part of your decision-making process? Having knowledge of the company or industry carries no weight if you can't steer the business to achieve an acceptable return for shareholders. Dr. Rabbani's historical knowledge of the ENZ's business and industry has led to a share price that sits at the same level it did in 1992. I literally can't say that out loud without laughing. 1992! Yet with these facts staring you in the face, you don't have the decency to do what a majority of shareholders voted for you to do at the most recent annual meeting? I don't get it.

To be clear, I am an equity-focused fund manager who has been investing since 1988. I have a deep knowledge of the products I run and the equity market industry as a whole. Who cares? That's simply the price of admission to attain the job of running 180. The actual purpose of my job is to generate a return greater than the market and similar funds that invest in the same asset class. If I do, I get rewarded. If I don't, I get fired. It's as simple as that. At ENZ, it appears that having "historical knowledge of the Company's business and the industry" gets you the equivalent of a Supreme Court Justice job – a place in the company for life regardless of the inability to create shareholder value. Can I submit my resume for consideration? Who wouldn't want to get paid millions of dollars and not be held accountable? I am obviously being sarcastic about submitting my resume, but you get my point.

It is our strong opinion that Dr. Rabbani should not be involved in the selection of ENZ's next CEO. Instead of lauding the so-called knowledge Dr. Rabbani has of the company and industry, part of your prerequisite for ENZ's next leader might be having the actual opposite knowledge of the company and the industry; that might give investors a chance to win. We commend the engagement of Gary Huff, the former CEO of LabCorp Diagnostics. We believe he, along with global search firm, Korn Ferry, should be responsible for identifying ENZ's next CEO, without any involvement by Dr. Rabbani. Further, Mr. Huff's engagement should not be as solely as a strategic advisor. Our position is that Mr. Huff should be an interim replacement for Dr. Rabbani in management and/or appointed to ENZ's Board. We believe Dr. Rabbani's continued presence at ENZ is a plague that prevents progress and creation of shareholder value. You may be the only four people on planet Earth that do not share this opinion. It seems to us that you are under a cult-like spell thinking that he is the only qualified professional that understands the industry and therefore feel the need to continue to retain him. There are far more qualified people that have deep industry knowledge and know how to execute and create shareholder value. You just retained the former CEO of LabCorp Diagnostics who we believe is one of these qualified people. We believe it is imperative that Dr. Rabbani has nothing to do with the search for ENZ's next leader. You should let truly qualified people do so independently and objectively without any barriers or hinderances.

I note that I received an email following our first public letter instructing me on what you believe to be the proper path of communication I should take to address questions and concerns to ENZ's Board. Two letters, one public and one private have gone unanswered. To be clear, if I wanted to speak to management, I would call management. If I want to send ENZ's Board a note, I will send the Board a note. It should be fairly obvious to you what the difference are between the roles of management and the Board. If you choose to ignore your shareholders, that is your prerogative. I would prefer you actually say that as part of my formal request to discuss the company with the Board. I remind you that I run a public company. To date, you continue to ignore our requests for direct communication with the Board. If my shareholders want to speak to a member of our Board, I do not stand in the way of that communication, and neither should you. I promised myself that when I see egregious corporate governance being administered by a public company's board, I would call it out. We believe you simply are not acting in the interest of shareholders.

We believe you have chosen a very interesting path with how you govern ENZ; it appears to be a multi-faceted approach including:

1. Let Dr. Rabbani do whatever he wants, whenever he wants.
2. Overlook any conflicts there are from Dr. Rabbani regarding patents and real estate.
3. Despite the abject failure of this business and share price under his watch, you continue to have Dr. Rabbani run this company as he sees fit. You will not hold him accountable and seem to think that he is the only one in the country who can add value to ENZ's Board.
4. Do not take into consideration the will of shareholders as it relates to the last shareholder vote.
5. If shareholders ever write a letter, ignore it, or pass the buck to management to deal with it.
6. Do not talk directly to shareholders, which we believe shows the opinion that you are not accountable to them.
7. Despite overseeing a company that hasn't reported net income since 2003, continue to support Dr. Rabbani and make sure he is highly compensated.

ENZ belongs to shareholders. It doesn't belong solely to Dr. Rabbani, and it doesn't belong solely to the Board. None of this critique is meant to be personal; it is our objective view of the business performance under your watch.

It is also unclear if ENZ's Board is following its charters for committees as we are unable to identify from publicly available materials who is on the Nominating/Governance Committee aside from Dov Perlysky and Rebecca Fischer. Per your own Nominating/Governance Charter available on your investor relations website, "The Nominating/Governance Committee shall be appointed by the Board of Directors from time to time and shall consist of three or more directors, each of whom shall meet the independence requirements of the New York Stock Exchange." This is just another example of the lack of transparency of ENZ's Board and, potentially, the inability of it to follow its own policies and procedures. We request that you publicly update the composition of your Nominating/ Governance Committee so shareholders know who is responsible for the decision to reject Dr. Rabbani resignation from ENZ's Board.

We continue to request that you take immediate action to remove Dr. Rabbani from the Board and the business. We believe you need to either sell the company or put someone in charge who can monetize the assets, streamline the operations, and create value for shareholders. It is clear to us that all of these steps toward value creation cannot be completed with Dr. Rabbani as part of ENZ in any capacity.

The share price as of the close on Friday, March 19, 2021, was \$3.74, which is around the same price it was in 1992. If you do not feel it is important to take what we believe are the appropriate steps of holding management accountable, then we suggest you assemble a board that will be accountable to its constituents.

We believe you need to act now.

I am available at your convenience to speak. Other than that, we will continue to issue public letters until ENZ's Board accepts Dr. Rabbani's resignation from the Board, immediately terminates his employment as CEO and begins overseeing this company for the interest of its shareholders.

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](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 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](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.



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