

November 13, 2023



# **180 Degree Capital Corp. Establishes Discount Management Program And Reports Net Asset Value Per Share (“Nav”) Of \$4.91, Comprised Of 97% Cash And Public Securities, As Of September 30, 2023**

MONTCLAIR, N.J., Nov. 13, 2023 (GLOBE NEWSWIRE) -- 180 Degree Capital Corp. (NASDAQ:TURN) (“180” and the “Company”), today announced a discount management program, reported its financial results as of September 30, 2023, and noted additional developments from the fourth quarter of 2023. The Company also published a letter to shareholders that can be viewed at <https://ir.180degreecapital.com/financial-results>.

“The third quarter of 2023 was challenging for 180 and the public markets as a whole,” said Kevin M. Rendino, Chief Executive Officer of 180. “While our public portfolio declined 12.8%, an additional decline in our largest legacy private portfolio company, AgBiome, LLC, due to financing risk led to an overall decline of 21.1% in NAV to \$4.91 as of the end of the quarter. If it wasn’t clear before, it certainly is now; had we not changed direction and created 180 in 2017, the predecessor company very well may have been forced to liquidate. Since 2017, the legacy business accounted for decreases in value of \$2.28 per share, versus the increase in value of \$2.77 per share in our current strategy. Our balance sheet is now comprised of approximately 97% cash and public and public related securities<sup>1</sup> versus approximately 27% when we started, in 2017.”

“While many of 180’s current portfolio companies have been swept up in the recent vicious market selling, particularly for microcap companies, we do not believe the businesses and balance sheets of many of these holdings reflect the distress that their falling stock prices indicate,” added Daniel B. Wolfe, President of 180. “For example, the list below includes developments from some of 180’s portfolio companies during Q3 2023 and to date in Q4 2023:

- Synchronoss Technologies, Inc., (SNCR) sold its non-core assets and is now a pure-play cloud service company that is currently expected to generate material positive free cash flows and 25%+ EBITDA margins in 2024.
- Intevac, Inc., (IVAC) is in the final stages of certification for its new TRIO tool with its partner, Corning.
- The Arena Group Holdings, Inc. (AREN) signed definitive agreements to merge with Bridge Media, a company owned by the founder and owner of Five Hour Energy, that will result in a combined company with 100 owned and affiliated stations and over-the-top partnerships across 46 states.

- Lantronix, Inc., (LTRX) announced that it is beginning volume production of its smart-meter product for Gridspertise/Enel that is expected to drive material organic growth and profitability in 2024.
- Potbelly Corporation (PBPB) announced a new shop development agreement for 36 additional shops and 4 refranchised shops that brings its new contracted franchised shops to 150, as well as announcing record average unit volumes and continued growth in shop-level margins and gains in market share.”

Mr. Rendino continued, “While our performance has been challenged over the past seven quarters after five years of strong performance, the notes above are just a portion of the reasons we believe our portfolio is positioned well for the creation of value for shareholders in 2024 and beyond. We will use this period to ramp up our collegial and constructive activism. Hope is not a strategy. Activism is.”

## Discount Management Program

In addition to reporting its financial results for Q3 2023, 180 announced a Discount Management Program (the “Program”) that is discussed in more detail in a press release that can be found at <https://ir.180degreecapital.com/news-events>. This Program establishes measurement periods for 180’s common stock price as a percentage of NAV<sup>2</sup>. Should the average daily discount following each of these periods exceed 12%, then 180’s Board of Directors will consider all available options to narrow such discount.

The table below summarizes 180’s performance over periods of time through the end of Q3 2023<sup>3</sup>:

	Quarter	YTD	1 Year	Recent Peak	3 Year	5 Year	Inception to Date
	Q3 2023	Q4 2022- Q3 2023	Q3 2022- Q3 2023	11/8/21 - 9/30/23	Q3 2020- Q3 2023	Q3 2018- Q3 2023	Q4 2016- Q3 2023
TURN Public Portfolio Gross Total Return (Excluding SMA Carried Interest)	-12.8%	-13.2%	-19.8%	-46.0%	-23.2%	22.9%	164.7%
TURN Public Portfolio Gross Total Return (Including SMA Carried Interest)	-12.8%	-13.3%	-19.8%	-44.0%	-18.0%	31.2%	182.0%
Change in NAV	-21.1%	-22.3%	-39.4%	-55.9%	-43.6%	-41.8%	-30.1%
Change in Stock Price	-4.7%	-19.7%	-22.8%	-41.1%	-25.2%	-34.9%	2.4%
Russell Microcap Index	-7.9%	-5.9%	-1.4%	-33.8%	15.1%	1.0%	27.7%
Russell Microcap Value Index	-5.6%	-6.3%	-0.6%	-25.0%	44.0%	13.7%	38.8%
Russell Microcap Growth Index	-12.1%	-7.4%	-4.9%	-44.9%	-16.8%	-16.4%	11.2%
Russell 2000	-5.1%	2.5%	8.9%	-9.0%	22.9%	12.4%	43.7%

Mr. Rendino and Mr. Wolfe will host a conference call tomorrow, Tuesday, November 14, 2023, at 9am Eastern Time, to discuss the results from Q3 2023 and developments to date during Q4 2023. The call can be accessed by phone at (609) 746-1082 passcode 415049 or via the web at <https://www.freeconferencecall.com/wall/180degreecapital>. Additionally, slides that will be referred to during the presentation can be found on 180’s investor relations

website at <https://ir.180degreecapital.com/ir-calendar>.

### **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.

1. Cash including our holdings in money-market cash sweep funds and the expected receipt of \$1.3 million in April 2024 related to the sale of TARA Biosystems, Inc., to Valo Health LLC.

2. Average discount of equity focused closed-end funds calculated using Bloomberg. 180 reports its NAV publicly on a quarterly basis. Daily estimated NAVs used for the discount calculation outside of quarter-end dates are determined as prescribed in 180's Valuation Procedures.

3. Past performance is not an indication or guarantee of future performance. Gross unrealized and realized total returns of 180's cash and securities of publicly traded companies are compounded on a quarterly basis, and intra-quarter cash flows from

investments in or proceeds received from privately held investments are treated as inflows or outflows of cash available to invest or withdrawn, respectively, for the purposes of this calculation. 180 is an internally managed registered closed-end fund that has a portion of its assets in legacy privately held companies that are fair valued on a quarterly basis by the Valuation Committee of its Board of Directors, and 180 does not have an external manager that is paid fees based on assets and/or returns. Please see 180's filings with the SEC, including its 2022 Annual Report on Form N-CSR for information on its expenses and expense ratios.



Source: 180 Degree Capital Corp.