

January 17, 2025



MOUNT LOGAN
CAPITAL

Mount Logan Capital Inc. and 180 Degree Capital Corp. Announce Agreement to Combine in All-Stock, Transformative Transaction Establishing a US Exchange-Listed, Alternative Asset Management and Insurance Solutions Platform with Over \$2.4 Billion in Assets Under Management

180 Degree Capital's track record of investing in public markets and its deep network of relationships are expected to help fuel expansion of Mount Logan's bespoke private credit solutions into publicly traded companies

Strong pro forma balance sheet post transaction that will support investment into what the parties believe is a highly actionable pipeline of organic and inorganic growth opportunities across both asset management and insurance solutions businesses

Ted Goldthorpe will be CEO of the combined company, which will operate as Mount Logan Capital Inc.

The combined business is expected to pay quarterly dividends, subject to board approval

Support secured from approximately 23% of Mount Logan and 20% of 180 Degree Capital shareholders through voting agreements with additional indicative support from certain other shareholders

Mount Logan and 180 Degree Capital management will hold a conference call to discuss the transaction with the investment community on Friday, January 17 at 11:00 AM Eastern Time

All amounts are stated in United States dollars, unless otherwise indicated

TORONTO, Jan. 17, 2025 (GLOBE NEWSWIRE) -- **Mount Logan Capital Inc. (Cboe Canada: MLC)** ("Mount Logan" or the "Company") today announced it has entered into a definitive agreement to combine with **180 Degree Capital Corp. (Nasdaq: TURN)** ("180

Degree Capital”) in an all-stock transaction (the “Business Combination”). The surviving entity is expected to be a Delaware corporation operating as Mount Logan Capital Inc. (“New Mount Logan”) listed on Nasdaq under the symbol MLCI. In connection with the Business Combination, Mount Logan shareholders will receive proportionate ownership of New Mount Logan determined by reference to Mount Logan’s \$67.4 million transaction equity value at signing, subject to certain pre-closing adjustments, relative to 180 Degree Capital’s Net Asset Value (“NAV”) at closing.

Shareholders holding approximately 23% of the outstanding shares of Mount Logan and approximately 20% of 180 Degree Capital signed voting agreements supporting the Business Combination, and an additional 9% of Mount Logan and 7% of 180 Degree Capital shareholders have provided written non-binding indications of support for the Business Combination.

Management Commentary

Ted Goldthorpe, Chief Executive Officer and Chairman of Mount Logan stated, “We are incredibly excited to embark on the next phase of Mount Logan’s journey with 180 Degree Capital and its team, including Kevin and Daniel. We view the transaction as a significant milestone for both Mount Logan and 180 Degree Capital shareholders, as we believe our team has built a unique platform, which is well positioned to take advantage of the opportunities we see in the alternative asset management and insurance solutions space. Through the combination with 180 Degree Capital, we will have a larger balance sheet that allows us to scale through investment into other organic and inorganic growth opportunities, benefitting all key stakeholders. The combination also creates alignment among all shareholders who will now share in the upside of a larger company, aligned towards two of the fastest growing segments in the financial services space. Coming together in this merger is a logical and exciting next step for both platforms that we believe will drive significant strategic and financial benefits in the immediate and longer-term future. We look forward to seeking to both accelerate our growth initiatives and enhance returns for all shareholders, while remaining focused on delivering strong performance across our investment strategies for the combined benefit of investors and policyholders.”

Kevin Rendino, Chief Executive Officer of 180 Degree Capital said, “We could not be more pleased to share today’s announcement with our shareholders. Our proposed combination with Mount Logan is the next step in the evolution of our business since Daniel and I took over day-to-day management of 180 Degree Capital in 2017. Throughout our discussions with Ted and his team, we instantly realized similarity of thought processes regarding investments, corporate culture, future opportunities for growth, and focus on taking steps to unlock value for our respective shareholders. We are delighted to agree to combine with a premier credit asset manager where our capabilities will be significantly enhanced.”

Daniel Wolfe, President of 180 Degree Capital added, “I share Kevin’s excitement for how we believe the combination of our businesses can take each company, and value creation for shareholders particularly, to the next level. This proposed combination is the culmination of options our Board has diligently evaluated to both maximize near-term value and provide the opportunity for future growth for shareholders of 180 Degree Capital. We couldn’t be more pleased and are excited for the future as a combined entity.”

Details of the Proposed Business Combination

Mount Logan and 180 Degree Capital will combine in an all-stock transaction at an estimated \$113.6 million pro forma transaction equity value at closing. Following completion of the transaction, each of Mount Logan and 180 Degree Capital will be wholly owned subsidiaries of New Mount Logan, which is expected to be listed on Nasdaq under the symbol MLCI. Under the terms of the definitive agreement, shareholders of each of Mount Logan and 180 Degree Capital will receive an amount of newly issued shares of common stock of New Mount Logan based on the ratio of Mount Logan's transaction equity value at signing of \$67.4 million, subject to certain pre-closing adjustments, relative to the NAV of 180 Degree Capital at closing. Based on the NAV of 180 Degree Capital as of January 15, 2025, the estimated pro forma post-merger shareholder ownership would be approximately 60% for current Mount Logan shareholders and 40% for current 180 Degree Capital shareholders.

It is anticipated that Mount Logan's outstanding warrants will remain outstanding upon completion of the Business Combination and will be exercisable to acquire New Mount Logan common stock on economically equivalent terms, and that Mount Logan's outstanding restricted share units will automatically vest with the holders receiving New Mount Logan common stock for their Mount Logan shares issued upon vesting pursuant to the Business Combination.

The Board of Directors for each of Mount Logan and 180 Degree Capital have unanimously approved the Business Combination. The transaction, which is intended to be treated as a tax-free reorganization for both sets of shareholders, is subject to certain regulatory approvals and approvals by each of Mount Logan's and 180 Degree Capital's shareholders, in addition to other customary closing conditions, including a registration statement being declared effective by the United States Securities and Exchange Commission (the "SEC") relating to the shares of New Mount Logan common stock being issued to the shareholders of Mount Logan and 180 Degree Capital in the merger and the listing of New Mount Logan's common stock, which is expected to be listed on Nasdaq. The transaction is expected to be completed in mid-2025.

The foregoing description of the merger agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the merger agreement, which will be available for review under Mount Logan's SEDAR+ profile at www.sedarplus.ca. Full details of the Business Combination will be included in a joint proxy statement/prospectus of Mount Logan to be prepared and mailed in connection with a meeting of shareholders of Mount Logan to be called for the purpose of seeking shareholder approval of the Business Combination, and which will be available at www.sedarplus.ca.

Information concerning 180 Degree Capital in this news release has been provided by 180 Degree Capital.

Leadership and Governance

At close, Mount Logan's CEO, Ted Goldthorpe, is expected to serve as CEO of New Mount Logan. New Mount Logan will have a seven-member Board of Directors, comprised of Mount Logan's CEO Ted Goldthorpe, four additional independent directors designated by Mount Logan, one independent director designated by 180 Degree Capital, and one independent director mutually agreed to by Mount Logan and 180 Degree Capital. The Chairman of the Board of Directors of New Mount Logan will be Ted Goldthorpe, currently Chairman of Mount Logan.

Estimated Timing of Closing

The transaction was approved by the boards of directors of each of Mount Logan and 180 Degree Capital by the unanimous vote of their respective directors. Completion of the transaction is subject to the satisfaction of customary closing conditions, including receipt of required regulatory approvals and the approval of Mount Logan and 180 Degree Capital shareholders. The transaction is expected to close in mid-2025.

Conference Call and Presentation Information

Representatives from Mount Logan and 180 Degree Capital will hold a conference call to discuss the transaction on January 17, 2025, at 11:00 AM ET. A presentation has also been prepared that discusses the Business Combination and can be found online at <https://mountlogancapital.ca/investor-relations> and <https://ir.180degreecapital.com/ir-calendar>.

Canada Dial-in Toll Free: +1-833-950-0062

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Access Code: 693-165

Advisors

Dechert LLP and Wildeboer Dellelce LLP are serving as legal counsel, and Oppenheimer & Co. is serving as financial advisor, to Mount Logan on the Business Combination.

Fenchurch Advisory US, LP is serving as financial advisor and Katten Muchin Rosenman LLP is serving as legal counsel to the special committee of the Board of Directors of 180 Degree Capital. Proskauer Rose LLP and Osler Hoskin & Harcourt LLP are serving as legal counsel to 180 Degree Capital.

About Mount Logan Capital Inc.

Mount Logan Capital Inc. is an alternative asset management and insurance solutions company that is focused on public and private debt securities in the North American market and the reinsurance of annuity products, primarily through its wholly owned subsidiaries Mount Logan Management LLC (“ML Management”) and Ability Insurance Company (“Ability”), respectively. Mount Logan also actively sources, evaluates, underwrites, manages, monitors and primarily invests in loans, debt securities, and other credit-oriented instruments that present attractive risk-adjusted returns and present low risk of principal impairment through the credit cycle.

ML Management was organized in 2020 as a Delaware limited liability company and is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended. The primary business of ML Management is to provide investment management services to (i) privately offered investment funds exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) advised by ML Management, (ii) a non-diversified closed-end management investment company that has elected to be regulated as a business development company, (iii) Ability, and (iv) non-diversified closed-end management investment companies registered under the 1940 Act that operate as interval funds. ML Management also acts as the collateral manager to collateralized loan obligations backed by debt obligations and similar assets.

Ability is a Nebraska domiciled insurer and reinsurer of long-term care policies acquired by Mount Logan in the fourth quarter of fiscal year 2021.

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 its management believes are substantially undervalued small, publicly traded companies that have potential for significant turnarounds. 180 Degree Capital's goal is that the result of its 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 Degree Capital and its holdings can be found on its website at www.180degreecapital.com.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements and information within the meaning of applicable securities legislation. Forward-looking statements may be identified by words such as "anticipates," "believes," "could," "continue," "estimate," "expects," "intends," "will," "should," "may," "plan," "predict," "project," "would," "forecasts," "seeks," "future," "proposes," "target," "goal," "objective," "outlook" and variations of these words or similar expressions (or the negative versions of such words or expressions). Forward-looking statements in this press release are not statements of historical fact and reflect Mount Logan's and 180 Degree Capital's current views about future events. Such forward-looking statements include, without limitation, statements about the benefits of the Business Combination involving Mount Logan and 180 Degree Capital, including future financial and operating results, Mount Logan's and 180 Degree Capital's plans, objectives, expectations and intentions, the expected timing and likelihood of completion of the Business Combination, and other statements that are not historical facts, including but not limited to future results of operations, projected cash flow and liquidity, business strategy, the declaration of dividends and other plans and objectives for future operations. No assurances can be given that the forward-looking statements contained in this press release will occur as projected, and actual results may differ materially from those projected. Forward-looking statements are based on current expectations, estimates and assumptions that involve a number of risks and uncertainties that could cause actual results to differ materially from those projected. These risks and uncertainties include, without limitation, the ability to obtain the requisite Mount Logan and 180 Degree Capital shareholder approvals; the risk that Mount Logan or 180 Degree Capital may be unable to obtain governmental and regulatory approvals required for the Business Combination (and the risk that such approvals may result in the imposition of conditions that could adversely affect New Mount Logan or the expected benefits of the Business Combination); the risk that an event, change or other circumstance could give rise to the termination of the Business Combination; the risk that a condition to closing of the Business Combination may not be satisfied; the risk of delays in completing the Business Combination; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other synergies from the Business Combination may not be fully realized or may take longer to realize than expected; the risk that any announcement relating to the Business Combination could have adverse effects on the market price of Mount Logan's common shares or 180 Degree Capital's common stock; unexpected costs resulting from the Business Combination; the possibility that competing offers or acquisition proposals will be made; the risk of litigation related to the Business Combination; the risk that the credit ratings of New Mount Logan or its subsidiaries may be

different from what the companies expect; the diversion of management time from ongoing business operations and opportunities as a result of the Business Combination; the risk of adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the Business Combination; competition, government regulation or other actions; the ability of management to execute its plans to meet its goals; risks associated with the evolving legal, regulatory and tax regimes; changes in economic, financial, political and regulatory conditions; natural and man-made disasters; civil unrest, pandemics, and conditions that may result from legislative, regulatory, trade and policy changes; and other risks inherent in Mount Logan's and 180 Degree Capital's businesses. Forward-looking statements are based on the estimates and opinions of management at the time the statements are made. The Company undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances except as required by securities laws. These forward-looking statements are made as of the date of this press release.

This press release is not, and under no circumstances is it to be construed as, a prospectus or an advertisement and the communication of this release is not, and under no circumstances is it to be construed as, an offer to sell or an offer to purchase any securities in the Company or in any fund or other investment vehicle, or a solicitation of any vote or approval. This press release is not intended for U.S. persons. The Company's shares are not and will not be registered under the U.S. Securities Act of 1933, as amended, and the Company is not and will not be registered under the U.S. Investment Company Act of 1940 (the "1940 Act"). U.S. persons are not permitted to purchase the Company's shares absent an applicable exemption from registration under each of these Acts. In addition, the number of investors in the United States, or which are U.S. persons or purchasing for the account or benefit of U.S. persons, will be limited to such number as is required to comply with an available exemption from the registration requirements of the 1940 Act.

Additional Information and Where to Find It

In connection with the Business Combination, 180 Degree Capital intends to file with the Securities and Exchange Commission ("SEC") and mail to its shareholders a proxy statement on Schedule 14A (the "Proxy Statement"). In addition, New Mount Logan plans to file with the SEC a registration statement on Form S-4 (the "Registration Statement") that will register the exchange of New Mount Logan shares in the Business Combination and include the Proxy Statement and a prospectus of New Mount Logan (the "Prospectus"). The Proxy Statement and the Registration Statement (including the Prospectus) will each contain important information about 180 Degree Capital, Mount Logan, New Mount Logan, the Business Combination and related matters. SHAREHOLDERS OF 180 DEGREE CAPITAL AND MOUNT LOGAN ARE URGED TO READ THE PROXY STATEMENT AND PROSPECTUS CONTAINED IN THE REGISTRATION STATEMENT AND OTHER DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE APPLICABLE SECURITIES REGULATORY AUTHORITIES AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT 180 DEGREE CAPITAL, MOUNT LOGAN, NEW MOUNT LOGAN, THE BUSINESS COMBINATION AND RELATED MATTERS. Investors and security holders may obtain copies of these documents and other documents filed with the applicable securities regulatory authorities free of charge through the website maintained by the SEC at <https://www.sec.gov> and the website maintained by the Canadian securities regulators at www.sedarplus.ca. Copies of the documents filed by 180 Degree Capital are also available

free of charge by accessing 180 Degree Capital's investor relations website at <https://ir.180degreecapital.com>.

Certain Information Concerning the Participants

Mount Logan, its directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from the shareholders of Mount Logan in favor of the approval of the Business Combination. Information about Mount Logan's executive officers and directors is available in Mount Logan's annual information form dated March 14, 2024, available on its website at <https://mountlogancapital.ca/investor-relations> and on SEDAR+ at <https://sedarplus.ca>. To the extent holdings by the directors and executive officers of Mount Logan securities reported in Mount Logan's annual information form have changed, such changes have been or will be reflected on insider reports filed on SEDI at <https://www.sedi.ca/sedi/>. Additional information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the Mount Logan shareholders in connection with the Business Combination will be contained in the Prospectus included in the Registration Statement when such document becomes available.

180 Degree Capital, its directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in connection with the Business Combination. Information about 180 Degree Capital's executive officers and directors is available in 180 Degree Capital's Annual Report filed on Form N-CSR for the year ended December 31, 2023, which was filed with the SEC on February 20, 2024, and in its proxy statement for the 2024 Annual Meeting of Shareholders ("2024 Annual Meeting"), which was filed with the SEC on March 1, 2024. To the extent holdings by the directors and executive officers of 180 Degree Capital securities reported in the proxy statement for the 2024 Annual Meeting have changed, such changes have been or will be reflected on Statements of Change in Ownership on Forms 3, 4 or 5 filed with the SEC. These documents are or will be available free of charge at the SEC's website at <https://www.sec.gov>. Additional information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the 180 Degree Capital shareholders in connection with the Business Combination will be contained in the Proxy Statement when such document becomes available.

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