

180 DEGREE CAPITAL CORP. /NY/  
Form N-Q  
May 01, 2019

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-07074

180 DEGREE CAPITAL CORP.  
(Exact Name of Registrant as Specified in Its Charter)

7 N. Willow Street, Suite 4B, Montclair NJ 07042  
(Address of Principal Executive Offices) (Zip Code)

Daniel B. Wolfe  
President and Chief Financial Officer  
180 Degree Capital Corp.  
7 N. Willow Street, Suite 4B  
Montclair, NJ 07042  
(Name and address of agent for service)

Copy to:  
John J. Mahon, Esq.  
Schulte Roth & Zabel, LLP  
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Suite 850  
Washington, DC 20005  
(202) 729-7477

Registrant's telephone number, including area code: (973) 746-4500

Date of fiscal year end: December 31

Date of reporting period: March 31, 2019

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Item 1. Consolidated Schedule of Investments and Schedule 12-14.



180 DEGREE CAPITAL CORP.  
CONSOLIDATED SCHEDULE OF  
INVESTMENTS AS OF MARCH 31, 2019  
(UNAUDITED)

Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value
Investments in Unaffiliated Companies (2) - 38.3% of net assets at value				
Privately Held Companies (Illiquid) - 18.5% of net assets at value				
AutoTech Ventures Management I, LLC (3)(4)(5) Venture capital investing in automotive-related companies				
Asset Management & Custody Banks				
LLC Interests (acquired 12/1/17)			(M) (L3)	\$ 0 0 \$150,000
D-Wave Systems, Inc. (3)(4)(6) Developing high-performance quantum computing systems				
Technology Hardware, Storage & Peripherals				
Series 1 Class B Convertible Preferred Stock (acquired 9/30/08)			(M) (L3)	1,002,074 1,144,869 2,002,454
Series 1 Class C Convertible Preferred Stock (acquired 9/30/08)			(M) (L3)	487,804 450,450 804,461
Series 1 Class D Convertible Preferred Stock (acquired 9/30/08)			(M) (L3)	748,473 855,131 1,527,183
Series 1 Class E Convertible Preferred Stock (acquired 11/24/10)			(M) (L3)	248,049 269,280 501,649
Series 1 Class F Convertible Preferred Stock (acquired 11/24/10)			(M) (L3)	238,323 258,721 481,978
Series 1 Class H Convertible Preferred Stock (acquired 6/27/14)			(M) (L3)	909,088 460,866 1,167,230
Series 2 Class D Convertible Preferred Stock (acquired 9/30/08)			(M) (L3)	736,019 678,264 1,211,315
Series 2 Class E Convertible Preferred Stock (acquired 6/1/12-3/22/13)			(M) (L3)	659,493 513,900 1,002,103
Series 2 Class F Convertible Preferred Stock (acquired 6/1/12-3/22/13)			(M) (L3)	633,631 493,747 962,805
Warrants for Common Stock expiring 5/12/19 (acquired 5/12/14)			(I) (L3)	26,357 20,415 0
				5,689,311 9,661,178
Fleet Health Alliance, LLC (3)(4) Developing software for information transfer amongst healthcare providers and consumers				
Health Care Technology				
				225,000 \$225,000 112,500

Unsecured Convertible Bridge Note, 0%,	(I)
(acquired 4/22/16, no maturity date)	(L3)

The accompanying unaudited notes are an integral part of this unaudited consolidated schedule of investments.

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(UNAUDITED)

Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value
Investments in Unaffiliated Companies (2) - 38.3% of net assets at value (cont.)				
Privately Held Companies (Illiquid) - 18.5% of net assets at value (cont.)				
Magnolia Neurosciences Corporation (3)(4) Developing and commercializing novel therapeutics for treatment of neurodegeneration				
Series A Convertible Preferred Stock (acquired 8/3/18)			(I) (L3)	\$ 862,872 862,872 \$ 868,480
Nanosys, Inc. (3)(4) Developing inorganic nanowires and quantum dots for use in LED-backlit devices				
Series C Convertible Preferred Stock (acquired 4/10/03)			(I) (L3)	1,500,000 803,428 929,986
Series D Convertible Preferred Stock (acquired 11/7/05)			(I) (L3)	3,000,003 1,016,950 1,744,469
Series E Convertible Preferred Stock (acquired 8/13/10)			(I) (L3)	496,573 433,688 790,911
				4,996,576 3,465,366
NanoTerra, Inc. (3)(4) Developing surface chemistry and nano-manufacturing solutions				
Warrants for Common Stock expiring on 2/22/21 (acquired 2/22/11)			(I) (L3)	69,168 4,462 0
Warrants for Series A-3 Preferred Stock expiring on 11/15/22 (acquired 11/15/12)			(I) (L3)	35,403 47,508 30,494
				104,571 30,494
Petra Pharma Corporation (3)(4)(7) Developing small molecule inhibitors for treatment of cancer and metabolic diseases				
Series A Convertible Preferred Stock (acquired 12/23/15-1/8/18)			(I) (L3)	1,894,798 1,894,798 967,805
Secured Convertible Bridge Note, 7% PIK, (acquired 8/30/18, maturing 7/31/19)			(M) (L3)	384,923 \$ 369,748 192,461
				2,279,721 1,160,266

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(UNAUDITED)

Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value
Investments in Unaffiliated Companies (2) - 38.3% of net assets at value (cont.)				
Privately Held Companies (Illiquid) - 18.5% of net assets at value (cont.)				
Phylagen, Inc. (3)(4)				Research & Consulting Services
Developing technology to improve human health and business productivity				
Series A Convertible Preferred Stock (acquired 11/14/18)			(M) (L3)	\$249,448 584,597 \$399,689
Total Unaffiliated Privately Held Companies (cost: \$14,407,499)				\$15,847,973
Unaffiliated Publicly Traded Securities - 19.8% of net assets at value				
Adesto Technologies Corporation (4)				Semiconductors
Developing low-power, high-performance solutions for the Internet of Things (IoT)				
Common Stock (acquired 10/27/15-12/31/18)			(M) (L1)	\$6,263,867 1,065,465 \$6,446,063
Airgain, Inc. (4)				Electronic Components
Providing advanced antenna technologies for high-performance wireless networking				
Common Stock (acquired 6/4/18-2/15/19)			(M) (L1)	1,730,864 190,300 2,441,549
Emcore Corporation (4)				Communications Equipment
Providing mixed-signal optical products				
Common Stock (acquired 5/3/18-3/29/19)			(M) (L1)	3,011,886 652,508 2,381,654
Lantronix, Inc. (4)				Communications Equipment
Providing secure data access and management solutions				
Common Stock (acquired 9/18/18-3/5/19)				1,815,244 526,400 1,589,728

(M)

(L1)

Mersana Therapeutics, Inc. (4)  
Developing antibody drug conjugates for cancer  
therapy

Biotechnology

Common Stock (acquired 7/27/12-12/31/18)	(M)	4,414,817	301,100	1,583,786
	(L1)			

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Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value
Investments in Unaffiliated Companies (2) - 38.3% of net assets at value (cont.)				
Unaffiliated Publicly Traded Securities - 19.8% of net assets at value (cont.)				
OpGen, Inc. (4)				
Developing tools for genomic sequence assembly and analysis				
Warrants for the Purchase of Common Stock expiring 5/8/20 (acquired 5/5/15)			(M) (L2)	\$425,579 12,034 \$3,519
Warrants for the Purchase of Common Stock expiring 2/17/25 (acquired 5/5/15)			(I) (L3)	785 1,248 70
				426,364 3,589
Miscellaneous Common Stocks (8)			(M) (L1)	2,635,917 2,540,774
Total Unaffiliated Publicly Traded Securities (cost: \$20,298,959)				\$16,987,143
Total Investments in Unaffiliated Companies (cost: \$34,706,458)				\$32,835,116
Investments in Non-Controlled Affiliated Companies (2) - 51.4% of net assets at value				
Privately Held Companies (Illiquid) - 31.9% of net assets at value				
ABSMaterials, Inc. (3)				
Developing nano-structured absorbent materials for water remediation and consumer applications				
Series A Convertible Preferred Stock (acquired 2/17/10-10/24/11)			(I) (L3)	\$435,000 390,000 \$28,213
Series B Convertible Preferred Stock (acquired 11/8/13-6/25/14)			(I) (L3)	1,217,644 1,037,751 280,879
Secured Convertible Bridge Note, 8% PIK, (acquired 1/20/16, maturing 12/31/19)			(M) (L3)	125,578 \$100,000 62,789
				29,022 \$25,000 14,511

Secured Convertible Bridge Note, 8% PIK, (acquired 3/28/17, maturing 12/31/19)	(M) (L3)	1,807,244	386,392
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Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value
Investments in Non-Controlled Affiliated Companies (2) -				
51.4% of net assets at value (cont.)				
Privately Held Companies (Illiquid) -				
31.9% of net assets at value (cont.)				
AgBiome, LLC (3)(4)				Fertilizers & Agricultural Chemicals
Providing early-stage research and discovery for agriculture and utilizing the crop microbiome to identify products that reduce risk and improve yield				
Series A-1 Convertible Preferred Units (acquired 1/30/13)			(I) (L3)	\$2,000,000 2,000,000 \$10,359,859
Series A-2 Convertible Preferred Units (acquired 4/9/13-10/15/13)			(I) (L3)	521,740 417,392 2,197,838
Series B Convertible Preferred Units (acquired 8/7/15)			(I) (L3)	500,006 160,526 947,896
				3,021,746 13,505,593
Black Silicon Holdings, Inc. (3)(9)(10)				Semiconductors
Holding company for interest in a company that develops silicon-based optoelectronic products				
Series A Convertible Preferred Stock (acquired 8/4/15)			(M) (L3)	750,000 233,499 0
Series A-1 Convertible Preferred Stock (acquired 8/4/15)			(M) (L3)	890,000 2,966,667 0
Series A-2 Convertible Preferred Stock (acquired 8/4/15)			(M) (L3)	2,445,000 4,207,537 0
Series B-1 Convertible Preferred Stock (acquired 8/4/15)			(M) (L3)	1,169,561 1,892,836 0
Series C Convertible Preferred Stock (acquired 8/4/15)			(M) (L3)	1,171,316 1,674,030 0
Secured Convertible Bridge Note, 8% PIK, (acquired 8/25/16, maturing 8/4/21)			(M) (L3)	1,444,368 \$1,278,453 573,934
				7,870,245 573,934
Coba Therapeutics Corporation (3)(10)				Pharmaceuticals
Developed therapeutics for obesity, diabetes and liver diseases				

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Unsecured Convertible Bridge Note, 6% PIK, (acquired 2/27/18, maturing 2/27/19)	(I) (L3)	151,606	\$145,530	21,776
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Method of Valuation (1)	Industry	Cost	Shares/ Principal	Value		
Investments in Non-Controlled Affiliated Companies						
(2) -						
51.4% of net assets at value (cont.)						
Privately Held Companies (Illiquid) -						
31.9% of net assets at value (cont.)						
EchoPixel, Inc. (3)(4)				Health Care Equipment		
Developing virtual reality 3-D visualization software for life sciences and health care applications						
Series Seed Convertible Preferred Stock (acquired 6/21/13-6/30/14)			(I) (L3)	\$1,250,000	4,194,630	\$1,322,598
Series Seed-2 Convertible Preferred Stock (acquired 1/22/16)			(I) (L3)	500,000	1,476,668	472,177
Series A-2 Convertible Preferred Stock (acquired 3/23/17)			(I) (L3)	350,000	1,471,577	540,324
				2,100,000		2,335,099
Essential Health Solutions, Inc. (3)				Health Care Technology		
Developing software for information transfer amongst healthcare providers and consumers						
Common Stock (acquired 11/18/16)			(I) (L3)	20	200,000	126,550
Series A Convertible Preferred Stock (acquired 11/18/16)			(I) (L3)	2,750,000	2,750,000	2,800,127
Unsecured Convertible Bridge Note, 8% PIK, (acquired 12/19/18, maturing 12/19/19)			(M) (L3)	51,129	\$ 50,000	51,129
				2,801,149		2,977,806
Lodo Therapeutics Corporation (3)(4)				Pharmaceuticals		
Developing and commercializing novel therapeutics derived from a metagenome-based Natural Product Discovery Platform						
Series A Convertible Preferred Stock (acquired 12/21/15-4/22/16)			(I) (L3)	658,190	658,190	793,482
NGX Bio, Inc. (3)(4)(10)				Research & Consulting Services		
Developed translational genomics solutions						
				500,002	666,667	15,114

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Series Seed Convertible Preferred Stock (acquired 6/6/14-1/10/16)	(I) (L3)			
Series Seed 2 Convertible Preferred Stock (acquired 8/20/15-9/30/15)	(I) (L3)	499,999	329,989	7,481
Series Seed 3 Convertible Preferred Stock (acquired 6/26/17)	(I) (L3)	686,329	666,001	15,099