

Special Opportunities Fund, Inc. Commences Rights Offering

NEW YORK, December 10, 2021 -- (BUSINESS WIRE) -- Special Opportunities Fund, Inc. (NYSE: SPE - News) (the "Fund") announced today that it will issue to its common stockholders of record as of December 20, 2021 one transferable right for every five shares of common stock held (rounded up for fractional rights) entitling the holders of such rights to purchase an aggregate of 2,542,593 shares of a newly issued class of Convertible Preferred Stock.

The rights will expire on January 21, 2022 unless extended and will entitle the holder to purchase one share of a Convertible Preferred Stock at a price of \$25.00 per share for each right held. The Fund anticipates that the rights will be listed on NYSE and the new Convertible Preferred Stock will be listed on the New York Stock Exchange. All holders of rights who fully subscribe in the offering will have the option to oversubscribe for additional shares of Convertible Preferred Stock which may be available if fewer than all rights are exercised. Additionally, if there are not enough unsubscribed shares of Convertible Preferred Stock to honor all oversubscription requests, the Board of Directors may, in its sole discretion, issue up to 1.5 million additional shares to honor such oversubscription requests.

The Convertible Preferred Stock will pay a dividend on the last business day of each quarter at a rate of 2.75% per annum and may be converted into common stock at a conversion price of \$20.50 per share of common stock (or a ratio of 1.2195 shares of common stock for each share of Convertible Preferred Stock) adjusted for any distributions made to or on behalf of common stockholders. At any time following the second anniversary of the Expiration Date, the Board of Directors may, in its sole discretion and upon thirty days' notice, redeem all or any part of the then outstanding shares of Convertible Preferred Stock at \$25.00 per share plus accrued dividends. In addition, if the market price of the Fund's common stock is equal to or greater than \$23.75 per share adjusted for any distributions made to or on behalf of common stockholders, the Board may, in its sole discretion, require holders of the Convertible Preferred Stock to convert all or any part of their shares into shares of common stock at a conversion price of \$20.50 per share of common stock (or a ratio of 1.2195 shares of common stock for each share of Convertible Preferred Stock held) adjusted for any distributions made to or on behalf of common stockholders. All outstanding shares of Convertible Preferred Stock as of January 21, 2027 (five years from the Expiration Date) will be mandatorily redeemed at a price of \$25.00 per share plus accrued dividends.

The Board intends to use approximately one-third of the net proceeds raised in the offering to fund a self-tender offer for shares of the Fund's common stock if, within the 30-day period commencing on the day following the expiration date, the closing market price for such shares is less than 94% of their net asset value for three consecutive days. The remainder of the net proceeds will be invested in accordance with the Fund's investment objective and used for general working capital purposes. A registration statement/prospectus covering the rights offering and the Convertible Preferred Shares to be issued has been filed with the Securities and Exchange Commission and is available at www.sec.gov. Additional information about the Fund is available on its website at <http://www.specialopportunitiesfundinc.com>.

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