



Value Creation Through Constructive Activism

Q2 2017 Financial Results Call

August 2, 2017

Safe Harbor Statement



This presentation may contain statements of a forward-looking nature relating to future events. Statements contained in this presentation that are forward-looking statements are intended to be made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. 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 herein.

Please see the Company's filings with the Securities and Exchange Commission for a more detailed discussion of the risks and uncertainties associated with the Company's business, including but not limited to the risks and uncertainties associated with investing in privately held and publicly traded companies and other significant factors that could affect the Company's actual results. Except as otherwise required by Federal securities laws, 180 Degree Capital Corp. undertakes no obligation to update or revise these forward-looking statements to reflect new events or uncertainties.

Summary of Q2 2017

- Increases in stock price, net asset value per share (“NAV”) and stock price/NAV:
 - Stock Price: \$1.45 -> \$1.62 (+11.7%)
 - NAV: \$2.43 -> \$2.44 (+0.4%)
 - **First time in over 5 years that our NAV increased in two consecutive quarters**
 - Stock Price/NAV: 59.7% -> 66.4% (+670 bps)
- Progress converting private companies to public companies and/or cash:
 - Mersana completed IPO on June 28, 2017
 - Cash plus publicly traded assets: \$19.1M -> \$22.6M (+18.3%)
- Completed restructuring:
 - Subleased NYC office
 - Substantially all costs of restructuring included in Q2 2017 NAV
- First new investments under new strategy:
 - USA Truck, Inc. (NASDAQ:USAK)
 - Synacor, Inc. (NASDAQ:SYNC)
 - TheStreet, Inc. (NASDAQ:TST)

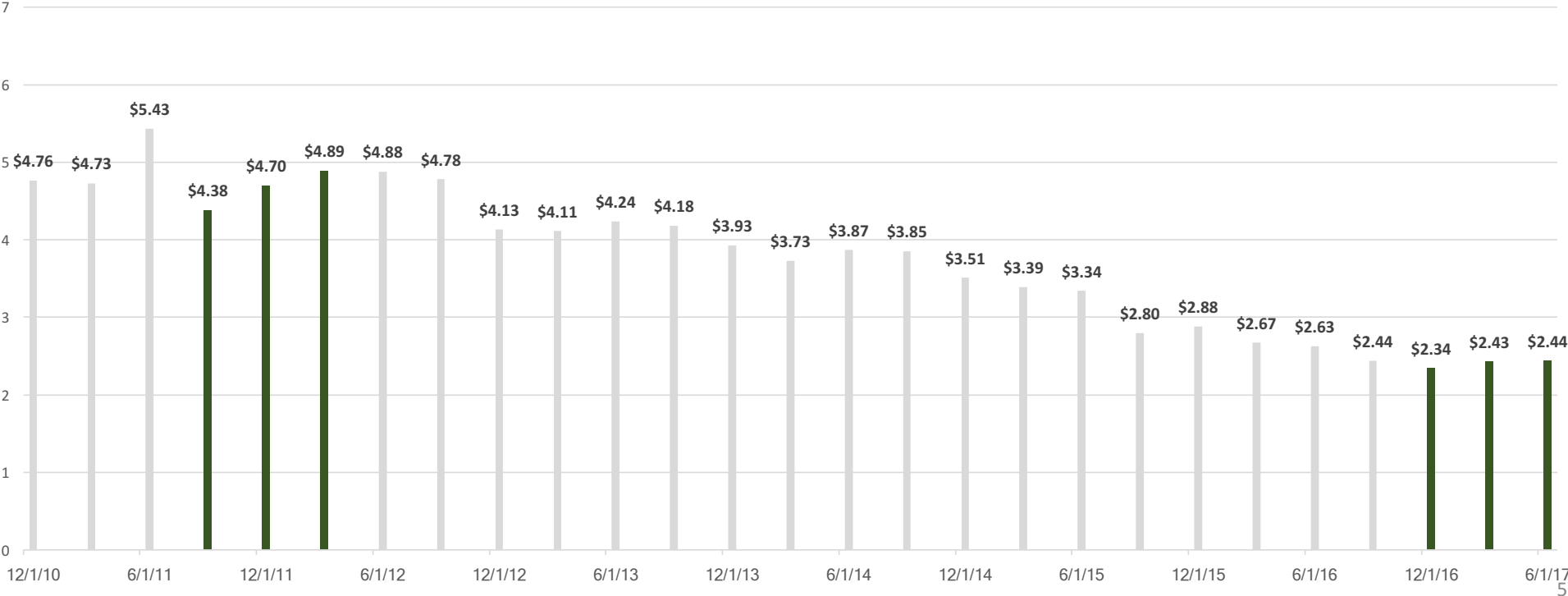
Source of Changes in Net Assets



First time in over 5 years that our NAV increased in two consecutive quarters

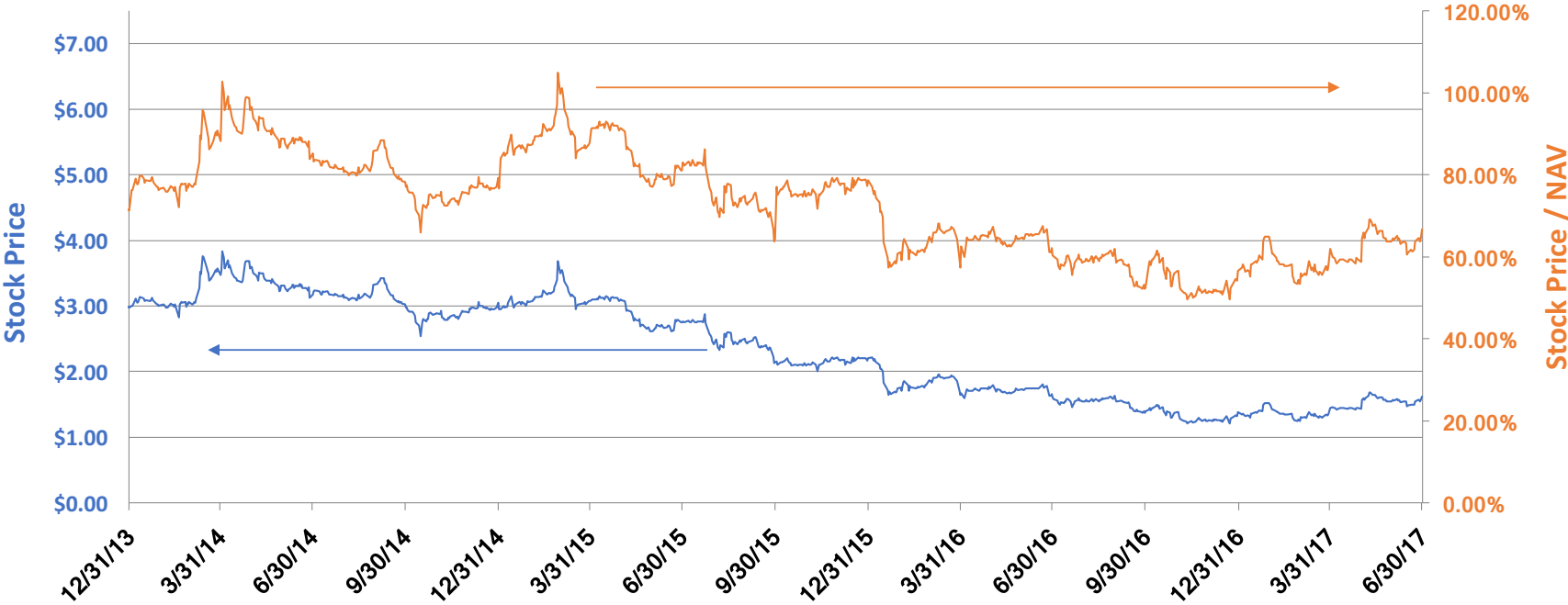
Historical Trend of NAV

First time in over 5 years that our NAV increased in two consecutive quarters



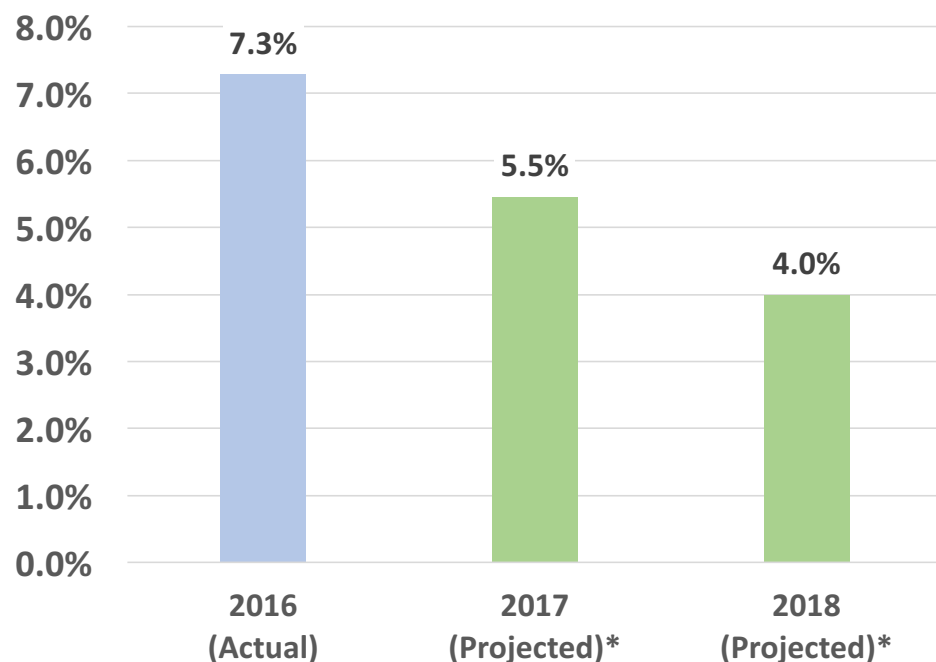
Historical Stock Price and Percent of NAV

Our stock is trading at a lower discount to NAV since the end of the prior quarter, but we have much further to go.



Note: Share price / NAV calculated on a historical NAV basis.

Day-to-Day Expense Ratio Reduction



- Approximately \$970,000 of restructuring-related expenses realized during Q2 2017.
- Base operating expense run-rate reduced to approximately \$3 million per annum from a 5-year average of approximately \$6.5 million.**
- Day-to-day expense side of ratio is optimized; further reductions in expense ratio will come from growing net assets.

* Assumes net assets remain flat at \$76 million, is net of sublease income and excludes one-time benefit of \$580,000 related to forfeited restricted stock in 2017.

** Excludes average of \$1.2 million per year in historical stock-based compensation expenses. 180 does not issue stock-based compensation.

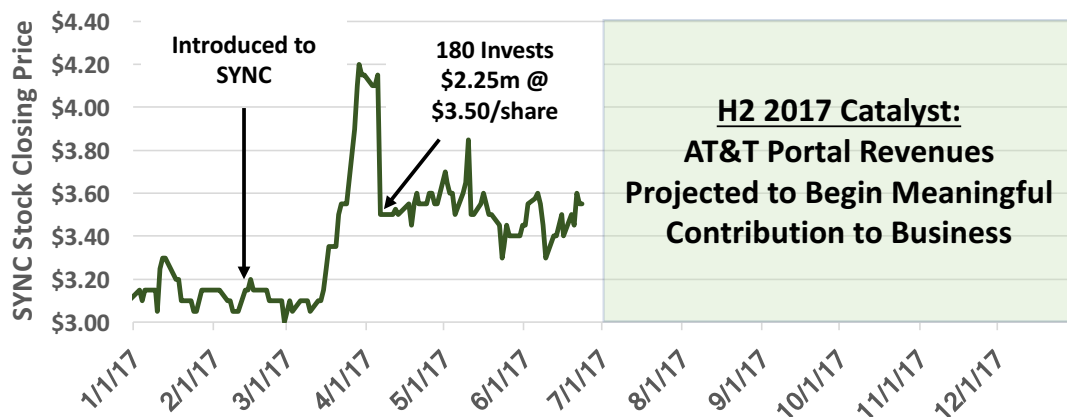
Note: Actual expenses for 2017 and 2018 are estimates as of the date of this presentation. The actual expenses for each year may be materially different than the percentages listed above.

New Portfolio Companies

	Ticker	# of Shares As of 7/31/17	Cost Basis	Value @ 6/30/17	Value @ 7/31/17
Synacor, Inc.	SYNC	700,000	\$2,451,446	\$2,555,000	\$2,730,000
USA Truck, Inc.	USAK	250,000	\$1,647,650	\$2,165,000	\$2,315,000
TheStreet, Inc.	TST	1,000,000	\$891,794	\$768,499*	\$755,000

* Based on 925,902 shares owned as of 6/30/17. Remaining shares were purchased in July 2017 and are not included in this value.

Synacor, Inc. (SYNC)



Valuation Analysis (\$ million)

	2016 (Actual)	2017 (Modeled) ¹	2018 (Modeled) ¹	2019 (Modeled) ¹
Revenues	\$127.4	\$163.5	\$230.8	\$296.5
Growth Rate (YoY)	8.6%	28.3%	41.2%	28.5%
Modeled Stock Price 1x EV/Revenue Valuation Multiple ²	N/A	\$4.79	\$6.57	\$8.29
Modeled Change from 180 Avg. Purchase Price	N/A	37%	88%	137%

1. Models based on analyst estimates as listed on Bloomberg. Actual results may be materially different than those modeled.
2. Calculations based on cash of \$26 million and outstanding debt of \$5 million. Multiple is based on SYNC EV/Rev on July 31, 2017.

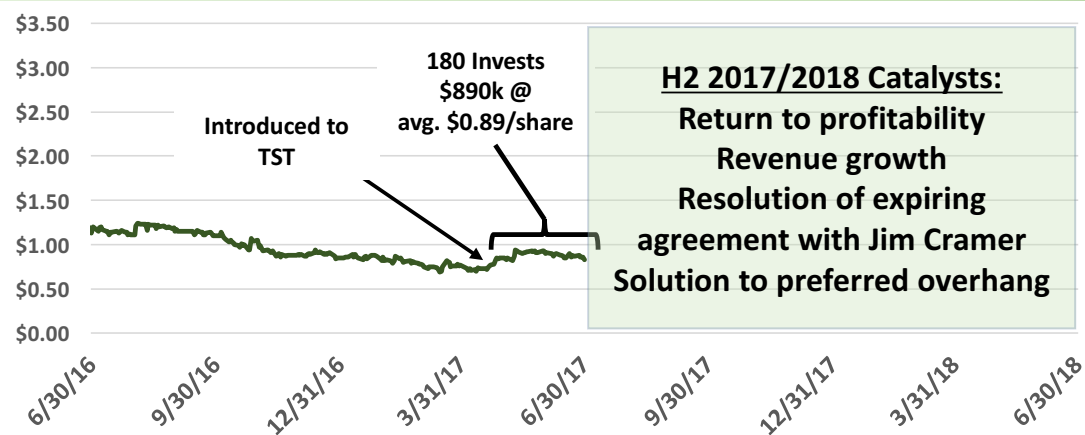
Company Profile

- Synacor delivers modern, multiscreen experiences and multiplatform services to partners that require scale, actionable data and sophisticated implementation.
- New CEO and management team joined in August 2014.
- Executing on plan to reach \$300 million in revenues and \$30 million in EBITDA in 2019.
- Won AT&T portal in 2016; launched in Q2 2017; material contribution to revenues expected in H2 2017.

180 Investment and Level 1 Engagement

- Introduced in Q1 2017 by analyst; began diligence including meeting with management team.
- Invested \$2.25 million in registered offering in Q2 2017.
- Active ongoing dialogue with management and investors to raise awareness of the company.
- We believe there are upside opportunities for increased value from reoccurring businesses (email/CloudID).

TheStreet, Inc. (TST)



Company Profile

- TheStreet is a financial news and information provider to consumers and businesses.
- New CEO and management team joined in 2016.
- Senior management and executive chairman historically built and sold MarketWatch and completed a successful turnaround of USA Today.

Valuation Analysis (\$ million)

	2016 (Actual)	2017 (Modeled) ¹	2018 (Modeled) ¹	2019 (Modeled) ²
Recurring Revenues (Modeled 2x EV/Rev.) ³	\$49.5	\$49.7	\$52.0	\$54.5
Non-Recurring Revenues (Modeled 1x EV/Rev.) ³	\$14.0	\$14.0	\$14.7	\$15.4
Modeled Stock Price	N/A	\$1.96	\$2.09	\$2.22
Modeled Change from 180 Avg. Purchase Price	N/A	121%	135%	150%

180 Investment and Level 1 Engagement

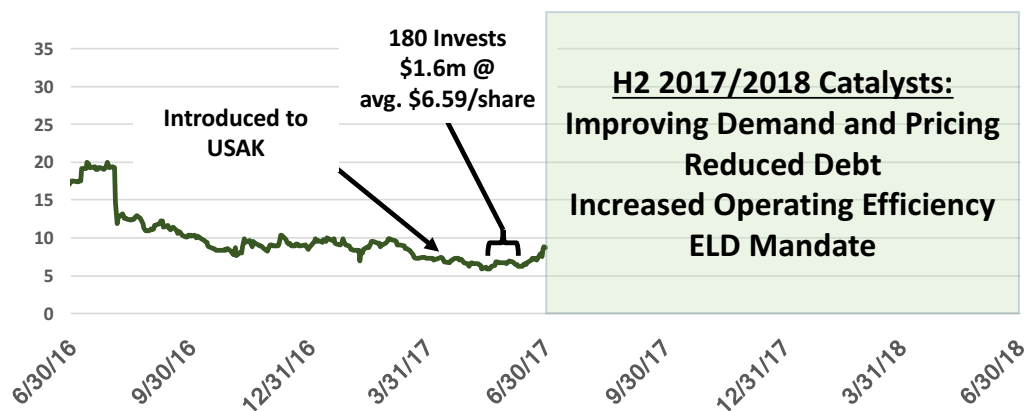
- Introduced in Q2 2017 by analyst; began diligence including meeting with management team.
- Invested \$890,000 in open market purchases.
- Active ongoing dialogue with management about potential ways to unlock value for shareholders.

1. Models based on analyst estimates as listed on Bloomberg and same distribution of revenues as in 2016. Actual results may be materially different than those modeled.

2. Estimate based on same growth rate from 2017 to 2018. Actual results may be materially different than those estimated.

3. Calculations based on cash of \$24.1 million and no debt. Multiple is based on financial data subscription companies (recurring revenues) and advertising-based media companies (non-recurring revenues), respectively.

USA Truck, Inc. (USAK)



Valuation Analysis (\$ million)

	2016 (Actual)	2017 (Modeled) ¹	2018 (Modeled) ¹	2019 (Modeled) ²
EBITDA	\$30.3	\$28.8	\$41.3	\$50.3
Growth Rate (YoY)	(55%)	1%	43%	21.7%
EBITDA/Rev. Valuation Multiple	N/A	7.1x ³	6.1x ⁴	5.4x ⁴
Stock Price @ EBITDA/Rev. Multiple ⁵	N/A	\$9.26 ³	\$14.77	\$17.10
Modeled Change from 180 Avg. Purchase Price	N/A	41%	124%	160%

1. Models based on analyst estimates as listed on Bloomberg. Actual results may be materially different than those modeled.
2. Estimated using half of 2017 to 2018 growth rate. Actual results may be materially different than those estimated.
3. Multiple and stock price as of July 31, 2017.
4. 2019 multiple is based on median EV/EBITDA multiple 2009-2016. 2018 multiple is average of July 12, 2017 and 2019 multiples.
5. Calculations based on cash of \$0.1 million and outstanding debt of \$129.3 million.

Company Profile

- USA Truck provides a broad range of truckload and logistics services to customers in a variety of industries.
- New CEO and management team joined in Q4 2016-Q1 2017.
- Implementing turnaround plan to drive profitable revenue growth and improve operational execution.

180 Investment and Level 1 Engagement

- Introduced in Q1 2017 through internal screen; began diligence including meeting with management team.
- Invested \$1.6 million @ avg. PPS of \$6.59 in open market purchases.
- Active ongoing dialogue with management and plan efforts to raise awareness of the company.
- We believe there are upside opportunities for improving operating efficiency by leveraging the diverse backgrounds of the new management team.

Source of Changes in Net Assets



First time in over 5 years that our NAV increased in two consecutive quarters

Sum of the Parts of TURN

	Based on Stock Price as of June 30, 2017	Based on Stock Price as of May 1, 2017
Value of public companies	\$17.7 million	\$12.6 million
Cash	\$4.9 million	\$8.2 million
Net other non-investment assets	\$(1.5 million)	\$(680,000)
Shares outstanding	31.1 million	31.1 million
Stock Price	\$1.62	\$1.43
Market capitalization	\$50.4 million	\$44.5 million
Effective value ascribed to private portfolio	\$29.3 million	\$24.4 million
Private portfolio value as of 6/30/17	\$54.9 million	\$57.2 million
Effective market value / value of private portfolio	53%	43%

Our Most Mature Private Portfolio Companies

Portfolio Company	Value as of June 30, 2017
D-Wave Systems, Inc.	\$9.9 million
AgBiome, LLC	\$9.1 million
HZO, Inc.	\$6.5 million
Nanosys, Inc.	\$3.4 million
	\$28.9 million
Remaining Privately Held Portfolio Companies	\$26 million
Effective market value ascribed to <u>entire</u> private portfolio	<u>\$29.3 million</u>

Note: Realized amounts may be materially different than the values listed above.

Steps to an Increased Stock Price

- We endeavor to increase our stock price through:
 - Narrowing of discount to NAV.
 - Increasing NAV through investment appreciation.
 - Decrease/eliminate drag on NAV from non-investment activities through:
 - Minimizing day-to-day operating expenses as much as possible.
 - Generate income from managing third-party capital or other sources.

**Management is 100% aligned with shareholders,
we must increase the price of our stock to be truly successful.**

180° CAPITAL CORP



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