



Value Creation Through Constructive Activism

Special Purpose Vehicle Focused on Synacor, Inc. (SYNC)

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.

180.2 SPV Series – SYNC Focused Fund

- Closed on April 19, 2018 with \$3.35 million from individuals and one family office.
- We have purchased approximately 1.24 million shares for the SPV in the open market investing 66% of the SPV funds.
- Aggregate ownership between 180 and the SPV is 6.8%.
- 180 will receive management fees and carried interest on returns from the SPV

Synacor, Inc. (NASDAQ: SYNC) Company Profile

- Synacor is a provider of white-label internet portal, email, authentication, advertising and video technology platforms to a diverse set of corporate and government customers globally.
 - Synacor's platforms reach 120 million monthly visitors, 120 service providers, 3500 enterprises, 500 million email boxes and more than 1000 web publishers.
 - Company's original internet portal and internally developed authentication businesses complemented by acquisitions of Zimbra (email platform) and Nimble TV (video platform) in 2015 and Technorati (advertising platform) in 2016.
- Most notable new customer was AT&T in 2016.
 - Synacor replaced Yahoo! as AT&T's portal provider and invested ~\$13 million in development that should be able to be leveraged for other portal customers, particularly for mobile interfaces.
 - AT&T site launched and began contributing to revenues in Q2 2017.
- Strong balance sheet and improving financial performance
 - \$15.0 million in cash; \$4.5 million in debt.
 - Revenue growth:
 - \$26.5 million in Q1 2017 -> \$32.9 million in Q1 2018 (+24.2%); \$31.2 million in Q2 2017 -> \$35.9 million in Q2 2018 (+15.1%)
 - \$127.4 million in 2016 -> \$140.0 million in 2017 (+9.9%) -> 154.2 million in 2018 (+10.1%)*.
 - Adj. EBITDA (margin) improvement : \$0.4 million (0.3%) in 2016 -> \$2.3 million (1.6%) 2017 -> \$7.9 million (5.1%) in 2018*

* As of June 30, 2018

* Source: Bloomberg average analyst estimates as updated in August 2018. Actual results may be materially different.

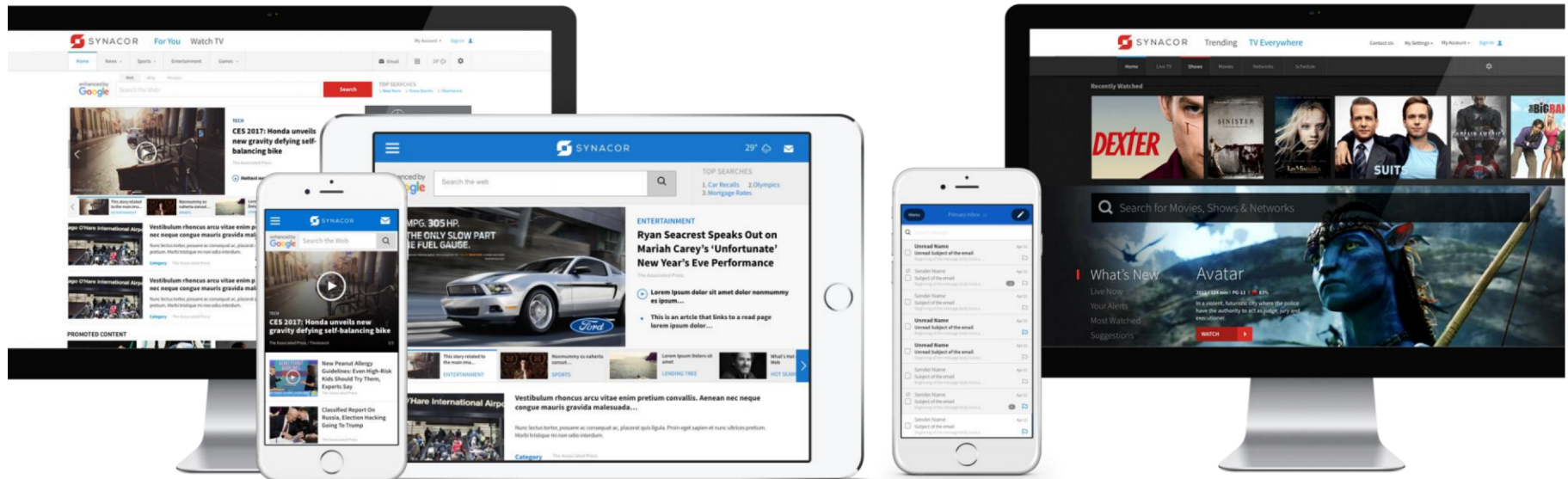
Revenue and Product Mix

SEARCH AND ADVERTISING

~60% OF REVENUE*

RECURRING AND FEE-BASED SOFTWARE

~40% OF REVENUE*



Advanced Portal Experiences

Advertising Solutions

Email/Collaboration

Identity Management

* As of June 30, 2018

Financial History and Projections

In Millions of USD	FY 2015	FY 2016	FY 2017	FY 2018 Est.
Market Capitalization	52.5	95.7	89.2	77.6*
- Cash & Equivalents	15.7	14.3	22.5	15.0
+ Preferred & Other	0.0	0.0	0.0	0
+ Total Debt	7.6	7.0	5.8	4.6
Enterprise Value	44.4	88.4	72.5	67.2*
Revenue, Adj	110.2	127.4	140.0	154.2
Growth %, YoY	3.4	15.5	9.9	10.1
Gross Profit, Adj	55.8	68.2	70.0	75.8
Margin %	50.6	53.6	50.0	49.2
EBITDA, Adj	4.5	0.4	2.3	7.9
Margin %	4.1	0.3	1.7	5.1
Source: Bloomberg and SEC Filings. Actual results may be materially different than any estimates included in this set of information.				
	12/31/15	12/30/16	12/29/17	8/2/18
Stock Price	\$1.75	\$3.10	\$2.30	\$2.00

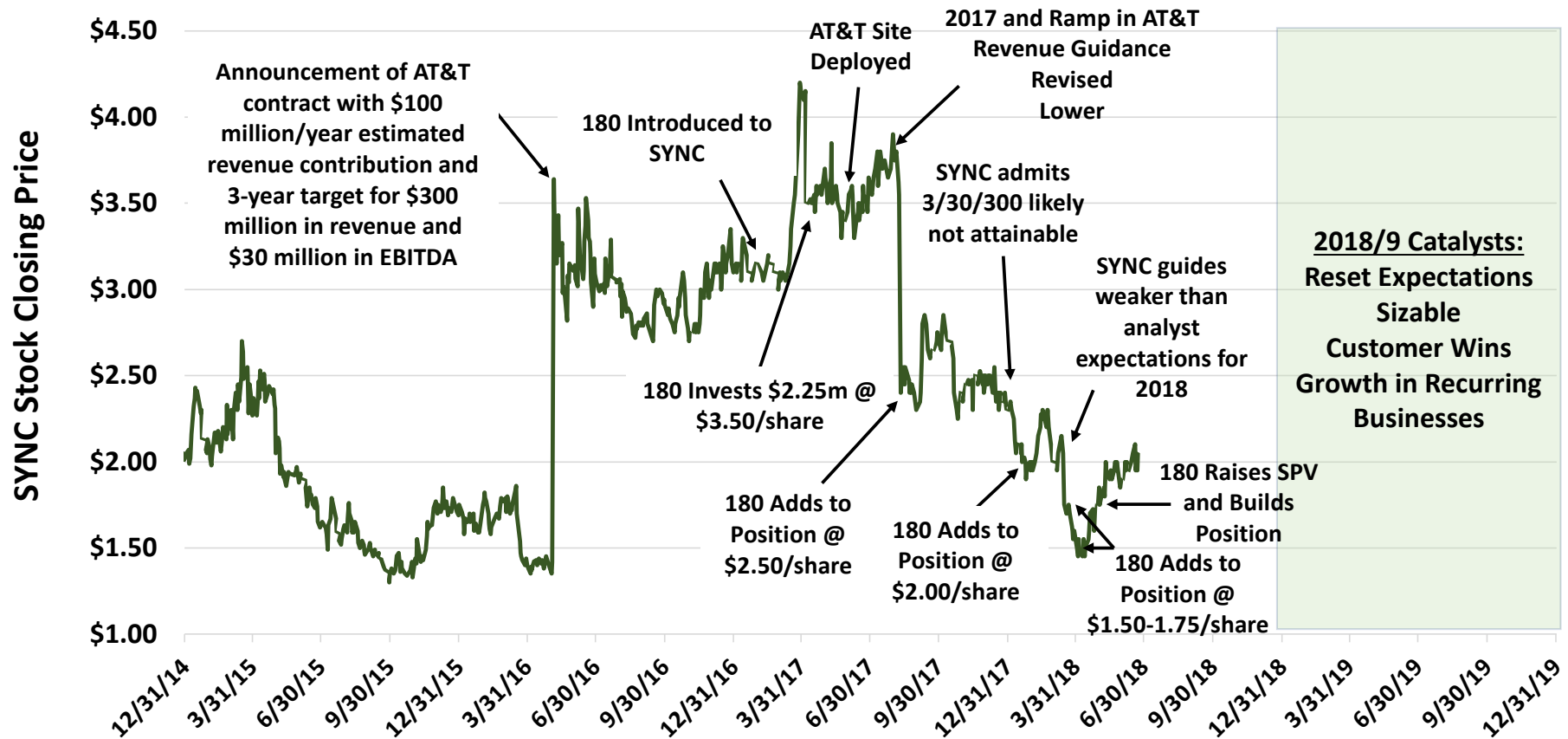
* As of 8/2/18

2018 Financial Guidance Analysis

Revenue Components	2017 (Actual)	2018 (Low-End Company Estimate) ¹	Low-End Estimate Growth Rates	2018 (High-End Company Estimate) ¹	High End Estimate Growth Rates	2019 Analyst Estimate ³	2019 Estimate Growth Rates	180's Thoughts on Potential Upside/Downside Contributors ⁴
Search & Advertising ex AT&T	\$58,351	\$58,351	0%	\$58,351	0%			Increased ad rev. from Technorati Larger decline in search revenue
AT&T Search & Advertising	\$25,205	\$35,000	39%	\$35,000	39%			AT&T allows increased ads on site AT&T decreases current ad on site
CloudID ²	\$10,300	\$10,300	0%	\$12,360	20%			New offerings attract addn'l customers SYNC loses customers to competitors
Email ²	\$46,171	\$46,171	0%	\$49,403	5%			ZimbraX platform inc. paying customers Renewals less than estimated
Total	\$140,027	\$149,822	7%	\$155,114	11%	\$167,000	7.7-11.5%	

1. SYNC reconfirmed guidance for 2018 of \$150-155 million in revenue in a press release on August 1, 2018 at <https://www.synacor.com/investor-relations/press-releases/press-release-details/2018/Synacor-Delivers-15-YOY-Revenue-Growth-in-Second-Quarter-2018/default.aspx>.
2. SYNC does not breakout the components of recurring revenues. These amounts are estimates derived by 180 using publicly available information. The actual breakout between CloudID and Email may be materially different than that estimated by 180.
3. Based on data from Bloomberg as of August 2, 2018.
4. These items are not meant to be exhaustive and other contributors and/or factors could impact actual results materially from those estimated by SYNC.

SYNC Trading History and Key Events



Timeline of 180 Involvement in SYNC

- February-March 2017 – First conversations and in-person meetings with management.
- April 2017 – 180 Degree Capital Corp. purchases 650,000 shares of SYNC in underwritten offering @ \$3.50 per share.
- August 2017 – 180 adds to its position @ \$2.50 per share following revision to full-year guidance.
- August 2017-January 2018 – 180 has series of discussions with management of SYNC to improve clarity of financial projections and communications with investors to position for 2018 and beyond.
- December 2017 – 180 shares its independent models for SYNC financial performance with analysts. Subsequent to these discussions, all of the analysts lower expectations for 2018 and 2019 financial performance.
- January 2018 - 180 adds to its position @ \$2.00 per share.
- February 2018 – 180 sends letter to the board of SYNC with suggestions we believe can increase value for all stockholders. 180 meets with management and members of SYNC's board of directors to discuss the contents of the letter.
- March-April 2018 - 180 adds to its position @ \$1.50-1.75 per share following weaker than expected 2018 guidance.
- April 2018 – 180 raises SPV to increase ownership of SYNC with reset expectations and improving financial performance.

SPV Investment Thesis

- In 2017, Synacor lost investor confidence and credibility due to:
 - Substantial revisions to revenue guidance for the year;
 - reduced expectations for contribution of AT&T portal to revenue;
 - no visible path to communicated goal of \$300 million in revenues and \$30 million in EBITDA in 2019.
- Analyst estimates substantially revised in late 2017 and in 2018 to reflect the new reality.
- Following these adjustments in estimates, Synacor currently trades at approximately 0.44x EV to est. 2019 revenue and 4.6x EV to est. 2019 EBITDA.
 - Valuation metrics are not representative of a company that is growing revenue, EBITDA and free cash flow and has a relatively strong balance sheet.
- 180's models suggest that Synacor has the opportunity to outperform the revised guidance based on existing operations and additional upside from new customer wins and improvements to operating efficiency.
- 180 believes SYNC is currently deeply undervalued owing primarily to a lack of credibility of management rather than fundamental problems with its business. Resolution of this credibility problem should unlock value and lead to material increases in SYNC's stock price.
- 180 believes SYNC is set up to resolve this issue in 2018/9 without fundamental changes to its businesses.
 - Should changes be required, 180 and the SPV would own a substantial portion of the company to seek such changes.

Note: Actual results and sources and results of valuation changes may be materially different than those discussed above.

Top Ten Holders of SYNC

Position	Shareholder	Shares	% Ownership
1	Ariel Investments LLC	4,050,912	10.4%
2	Walden International Inc	3,875,138	10.0%
3	180 Degree Capital Corp.	2,639,234	6.8%
4	ADVANTAGE I LP	1,759,841	4.5%
5	Renaissance Technologies	1,303,600	3.4%
6	Vanguard Group Inc	1,116,786	2.9%
7	Alyeska Investment Group	890,536	2.3%
8	Intel Corp	866,884	2.2%
9	Ancora Advisors LLC	464,035	1.2%
10	Emancipation Management LLC	456,826	1.2%

*Source: Bloomberg; 180's holdings as of June 30, 2018 and include 1,239,234 in the SPV

Modeled SYNC Stock Price at Various Multiples of Revenue

SYNC stock price as of August 2, 2018: \$2.00

		EV/SYNC Estimated 2019 Recurring Revenue Multiple ^{1,2}								
		0.0x	0.25x	0.50x	0.75x	1.00x	1.25x	1.50x	1.75x	2.00x
EV/SYNC Estimates of 2019 Non-Recurring Revenue Multiple ^{1,2}	0.0x	\$0.27	\$0.58	\$0.89	\$1.20	\$1.52	\$1.83	\$2.14	\$2.45	\$2.76
	0.1x	\$0.58	\$0.89	\$1.20	\$1.51	\$1.82	\$2.13	\$2.45	\$2.76	\$3.07
	0.2x	\$0.88	\$1.19	\$1.50	\$1.82	\$2.13	\$2.44	\$2.75	\$3.06	\$3.37
	0.3x	\$1.19	\$1.50	\$1.81	\$2.12	\$2.43	\$2.74	\$3.06	\$3.37	\$3.68
	0.4x	\$1.49	\$1.80	\$2.12	\$2.43	\$2.74	\$3.05	\$3.36	\$3.67	\$3.99
	0.5x	\$1.80	\$2.11	\$2.42	\$2.73	\$3.04	\$3.36	\$3.67	\$3.98	\$4.29
	0.6x	\$2.10	\$2.41	\$2.73	\$3.04	\$3.35	\$3.66	\$3.97	\$4.28	\$4.60
	0.7x	\$2.41	\$2.72	\$3.03	\$3.34	\$3.65	\$3.97	\$4.28	\$4.59	\$4.90
	0.8x	\$2.71	\$3.03	\$3.34	\$3.65	\$3.96	\$4.27	\$4.58	\$4.90	\$5.21
	0.9x	\$3.02	\$3.33	\$3.64	\$3.95	\$4.27	\$4.58	\$4.89	\$5.20	\$5.51
	1.0x	\$3.32	\$3.64	\$3.95	\$4.26	\$4.57	\$4.88	\$5.19	\$5.51	\$5.82

Firm / Analyst	Price Target ^{1,3}
Canaccord Genuity / Austin Moldow	\$3.00
Rosenblatt Securities / Marshall Senk	\$4.75
Lake Street Capital Markets / Mark Argento	\$3.00
Ladenburg Thalmann / Glenn Mattson	\$5.00
Craig Hallum Capital Group / George Sutton	\$2.00

- Recurring revenue businesses commonly trade at multiples to revenue > 1x revenues.^{1,2}
- Advertising/non-recurring-based revenue businesses commonly trade at multiples > 0.5x revenues.^{1,2}
- Consensus analyst estimates for 2019 revenue of \$167 million.³ If annualized 2018 recurring revenues continue to grow at 10% in 2019, then \$48.4 million of 2019 total revenues would be recurring.
- SYNC currently trades at combinations of multiples of its businesses that are materially below those of comparable businesses.
- SYNC currently has net cash of \$0.27 per share.
- With execution and a return of credibility, 180 believes SYNC can trade at multiples and prices per share that more accurately reflect the value of its businesses.¹

¹ Ranges of multiples and price targets from analysts are included for illustrative purposes only. Actual results may be materially different than those modeled/shown.

² Calculated based on 38.8 million shares outstanding.

³ Source: Bloomberg as of August 2, 2018

180° CAPITAL CORP



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