

May 25, 2022



180 Degree Capital Corp. Issues Second Open Letter to the Board and Preferred Stockholders of Comscore, Inc.

MONTCLAIR, N.J., May 25, 2022 (GLOBE NEWSWIRE) -- 180 Degree Capital Corp. (NASDAQ:TURN) ("180" and the "Company"), today issued the following open letter to the Board of Directors and Preferred Stockholders of Comscore, Inc. ("SCOR").

Board of Directors and Preferred Stockholders of Comscore, Inc.,

As a follow up to our public letter from May 17, 2022, and our past private letters, we thought it would be useful to specify the actions we request the Board and Preferred Stockholders take to reverse the destruction of value to common stockholders. To be clear, the silence from the Board following our latest letter only serves to reinforce our view that you are not interested in the views of common stockholders and are making decisions that solely benefit the preferred stockholders. Here are a few action items for the board to consider, which, if taken, could dispel our view that you are not fulfilling your fiduciary duties as Board members:

1. **Align Interests** – As discussed in our prior letters, the outstanding preferred stock creates a misalignment of interests that negatively impacts value for common stockholders and management's ability to attract, incentivize and retain talent. The Preferred Stockholders, who have representatives that make up 60% of the current Board, should convert at least a portion of their preferred stock into common stock. We are supportive of having the conversion come with some compensation for the rights and preferences that would be forgone with the conversion. This conversion would demonstrate alignment of interests for all stakeholders of SCOR, especially since the Preferred Stockholders systematically and knowingly allowed the company to be removed from the Russell 2000 Index when they had the power to prevent such removal. We also request the Board state their intentions with regard to the potential special dividend paid to the preferred stockholders. Given the Preferred Stockholders control a majority of SCOR's Board, they are in a position to further weaken the financial condition of the company to serve Preferred Stockholder interests. We request that the Board and Preferred Stockholders be clear and transparent regarding their intentions on this potential special dividend.
2. **Improve Board Independence** – SCOR's current Board allowed the common stock to suffer under its watch. The Preferred Stockholders have the right to appoint six members of SCOR's ten-person Board. First, a company of SCOR's size should not have a ten-person board. Second, having a majority of the board controlled by Preferred Stockholders does not reflect what we would consider balanced and independent representation for all stakeholders of SCOR. In our view, SCOR's Board needs changes in its composition to give everyone confidence that it is performing its

fiduciary duty, specifically to common stockholders, under Delaware law (more on that topic is discussed later in this letter). Removing three seats from the preferred shareholders would go a long way toward ensuring SCOR has a balanced Board.

3. Complete CEO Transition – Ambiguity of future leadership creates a significant overhang for any company. In SCOR’s case, it is crucial to find a leader who can work with existing and future management to extract the value we all believe exists within the company. With the connections and support of the Preferred Stockholders, we would have thought this position would have been filled by now with a high quality candidate. Could it be that the misalignment of interests discussed above is complicating this process? If not, what is the delay? The Board needs to complete this process with haste and allow the next leader to shape SCOR into their vision. This is yet another example of Preferred Stockholders receiving “preferred treatment” while at the same time providing limited strategic benefit for the company.
4. Renegotiation of Charter Contract – This is a \$200 million, 10-year contract with escalating payments. Is the data provided to SCOR distinctive from the data Charter provides SCOR’s direct competitors? Is Charter giving SCOR preferred access to its data, both in terms of the data it provides and the amount it requires SCOR to pay? SCOR should specifically and publicly lay out the value they are receiving from this “preferred partner.” If SCOR is not getting the value it expected when the agreement was structured and deserves especially given Charter’s preferred status, the contract must be immediately renegotiated. Charter does not get to use SCOR as its personal piggy bank without creating value for all of SCOR’s stakeholders. SCOR’s management needs to make the economic benefit of this contact clear so that all of its stakeholders can understand the value it brings to the company.
5. Extraction of Value – As a result of the above points, SCOR lags significantly behind its competitors in terms of value creation for stakeholders. We realize changes to the business need to be implemented and demonstrated before true value can be extracted through an increase in the common stock price and/or potential future M&A transactions. That said, we need to see progress on the points above to make it clear that the Preferred Stockholders are not using their position on the Board to adversely impact future value for common stockholders. You must immediately take decisive action with the sole purpose of creating meaningful shareholder value creation for all stakeholders, including the common shareholders.

We expect that SCOR’s Board is aware of its fiduciary obligations, but we thought it instructive to remind you that it is well settled under Delaware law that the interests of common stockholders come before preferred stockholders and that serious fiduciary duty questions are raised where a board favors the interests of preferred stockholders to the detriment of its common stockholders¹.

We provide below some examples of case law that illustrate this obligation:

In re Trados Inc. S’holders Litig., C.A. (Del. Ch. Aug. 16, 2013)

A former common stockholder of Trados claimed that the board breached its fiduciary

duty by approving a merger that provided for the partial payment of the preferred stockholders' liquidation preference and payment of a management bonus plan but left the common stockholders with nothing.

The Delaware Chancery Court refused to dismiss the claim stating that "in circumstances where the interests of the common stockholders diverge from those of the preferred stockholders, it is possible that a director could breach her duty by improperly favoring the interests of the preferred stockholders over those of the common stockholders."

Frederic Hsu Living Trust v. ODN Holding Corp. (Del. Ch. Apr. 14, 2017)

The court refused to dismiss claims that directors of the company breached their fiduciary duties to common stockholders by selling certain of the company's business lines and assets in order to fund a mandatory redemption of preferred stock.

In reaching its decision, the Court applied the entire fairness standard stating that it can be reasonably inferred that the directors acted to maximize the value of the preferred stock rather than seeking to promote the long-term value of the company for the benefit of the undifferentiated equity, and that the resulting transactions were unfair to the common stockholders.

We view good and proper corporate governance as mandatory within our investee companies, and it is how we run our firm. SCOR's Board needs to demonstrate to all of its stakeholders that it is operating up to the high standards required by Delaware law. The actions recommended above will help demonstrate that the Board, including its Preferred Stockholder members, understand its obligations and that all interests are aligned to build value for all stakeholders of SCOR. You have spent considerable time telling us, "The Board is talking about these topics." Unfortunately, thus far, empty words are the only steps that you have taken with regards to representing common stockholders. As far as we can tell, you have taken no tangible actions to ameliorate the situation and have intentionally allowed the stock to decline. We are disinterested in your empty words. A continued non-response to our requests will simply force us to pursue any and all actions that will result in this Board exercising good and proper governance, particularly related to its common stockholders. You have obligations you are not fulfilling, and we demand accountability, an immediate response, and material action.

Respectfully,

/s/ Kevin M. Rendino /s/ Daniel B. Wolfe
Kevin M. Rendino Daniel B. Wolfe
Chief Executive Officer President

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 we believe are substantially undervalued small, publicly traded companies that have potential for significant turnarounds. Our goal is that the result of our 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 and its holdings can be found on its website at www.180degreecapital.com.

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Forward-Looking Statements

This press release may contain statements of a forward-looking nature relating to future events. 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 in this press release. Please see the Company's securities filings filed with the Securities and Exchange Commission for a more detailed discussion of the risks and uncertainties associated with the Company's business and other significant factors that could affect the Company's actual results. Except as otherwise required by Federal securities laws, the Company undertakes no obligation to update or revise these forward-looking statements to reflect new events or uncertainties. The reference and link to the website www.180degreecapital.com has been provided as a convenience, and the information contained on such website is not incorporated by reference into this press release. 180 is not responsible for the contents of third-party websites.

¹ See, e.g., *In re Trados Inc. S'holders Litig.*, C.A. (Del. Ch. Aug. 16, 2013); *Equity-Linked Investors, L.P. v. Adams*, 705 A.2d 1040, 1042 (Del. Ch. 1997); *LC Capital Master Fund, Ltd. v. James*, C.A. (Del. Ch. Mar. 8, 2010); and *Frederic Hsu Living Trust v. ODN Holding Corp.* (Del. Ch. Apr. 14, 2017).



Source: 180 Degree Capital Corp.