180° CAPITAL CORP

VALUE CREATION THROUGH CONSTRUCTIVE ACTIVISM

Constructive Activism: A Case Study – TheStreet, Inc.

180 Degree Capital ("TURN") has been investing in the publicly traded microcap market with a constructive activist approach since 2017. During that time, we have frequently come across investors who view the term "activism" in a negative light. Our approach, however, has nearly always been to work with the managements and Boards of Directors of our investee companies in a collegial and constructive fashion in order to improve performance, solve problems, and ultimately to unlock value for shareholders.

We felt that it would be educational to go through one of our transactions from beginning to end to show how we were able to identify an attractive company and then work with them in order to effect change with the goal of unlocking value for all shareholders.

TheStreet, Inc. (TST)

TheStreet, Inc. ("TST"), was co-founded in 1996 by financial television personality Jim Cramer as a web-based provider of financial news, commentary and information aimed at helping readers make informed investment decisions. TST completed an initial public offering in 1999, and in subsequent years expanded its business to include business-to-business and business-to-consumer content and products that provided individual and institutional investors, advisors and dealmakers with actionable information from the worlds of finance and business.

In 2007, TST raised $55 million in a convertible preferred security from Technology Crossover Ventures (TCV) at a conversion price of $14.26 per share. This preferred security did not have a coupon, nor a maturity date that would require repayment. Its terms did include a number of restrictions on what the company could do with its business including stock buybacks and dividends. In the event of a sale of the company, the preferred shareholder would receive the first $55 of proceeds before the common shareholders received any. The capital structure significantly tilted to benefit the preferred and the security was an enormous overhang over the common stock

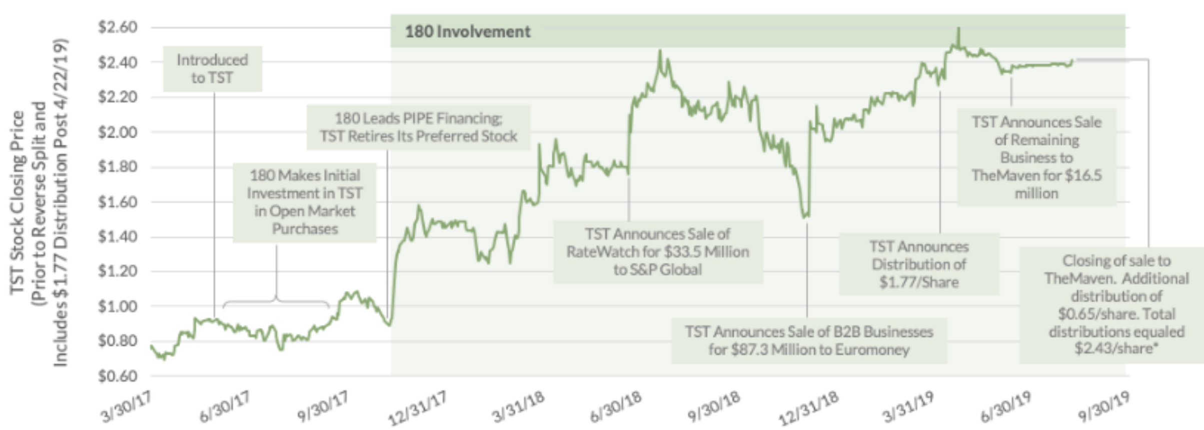
Fast forward to 2016. TST had gone through a number of years of poor financial performance under its then management team. In an effort to turn around the company, TST's Board hired Larry Kramer, the former founder of MarketWatch, a competitor to TST, to serve as Interim CEO and Executive Chairman; David Callaway, the former editor of USA Today, to serve as CEO; and Eric Lundberg, the former CFO of ALM Media, as CFO. As the new management team was diligently working to fix the business, TURN was introduced to the company in April 2017 by a friend of the firm who suggested that we learn more about the turnaround underway at the company. At the time, TST's stock was trading below $1 per share.

After meeting with Larry and David, we began doing our work and became very interested in the turnaround underway at the company. We were attracted by the new management team (the team that had built and sold MarketWatch), their strong balance sheet ($25.6 million in cash and virtually no debt exclusive of the preferred security) and their expectation for improving financial results in 2017 versus a $17.5 million loss in 2016. That said, it was well known that the outstanding preferred stock created an overhang on the ability of TST's common stock to rebound and reflect the strengthening business. We built an initial position of approximately 1 million shares and began conversations with TST's management and Board about how we might work with them to remove this preferred stock overhang. During these discussions, we also came to believe that that the companies mix of business to consumer and business to business operations would likely be worth more as separate entities rather than under one single company. We believed it was a classic "sum-of-the-parts" proposition. This value could not be unlocked, however, with the preferred stock in place.

Many other investors had tried to approach TCV, the holder of the preferred stock, with lowball offers to purchase the security. At TURN, we have experience in valuing such securities, and we worked with TST's management and Board to derive a proposal that was ultimately accepted by TCV. Using cash from TST's balance sheet in combination with an investment from TURN into TST with the issuance of TST shares, we were able to eliminate the preferred stock overhang. TURN took a 17% stake in TST and our CEO, Kevin Rendino, joined TST's Board of Directors.

We note that TURN only seeks to hold board positions in our investee companies to help effect changes where we and our investee companies believe we can be of assistance and, ideally, all the members of the board are on the same page with what needs to be accomplished. For TST, that goal was a sale of the company through one or more transactions. As we noted above, TST was a sum-of-the-parts play, and we believed we could help TST's Board and management with the sale process. This effort was overseen throughout by Kevin Rendino in his capacity as head of the Strategic Alternatives Committee of the Board.

Ultimately, TST's businesses were sold to acquirers in three separate transactions (RateWatch to S&P Global, TheDeal and BoardEx to Euromoney, and TST's consumer business to Arena Group Holdings (f/k/a TheMaven)). The deals were structured such that shareholders received distributions of cash that were treated as a return of capital and the final sale of TST's consumer business was an acquisition of the remaining public company. The chart below shows a timeline of the process along with the total return to shareholders of TST.



This example of constructive activism was only possible because TST and TURN worked together to fashion an outcome that benefitted both shareholders as well as the company itself. The role played by TURN was far from the corporate raider stereotype. Rather, we identified the key factors that we believed were holding down TST's stock price, identified solutions to overcome those hurdles, and then worked with TST's management and Board to implement them. It is the perfect example of TURN's approach to activist investing.

Note: The information discussed above is solely the opinion of 180 Degree Capital Corp. Any discussion of past performance is not an indication of future results. Investing in financial markets involves a substantial degree of risk. Investors must be able to withstand a total loss of their investment. The information herein is believed to be reliable and has been obtained from sources believed to be reliable, but no representation or warranty is made, expressed or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of the information and opinions.