

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED December 31, 2023

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER: 814-00852

SuRo Capital Corp.

(Exact name of registrant as specified in its charter)

Maryland
(State of incorporation)

640 Fifth Avenue, 12th Floor, New York, NY
(Address of principal executive offices)

27-4443543
(I.R.S. Employer Identification No.)

10019
(Zip Code)

(212) 931-6331

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	SSSS	Nasdaq Global Select Market
6.00% Notes due 2026	SSSSL	Nasdaq Global Select Market

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Emerging growth company

Accelerated filer

Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of common stock beneficially owned by non-affiliates of the Registrant on June 30, 2023, based on the closing price on that date of \$3.20 on the Nasdaq Global Select Market, was \$77,250,963. For the purposes of calculating this amount only, all interested directors and executive officers of the Registrant have been treated as affiliates. The issuer had 25,353,284 shares of common stock, \$0.01 par value per share, outstanding as of March 13, 2024.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement relating to the Registrant's 2024 annual meeting of stockholders (the "2024 Proxy Statement"), to be filed with the Securities and Exchange Commission (the "SEC") within 120 days following the end of the Registrant's fiscal year, are incorporated by reference in Part III of this annual report

SURO CAPITAL CORP.

TABLE OF CONTENTS

	<u>PAGE</u>
PART I.	
Item 1. Business	1
Item 1A. Risk Factors	16
Item 1B. Unresolved Staff Comments	46
Item 1C. Cybersecurity	46
Item 2. Properties	46
Item 3. Legal Proceedings	46
Item 4. Mine Safety Disclosures	46
PART II.	
Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	47
Item 6. [Reserved]	52
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	53
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	65
Item 8. Financial Statements and Supplementary Data	66
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	114
Item 9A. Controls and Procedures	114
Item 9B. Other Information	115
Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	115
PART III.	
Item 10. Directors, Executive Officers and Corporate Governance	116
Item 11. Executive Compensation	116
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	116
Item 13. Certain Relationships and Related Transactions, and Director Independence	116
Item 14. Principal Accountant Fees and Services	116
PART IV.	
Item 15. Exhibits and Financial Statement Schedules	117
Item 16. Form 10-K Summary	118
Signatures	119

PART I

Item 1. Business

SuRo Capital

SuRo Capital Corp. (“we”, “us”, “our”, the “Company” or “SuRo Capital”), formerly known as Sutter Rock Capital Corp. and as GSV Capital Corp. and formed in September 2010 as a Maryland corporation, is an internally managed, non-diversified closed-end management investment company. We have elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”), and have elected to be treated, and intend to qualify annually, as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”).

Our date of inception was January 6, 2011, which is the date we commenced development stage activities. We commenced operations as a BDC upon completion of our initial public offering (“IPO”) in May 2011 and began our investment operations during the second quarter of 2011. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of this Form 10-K.

On and effective June 22, 2020, we changed our name to “SuRo Capital Corp.” from “Sutter Rock Capital Corp.” On and effective March 12, 2019, our board of directors (“Board of Directors”) approved internalizing our operating structure (“Internalization”) and we began operating as an internally managed non-diversified closed-end management investment company that has elected to be regulated as a BDC under the 1940 Act. Our Board of Directors approved the Internalization in order to better align the interests of our stockholders with our management. As an internally managed BDC, we are managed by our employees, rather than the employees of an external investment adviser, thereby allowing for greater transparency to stockholders through robust disclosure regarding our compensation structure.

Our investment objective is to maximize our portfolio’s total return, principally by seeking capital gains on our equity and equity-related investments, and to a lesser extent, income from debt investments. We invest principally in the equity securities of what we believe to be rapidly growing venture capital-backed emerging companies. We acquire our investments through direct investments in prospective portfolio companies, secondary marketplaces for private companies, and negotiations with selling stockholders. In addition, we may invest in private credit and in the founders equity, founders warrants, forward purchase agreements, and private investment in public equity (“PIPE”) transactions of special purpose acquisition companies (“SPACs”). We may also invest on an opportunistic basis in select publicly traded equity securities or certain non-U.S. companies that otherwise meet our investment criteria, subject to applicable requirements of the 1940 Act. To the extent we make investments in private equity funds and hedge funds that are excluded from the definition of “investment company” under the 1940 Act by Section 3(c)(1) or 3(c)(7) of the 1940 Act, we will limit such investments to no more than 15% of our net assets.

Our investment philosophy is based on a disciplined approach of identifying promising investments in high-growth, venture-backed companies across several key industry themes, which may include, among others, social mobile, cloud computing and big data, internet commerce, financial technology, mobility, and enterprise software. Our investment decisions are based on a disciplined analysis of available information regarding each potential portfolio company’s business operations, focusing on the portfolio company’s growth potential, the quality of recurring revenues, and path to profitability, as well as an understanding of key market fundamentals. Venture capital funds or other institutional investors have invested in the vast majority of companies that we evaluate.

We seek to deploy capital primarily in the form of non-controlling equity and equity-related investments, including common stock, warrants, preferred stock and similar forms of senior equity, which may or may not be convertible into a portfolio company’s common equity, and convertible debt securities with a significant equity component. Typically, our preferred stock investments are non-income producing, have different voting rights than our common stock investments and are generally convertible into common stock at our discretion. As our investment strategy is primarily focused on equity positions, our investments generally do not produce current income, and therefore, we may be dependent on future capital raising to meet our operating needs if no other source of liquidity is available.

We seek to create a low-turnover portfolio that includes investments in companies representing a broad range of investment themes.

Our common stock is traded on the Nasdaq Global Select Market under the symbol “SSSS”. The net asset value per share of our common stock on December 31, 2023 was \$7.99. On March 13, 2024, the last reported sale price of a share of our common stock on the Nasdaq Global Select Market was \$4.36.

Operating and Regulatory Structure

We formed in 2010 as a Maryland corporation and operate as an internally managed, non-diversified closed-end management investment company. Our investment activities are supervised by our Board of Directors and managed by our executive officers and investments professionals, all of which are our employees.

As a BDC, we are subject to certain regulatory requirements. See “—Regulation as a BDC.” Also, while we are permitted to finance investments using debt, our ability to use debt is limited in certain significant aspects.

With certain limited exceptions, we may issue “senior securities,” including borrowing money from banks or other financial institutions only in amounts such that the ratio of our total assets (less total liabilities other than indebtedness represented by senior securities) to our total indebtedness represented by senior securities plus preferred stock, if any, is at least 200% (or 150% if certain conditions are met) after such incurrence or issuance. This means that generally, we can borrow up to \$1 for every \$1 of investor equity (or, if certain conditions are met, we can borrow up to \$2 for every \$1 of investor equity). In March 2018, the Small Business Credit Availability Act (the “SBCAA”) modified the 1940 Act by allowing a BDC to increase the maximum amount of leverage it may incur by decreasing the asset coverage percentage from 200% to 150%, if certain requirements under the 1940 Act are met. Under the 1940 Act, we are allowed to increase our leverage capacity if stockholders representing at least a majority of the votes cast, when a quorum is present, approve a proposal to do so. If we receive stockholder approval, we would be allowed to increase our leverage capacity on the first day after such approval. Alternatively, the 1940 Act allows the majority of our independent directors to approve an increase in our leverage capacity, and such approval would become effective after the one-year anniversary of such approval. In either case, we would be required to make certain disclosures on our website and in SEC filings regarding, among other things, the receipt of approval to increase our leverage, our leverage capacity and usage, and risks related to leverage. We currently do not intend to seek stockholder approval or approval from our Board of Directors to increase our leverage capacity as set forth above. See “Risk Factors” in Part I, Item 1A of this Form 10-K for more information.

We have elected to be treated as a RIC under Subchapter M of the Code and expect to continue to operate in a manner so as to qualify for the tax treatment applicable to RICs. See “—Material U.S. Federal Income Tax Considerations” and “Note 2—Significant Accounting Policies—U.S. Federal and State Income Taxes” and “Note 9—Income Taxes” to our Consolidated Financial Statements for the year ended December 31, 2023 for more information.

Human Capital Resources

As of December 31, 2023, we had eleven employees, each of whom was directly employed by us. These employees include our executive officers, investment and finance professionals, and administrative staff. All of our employees are located in the United States at our principal executive office and headquarters located at 640 Fifth Avenue, 12th Floor, New York, NY 10019 and our additional office located at One Sansome Street, Suite 730, San Francisco, CA 94104. Our telephone number is (212) 931-6331.

As an internally managed BDC, the success of our business and investment strategy, including achieving our investment objective, depends in material part on our employees. We depend upon the members of our management team and our investment professionals for the identification, final selection, structuring, closing and monitoring of our investments. These employees have critical industry experience and relationships on which we rely to implement our business plan. We expect that the members of our management team and our investment professionals will maintain key informal relationships, which we will use to help identify and gain access to investment opportunities. If we do not attract, develop and retain highly skilled employees, we may not be able to operate our business as we expect and our operating results could be adversely affected. See “Risk Factors” in Part I, Item 1A of this Form 10-K.

We strive to attract, develop and retain our employees by offering unique employment opportunities, advancement and promotion opportunities, training programs and opportunities, and competitive compensation and benefit structures, as well as a safe, harassment-free work environment.

Investment Opportunity

We believe that society is experiencing a convergence of numerous disruptive trends, producing new high-growth markets.

At the same time, we believe that the IPO markets have experienced substantial structural changes which have made it significantly more challenging for private companies to go public. Volatile equity markets, a lack of investment research coverage for private and smaller companies and investor demand for a longer history of revenue and earnings growth have resulted in companies staying private significantly longer than in the past. In addition, increased public company compliance obligations such as those imposed by the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”) and the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) have made it more costly and less attractive to become a public company. As a result, there are significantly fewer IPOs today than there were during the 1990s, with prospective public companies taking longer to come to market.

Investment Strategy

We seek to maintain our portfolio of potentially high-growth emerging private companies via a repeatable and disciplined investment approach, as well as to provide investors with access to such companies through our publicly traded common stock.

Our investment objective is to maximize our portfolio’s total return, principally by seeking capital gains on our equity and equity-related investments, and to a lesser extent, income from debt investments. We have adopted the following business strategies to achieve our investment objective:

- **Identify high quality growth companies.** Based on our extensive experience in analyzing technology trends and markets, we have identified several technology sub-sectors, including social mobile, big data and cloud, marketplaces, and education technology, as opportunities where we believe companies are capable of producing substantial growth. We rely on our collective industry knowledge as well as an understanding of where leading venture capitalists and other institutional investors are investing.

We leverage a combination of our relationships throughout Silicon Valley and our independent research to identify leaders in our targeted sub-sectors that we believe are differentiated and best positioned for sustained growth. Our team continues to expand our sourcing network in order to evaluate a wide range of investment opportunities in companies that demonstrate strong operating fundamentals. We target businesses that have been shown to provide scaled valuation growth before a potential IPO or strategic exit.

- **Acquire positions in targeted investments.** We seek to selectively add to our portfolio by sourcing investments at an acceptable price through our disciplined investing strategy. To this end, we utilize multiple methods to acquire equity stakes in private companies that are not available to many individual investors.

Direct equity investments. We seek direct investments in private companies. There is a large market among emerging private companies for equity capital investments. Many of these companies, particularly within the technology sector, lack the necessary cash flows to sustain substantial amounts of debt, and therefore have viewed equity capital as a more attractive long-term financing tool. We seek to be a source of such equity capital as a means of investing in these companies and look for opportunities to invest alongside other venture capital and private equity investors with whom we have established relationships.

Private secondary marketplaces and direct share purchases. We also utilize private secondary marketplaces as a means to acquire equity and equity-related interests in privately held companies that meet our investment criteria and that we believe are attractive candidates for investment. We believe that such markets offer new channels for access to equity investments in private companies and provide a potential source of liquidity should we decide to exit an investment. In addition, we also purchase shares directly from stockholders, including current or former employees. As certain companies grow and experience significant increased value while remaining private, employees and other stockholders may seek liquidity by selling shares directly to a third party or to a third party via a secondary marketplace. Sales of shares in private companies are typically restricted by contractual transfer restrictions and may be further restricted by provisions in company charter documents, investor rights of first refusal and co-sale and company employment and trading policies, which may impose strict limits on transfer. We believe that the reputation of our investment professionals within the industry and established history of investing affords us a favorable position when seeking approval for a purchase of shares subject to such limitations.

- **Create access to a varied investment portfolio.** We seek to hold a varied portfolio of non-controlling equity investments, which we believe will minimize the impact on our portfolio of a negative downturn at any one specific company. We believe that our relatively varied portfolio will provide a convenient means for accredited and non-accredited individual investors to obtain access to an asset class that has generally been limited to venture capital, private equity and similar large institutional investors.

Starting in 2017, we began to focus our investment strategy to increase the size of our investments in individual portfolio companies. While this will likely have the effect of reducing the number of companies in which we hold investments, we believe that the shift towards larger positions will better allow our investment professionals to focus our investments in companies and industries that are more likely to result in beneficial returns to our stockholders.

Competitive Advantages

We believe that we benefit from the following competitive advantages in executing our investment strategy:

- **Capable team of investment professionals.** Our executive officers, investment professionals, and Board of Directors have significant experience researching and investing in the types of high-growth venture capital-backed companies we are targeting for investment. Through our proprietary company evaluation process, including our identification of technology trends and themes and company research, we believe we have developed important insight into identifying and valuing emerging private companies.
- **Disciplined and repeatable investment process.** We have established a disciplined and repeatable process to locate and acquire available shares at attractive valuations by utilizing multiple sources. In contrast to industry “aggregators” that accumulate stock at market prices, we conduct valuation analysis and make acquisitions only when we can invest at valuations that we believe are attractive to our investors.
- **Deep relationships with significant credibility to source and complete transactions.** Our executive officers and investment professionals are strategically located in New York, New York and at our additional office in San Francisco, California, allowing us to fully engage in the technology and innovation ecosystem. Our wide network of venture capital and technology professionals supports our sourcing efforts and helps provide access to promising investment opportunities. Our executive officers and investment professionals have also developed strong relationships in the financial, investing and technology-related sectors.
- **Source of permanent investing capital.** As a publicly traded corporation, we have access to a source of permanent equity capital that we can use to invest in portfolio companies. This permanent equity capital is a significant differentiator from other potential investors that may be required to return capital to stockholders on a defined schedule. We believe that our ability to invest on a long-term time horizon makes us attractive to companies looking for strong, stable owners of their equity.
- **Early mover advantage.** We believe we are one of the few publicly traded BDCs with a specific focus on investing in high-growth venture-backed companies. The transactions that we have executed to date since our IPO have helped to establish our reputation with the types of secondary sellers and emerging companies that we target for investment. We have leveraged a number of relationships and channels to acquire the equity of private companies. As we continue to grow our portfolio with attractive investments, we believe that our reputation as a committed partner will be further enhanced, allowing us to source and close investments that would otherwise be unavailable. We believe that these factors collectively differentiate us from other potential investors in private company securities and will serve our goal to complete equity transactions in compelling private companies at attractive valuations.

Our primary competitors include specialty finance companies including late-stage venture capital funds, private equity funds, other crossover funds, public funds investing in private companies and public and private BDCs. Many of these entities have greater financial and managerial resources than we will have. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider more investments and establish more relationships than we do. Furthermore, many of our competitors are not subject to the regulatory restrictions the 1940 Act imposes on us as a BDC. For additional information concerning the competitive risks we face, see “Risk Factors—Risks Related to Our Business and Structure” in Part I, Item 1A of this Form 10-K.

Investment Process

Concentrated Technology-Related Focus

Our executive officers and investment professionals have identified five key investment themes from which we have seen significant numbers of high-growth companies emerge: social and mobile, financial technology and services, big data and cloud, marketplaces, and education. However, the opportunity set of high-growth venture-backed technology companies extends beyond these key investment themes into much broader markets. These broad markets have the potential to produce disruptive technologies, reach a large addressable market, and provide significant commercial opportunities. Within these areas, we have identified trends that could create significant positive effects on growth such as globalization, consolidation, branding, convergence and network effects. Thus, while we remain focused on selecting market leaders within the key investment themes identified, our executive officers and investment professionals actively seek out promising investments across a diverse selection of new technology subsectors.

Investment Targeting and Screening

We identify prospective portfolio companies through an extensive network of relationships developed by our executive officers and investment professionals, supplemented by the knowledge and relationships of our Board of Directors. Investment opportunities that fall within our identified themes are validated against the observed behavior of leading venture capitalists and institutional investors, as well as through our own internal and external research. We evaluate potential portfolio companies across a spectrum of criteria, including industry positioning and leadership, stage of growth, path to profitability, the uniqueness and defensibility of the portfolio company's strategy, investor sponsorship, and the portfolio company's potential access to capital to continue to fund its growth that collectively characterize our proprietary investment process. We typically seek to invest our assets under management in the equity of well-established and growth stage companies, and debt investments of emerging companies that fit within our targeted areas. Based on our initial screening, we identify a select set of companies that we evaluate in greater depth.

Research and Due Diligence Process

Once we identify those companies that we believe warrant more in-depth analysis, we focus on their total addressable market, revenue growth and sustainability, and earnings growth, as well as other metrics that may be strongly correlated with higher valuations. We also focus on the company's management team and any significant financial sponsor, their current business model, competitive positioning, regulatory and legal issues, the quality of any intellectual property and other investment-specific due diligence. Each prospective portfolio company that passes our initial due diligence review is given a qualitative ranking to allow us to evaluate it against others in our pipeline, and we review and update these companies on a regular basis.

Our due diligence process will vary depending on whether we are investing through a private secondary transaction with a selling stockholder or by direct equity investment. We access information on our potential investments through a variety of sources, including information made available on secondary marketplaces, publications by private company research firms, industry publications, commissioned analysis by third-party research firms, and, to a limited extent, directly from the company or financial sponsor. We utilize a combination of each of these sources to help us set a target value for the companies we ultimately select for investment.

Portfolio Construction and Sourcing

Upon completion of our research and due diligence process, we select investments for inclusion in our portfolio based on their value proposition, addressable market, fundamentals and valuation. We seek to create a relatively varied portfolio that we expect will include investments in companies representing a broad range of investment themes. We generally choose to pursue specific investments based on the availability of shares and valuation expectations. We utilize a combination of secondary marketplaces, direct purchases from stockholders and direct equity investments in order to make investments in our portfolio companies. Once we have established an initial position in a portfolio company, we may choose to increase our stake through subsequent purchases. Maintaining a balanced portfolio is a key to our success, and as a result we constantly evaluate the composition of our investments and our pipeline to ensure we are exposed to a diverse set of companies within our target segments.

Transaction Execution

We enter into purchase agreements for all of our private company portfolio investments. Private company securities are typically subject to contractual transfer limitations, which may, among other things, give the issuer, its assignees and/or its stockholders a particular period of time, often 30 days or more, in which to exercise a veto right, or a right of first refusal over, the sale of such securities. Accordingly, the purchase agreements we enter into for secondary transactions typically require the lapse or satisfaction of these rights as a condition to closing. Under these circumstances, we may be required to deposit the purchase price into escrow upon signing, with the funds released to the seller at closing or returned to us if the closing conditions are not met.

Risk Management and Monitoring

We monitor the financial trends of each portfolio company to assess our exposure to individual companies as well as to evaluate overall portfolio quality. We establish valuation targets at the portfolio level and for gross and net exposures with respect to specific companies and industries within our overall portfolio. In cases where we make a direct investment in a portfolio company, we may also obtain board positions, board observation rights and/or information rights from that portfolio company in connection with our equity investment. We regularly monitor our portfolio for compliance with the diversification requirements for purposes of maintaining our status as a BDC and a RIC for tax purposes.

Managerial Assistance

As a BDC, we are required to offer, and in some cases may provide and be paid for, significant managerial assistance to portfolio companies. This assistance typically involves monitoring the operations of portfolio companies, participating in their board and management meetings, consulting with and advising their officers and providing other organizational and financial guidance. We will provide such managerial assistance on our behalf to portfolio companies that request assistance. We may receive fees for these services, subject to review by our Board of Directors, including our independent directors.

Portfolio Overview

The following table shows the fair value of our portfolio of investments by asset class as of December 31, 2023 and 2022:

	December 31, 2023		December 31, 2022	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
Private Portfolio Companies:				
Preferred Stock	\$ 122,744,564	49.5%	\$ 117,214,465	48.4%
Common Stock	39,086,792	15.8%	18,692,931	7.7%
Debt Investments	3,098,734	1.3%	4,488,200	1.9%
Options	3,638,161	1.5%	3,469,497	1.4%
Private Portfolio Companies	168,568,251	68.0%	143,865,093	59.4%
Publicly Traded Portfolio Companies:				
Common Stock	13,548,248	5.5%	13,323,485	5.5%
Options	1,964,750	0.8%	—	—%
Publicly Traded Portfolio Companies	15,512,998	6.3%	13,323,485	5.5%
Total Portfolio Investments	184,081,249	74.3%	157,188,578	64.9%
Non-Portfolio Investments				
U.S. Treasury Bills	63,810,855	25.7%	85,056,817	35.1%
Total Investments	\$ 247,892,104	100.0%	\$ 242,245,395	100.0%

Determination of Net Asset Value

We determine the net asset value (“NAV”) of our investment portfolio after the conclusion of each fiscal quarter in connection with the preparation of our annual and quarterly reports filed under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or more frequently if required under the 1940 Act.

Securities that are publicly traded are generally valued at the close price on the valuation date; however, if they remain subject to lock-up restrictions, they are discounted accordingly. Securities that are not publicly traded or for which there are no readily available market quotations, including securities that trade on secondary markets for private securities, are valued at fair value as determined in good faith by our Board of Directors and in accordance with Rule 2a-5 as promulgated under the 1940 Act. In connection with that determination, our executive officers and investment professionals will prepare portfolio company valuations using, when available, the most recent portfolio company financial statements and forecasts. We also engage an independent valuation firm to perform independent valuations of our investments that are not publicly traded or for which there are no readily available market quotations. We may also engage an independent valuation firm to perform independent valuations of any securities that trade on private secondary markets, but are not otherwise publicly traded, where there is a lack of appreciable trading or a wide disparity in recently reported trades.

For those securities that are not publicly traded or for which there are no readily available market quotations, our Board of Directors, with the assistance of its valuation committee (the "Valuation Committee"), will use the recommended valuations as prepared by our executive officers and investment professionals and the independent valuation firm, respectively, as a component of the foundation for its final fair value determination. Due to the uncertainty inherent in the valuation process, such estimates of fair value may differ significantly from the values that would have resulted had others made the determination using the same or different procedures or had a readily available market for the securities existed, and the differences could be material. Additionally, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the gains or losses implied by the valuation currently assigned to such investments. For those investments that are publicly traded, we generally record unrealized appreciation or depreciation based on changes in the market value of the securities as of the valuation date. Publicly traded securities that remain subject to lock-up restrictions are discounted accordingly. For those investments that are not publicly traded and for which there are no readily available market quotations, we record unrealized depreciation on such investments when we believe that an investment has become impaired and record unrealized appreciation if we believe that the underlying portfolio company has appreciated in value and our equity security has also appreciated in value. Changes in fair value are recorded in the Consolidated Statement of Operations as the net change in unrealized appreciation or depreciation.

Our Board of Directors generally determines the fair value of our investments by considering a number of factors. The following represent factors that, among others, could impact our fair value determinations:

1. Public trading of our portfolio securities, taking into consideration lock-up requirements and liquidity;
2. Active trading of our portfolio securities on a private secondary market, where we have determined that there is meaningful volume and the transactions are considered arm's length by sophisticated investors;
3. Qualified funding rounds in the companies in which we invested, where there is meaningful and reputable information available on size, valuation and investors; and
4. Additional investments by us in current portfolio companies, where the price of the new investment differs materially from prior investments.

There is inherent subjectivity in determining the fair value of our investments. We expect that most of our portfolio investments, other than those for which market quotations are readily available and that may be sold without restriction, will be valued at fair value as determined in good faith by our Board of Directors, with the assistance of our Valuation Committee. Furthermore, when calculating NAV, we also consider our recognition of a deferred tax liability for unrealized gains on investments for those investments held in our taxable subsidiaries. See "Note 1—Nature of Operations" to our Consolidated Financial Statements for the year ended December 31, 2023 for a list of our taxable subsidiaries.

Regulation as a BDC

General

A BDC is regulated by the 1940 Act. A BDC must be organized in the United States for the purpose of investing in, or lending to, primarily private companies and making significant managerial assistance available to them. A BDC may use capital provided by public stockholders and from other sources to make long-term, private investments in businesses. A BDC provides stockholders the ability to retain the liquidity of a publicly traded stock while sharing in the possible benefits, if any, of investing primarily in privately owned companies.

TABLE OF CONTENTS

We may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC unless authorized by vote of a majority of the outstanding voting securities, as required by the 1940 Act. A majority of the outstanding voting securities of a company is defined under the 1940 Act as the lesser of: (a) 67% or more of such company's voting securities present at a meeting if more than 50% of the outstanding voting securities of such company are present or represented by proxy, or (b) more than 50% of the outstanding voting securities of such company. We do not anticipate any substantial change in the nature of our business.

As with other companies regulated by the 1940 Act, a BDC must adhere to certain substantive regulatory requirements. A majority of our directors must be persons who are not "interested persons" as defined in the 1940 Act. Additionally, we are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect the BDC. Furthermore, as a BDC, we are prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

As a BDC, we are generally required to meet an asset coverage ratio, defined under the 1940 Act as the ratio of our gross assets (less all liabilities and indebtedness not represented by senior securities) to our outstanding senior securities, of at least 200% after each issuance of senior securities. We may also be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our directors who are not interested persons and, in some cases, prior approval by the SEC.

The SBCAA modified the asset coverage percentage for BDCs, reducing the required coverage percentage for senior securities from 200% to 150%, subject to certain conditions. Under the SBCAA, we are allowed to increase our leverage capacity if stockholders representing at least a majority of the votes cast, when a quorum is present, approve a proposal to do so. If we receive stockholder approval, we would be allowed to increase our leverage capacity on the first day after such approval. Alternatively, the SBCAA allows the majority of our independent directors to approve an increase in our leverage capacity, and such approval would become effective on the one-year anniversary of such approval. In either case, we would be required to make certain disclosures on our website and in SEC filings regarding, among other things, the receipt of approval to increase our leverage, our leverage capacity and usage, and risks related to leverage.

Pursuant to the SBCAA, the SEC issued rules or amendments to rules allowing BDCs to use the same securities offering and proxy rules that are available to operating companies, including, among other things, allowing BDCs to incorporate by reference in registration statements filed with the SEC and allowing certain BDCs to file shelf registration statements that are automatically effective and take advantage of other benefits available to Well-Known Seasoned Issuers.

We do not intend to acquire securities issued by any investment company that exceed the limits imposed by the 1940 Act. Under these limits, except for registered money market funds, we generally cannot acquire more than 3% of the voting stock of any investment company, invest more than 5% of the value of our total assets in the securities of one investment company or invest more than 10% of the value of our total assets in the securities of investment companies in the aggregate. The portion of our portfolio invested in securities issued by investment companies ordinarily will subject our stockholders to additional indirect expenses. Our investment portfolio is also subject to diversification requirements by virtue of our election to be treated as a RIC for U.S. federal income tax purposes and our intention to continue to operate in a manner so as to qualify for the tax treatment applicable to RICs. See "Risk Factors—Risks Related to Our Business and Structure" in Part I, Item 1A of this Form 10-K for more information.

In addition, investment companies registered under the 1940 Act and private funds that are excluded from the definition of "investment company" pursuant to either Section 3(c)(1) or 3(c)(7) of the 1940 Act may not acquire directly or through a controlled entity more than 3% of our total outstanding voting stock (measured at the time of the acquisition), unless the funds comply with an exemption under the 1940 Act. As a result, certain of our investors may hold a smaller position in our shares than if they were not subject to these restrictions.

We are generally not able to issue and sell our common stock at a price below NAV per share. See "Risk Factors—Risks Related to Our Business and Structure—*Regulations governing our operation as a BDC affect our ability to, and the way in which we, raise additional capital, which may expose us to risks, including the typical risks associated with leverage.*" in Part I, Item 1A of this Form 10-K. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then-current NAV of our common stock if our Board of Directors determines that such sale is in our best interests and the best interests of our stockholders, and our stockholders approve such sale. In addition, we may generally issue new shares of our common stock at a price below NAV in rights offerings to existing stockholders, in payment of dividends and in certain other limited circumstances.

TABLE OF CONTENTS

As a BDC, we are also prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our Board of Directors who are not interested persons and, in some cases, prior approval by the SEC. The affiliates with which we may be prohibited from transacting include our directors, officers and employees and any person controlling or under common control with us, subject to certain exceptions. For example, under the 1940 Act, absent receipt of exemptive relief from the SEC, we and certain of our affiliates are generally precluded from co-investing in negotiated private placements of securities.

We are subject to periodic examination by the SEC for compliance with the 1940 Act.

As a BDC, we are subject to certain risks and uncertainties. See “Risk Factors—Risks Related to Our Business and Structure” in Part I, Item 1A of this Form 10-K.

Qualifying Assets

Under the 1940 Act, a BDC may not acquire any asset other than assets of the type listed in Section 55(a) of the 1940 Act, which are referred to as “qualifying assets”, unless, at the time the acquisition is made, qualifying assets represent at least 70% of the BDC’s gross assets. The principal categories of qualifying assets relevant to our business are the following:

1. Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. An eligible portfolio company is defined in the 1940 Act as any issuer which:
 - a. is organized under the laws of, and has its principal place of business in, the United States;
 - b. is not an investment company (other than a small business investment company wholly owned by the BDC) or a company that would be an investment company but for certain exclusions under the 1940 Act; and
 - c. satisfies any of the following:
 - i. does not have any class of securities that is traded on a national securities exchange;
 - ii. has a class of securities listed on a national securities exchange, but has an aggregate market value of outstanding voting and non-voting common equity of less than \$250.0 million;
 - iii. is controlled by a BDC or a group of companies including a BDC and the BDC has an affiliated person who is a director of the eligible portfolio company;
 - iv. is a small and solvent company having gross assets of not more than \$4.0 million and capital and surplus of not less than \$2.0 million; or
 - v. meets such other criteria as may be established by the SEC.
2. Securities of any eligible portfolio company which we control.
3. Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities, was unable to meet its obligations as they came due without material assistance other than conventional lending or financing arrangements.
4. Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60% of the outstanding equity of the eligible portfolio company.
5. Securities received in exchange for or distributed on or with respect to securities described in (1) through (4) above, or pursuant to the exercise of options, warrants or rights relating to such securities.
6. Cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment.

TABLE OF CONTENTS

In addition, a BDC must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described in (1), (2) or (3) above.

If at any time less than 70% of our gross assets are comprised of qualifying assets, including as a result of an increase in the value of any non-qualifying assets or decrease in the value of any qualifying assets, we would generally not be permitted to acquire any additional non-qualifying assets, other than office furniture and equipment, interests in real estate and leasehold improvements and facilities maintained to conduct our business operations, deferred organization and operating expenses, and other non-investment assets necessary and appropriate to our operations as a BDC, until such time as 70% of our then-current gross assets were comprised of qualifying assets. We would not be required, however, to dispose of any non-qualifying assets in such circumstances.

Managerial Assistance to Portfolio Companies

A BDC generally must offer to make available to the issuer of the securities it holds significant managerial assistance, except in circumstances where either (i) the BDC controls such issuer of securities or (ii) the BDC purchases such securities in conjunction with one or more other persons acting together and one of the other persons in the group makes available such managerial assistance. Making available significant managerial assistance means, among other things, any arrangement whereby the BDC, through its directors, officers or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company. See “Business — Managerial Assistance” in Part I, Item 1 of this Form 10-K for more information.

Temporary Investments

Pending investment in other types of “qualifying assets,” as described above, our investments may consist of cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment, which we refer to, collectively, as temporary investments, so that 70% of our assets are qualifying assets. Typically, we will invest in U.S. Treasury bills or in repurchase agreements, provided that such agreements are fully collateralized by cash or securities issued by the U.S. government or its agencies. A repurchase agreement involves the purchase by an investor, such as us, of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed-upon future date and at a price which is greater than the purchase price by an amount that reflects an agreed-upon interest rate. There is no percentage restriction on the proportion of our assets that may be invested in such repurchase agreements. However, if more than 25% of our gross assets constitute repurchase agreements from a single counterparty, we would not meet the diversification tests in order to qualify as a RIC for U.S. federal income tax purposes. Thus, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. We will monitor the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

Warrants and Options

Under the 1940 Act, a BDC is subject to restrictions on the amount of warrants, options, restricted stock or rights to purchase shares of capital stock that it may have outstanding at any time. Under the 1940 Act, we may generally only offer warrants provided that (i) the warrants expire by their terms within ten years, (ii) the exercise or conversion price is not less than the current market value at the date of issuance, (iii) our stockholders authorize the proposal to issue such warrants, and our Board of Directors approves such issuance on the basis that the issuance is in the best interests of us and our stockholders and (iv) if the warrants are accompanied by other securities, the warrants are not separately transferable unless no class of such warrants and the securities accompanying them has been publicly distributed. The 1940 Act also provides that the amount of our voting securities that would result from the exercise of all outstanding warrants, as well as options and rights, at the time of issuance may not exceed 25% of our outstanding voting securities. In particular, the amount of capital stock that would result from the conversion or exercise of all outstanding warrants, options or rights to purchase capital stock cannot exceed 25% of the BDC’s total outstanding shares of capital stock. This amount is reduced to 20% of the BDC’s total outstanding shares of capital stock if the amount of warrants, options or rights issued pursuant to an executive compensation plan would exceed 15% of the BDC’s total outstanding shares of capital stock.

Senior Securities

We are permitted, under specified conditions, to issue multiple classes of indebtedness and one class of stock senior to our common stock if our asset coverage, as defined in the 1940 Act, is at least equal to 200% (or 150% if certain requirements are met) immediately after each such issuance. In addition, while any senior securities remain outstanding, we must make provisions to prohibit any distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We may also borrow amounts up to 5% of the value of our gross assets for temporary or emergency purposes without regard to asset coverage. For a discussion of the risks associated with leverage, see “Risk Factors — Risks Related to Our Business and Structure — *Borrowings, such as the 6.00% Notes due 2026, can magnify the potential for gain or loss on amounts invested and may increase the risk of investing in us.*” in Part I, Item 1A of this Form 10-K.

Code of Ethics

We have adopted a code of ethics pursuant to Rule 17j-1 under the 1940 Act. This code establishes procedures for personal investments and restricts certain transactions by our personnel. Our code of ethics and our code of business conduct and ethics are available on the EDGAR database on the SEC’s Internet site at <http://www.sec.gov>, and are available on our website. You may also obtain copies of our code of ethics and our code of business conduct and ethics, after paying a duplicating fee, by electronic request at the following email address: publicinfo@sec.gov.

Compliance Policies and Procedures

We have adopted and implemented written policies and procedures reasonably designed to detect and prevent violation of the federal securities laws and review these compliance policies and procedures annually for their adequacy and the effectiveness of their implementation. Our Chief Compliance Officer is responsible for administering these policies and procedures.

Compliance with Corporate Governance Regulations

The Sarbanes-Oxley Act imposes a wide variety of regulatory requirements on publicly held companies and their insiders. Many of these requirements affect us. For example:

- pursuant to Rule 13a-14 of the Exchange Act, our Chief Executive Officer and Chief Financial Officer must certify the accuracy of the financial statements contained in our periodic reports;
- pursuant to Item 307 of Regulation S-K, our periodic reports must disclose our conclusions about the effectiveness of our disclosure controls and procedures;
- pursuant to Rule 13a-15 of the Exchange Act, our management must prepare an annual report regarding its assessment of our internal control over financial reporting, and we must obtain an audit of the effectiveness of internal control over financial reporting performed by our independent registered public accounting firm if we are no longer a non-accelerated filer (as defined in Rule 12b-2 under the Exchange Act); and
- pursuant to Item 308 of Regulation S-K and Rule 13a-15 of the Exchange Act, our periodic reports must disclose whether there were significant changes in our internal control over financial reporting or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The Sarbanes-Oxley Act requires us to review our current policies and procedures to determine whether we comply with the Sarbanes-Oxley Act and the regulations promulgated thereunder. We will continue to monitor our compliance with all regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that we are in compliance therewith.

In addition, Nasdaq has adopted various corporate governance requirements as part of its listing standards. We believe we are in compliance with such corporate governance listing standards. We will continue to monitor our compliance with all future listing standards and will take actions necessary to ensure that we are in compliance therewith.

Proxy Voting Policies and Procedures

Proxy Policies

We will vote proxies relating to our portfolio securities in what we perceive to be the best interests of our stockholders. We will review on a case-by-case basis each proposal submitted for a vote to determine its impact on the portfolio securities held by us. Although we will generally vote against proposals that may have a negative impact on our portfolio securities, we may vote for such a proposal if there are compelling long-term reasons to do so.

Our proxy voting decisions are made by our executive officers and investment professionals who are responsible for monitoring the relevant investments. To ensure that our vote is not the product of a conflict of interest, we require that: (1) anyone involved in the decision-making process disclose to our Chief Compliance Officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (2) employees involved in the decision-making process or vote administration are prohibited from revealing how we intend to vote on a proposal without the prior approval of the Chief Compliance Officer and our senior management in order to reduce any attempted influence from interested parties.

Proxy Voting Records

You may obtain information about how we voted proxies with respect to our portfolio securities by making a written request for proxy voting information to: Chief Compliance Officer, SuRo Capital Corp., 640 Fifth Avenue, 12th Floor, New York, NY 10019 or compliance@surocap.com.

Privacy Principles

We are committed to maintaining the privacy of our stockholders and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information we collect, how we protect that information, and why, in certain cases, we may share information with select other parties.

Generally, we do not receive any non-public personal information relating to our stockholders, although certain non-public personal information of our stockholders may become available to us. We do not disclose any non-public personal information about our stockholders or former stockholders to anyone, except as permitted by law or as is necessary in order to service stockholder accounts (for example, to a transfer agent or third-party administrator).

We restrict access to non-public personal information about our stockholders to our employees and affiliates with a legitimate business need for the information. We maintain physical, electronic and procedural safeguards designed to protect the non-public personal information of our stockholders.

Available Information

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that site is <http://www.sec.gov>.

Our internet address is www.surocap.com. We make available free of charge on our website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and amendments to those reports as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The information on our website is not incorporated by reference into and should not be considered to be part of this annual report on Form 10-K.

Material U.S. Federal Income Tax Considerations

Included in our consolidated financial statements are GSV Capital Lending, LLC, SuRo Capital Sports, LLC, and the following wholly owned subsidiaries, which are taxable subsidiaries (collectively, the "Taxable Subsidiaries") regardless of whether we qualify for tax treatment as a RIC: GSVC AE Holdings, Inc., GSVC AV Holdings, Inc., GSVC SW Holdings, Inc., and GSVC SVDS Holdings, Inc. The Taxable Subsidiaries are C corporations for U.S. federal and state income tax purposes. These taxable subsidiaries are not consolidated for income tax purposes and may generate income tax expenses as a result of their ownership of the portfolio companies. Such income tax expenses and deferred taxes, if any, will be reflected in our consolidated financial statements.

We evaluate tax positions taken, or expected to be taken, in the course of preparing our consolidated financial statements to determine whether the tax positions are “more-likely-than-not” to be sustained by the applicable tax authority. We recognize the tax benefits of uncertain tax positions only when the position has met the “more-likely-than-not” threshold. We classify penalties and interest associated with income taxes, if any, as income tax expense. Conclusions regarding tax positions are subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analyses of tax laws, regulations and interpretations thereof. We have identified our major tax jurisdictions as U.S. federal and New York.

Election to be Taxed as a RIC

We elected to be taxed as a RIC under the Code beginning with our taxable year ended December 31, 2014, and qualified for taxation as a RIC for such taxable year and each of the subsequent taxable years, including the fiscal year ended December 31, 2023. We intend to operate in a manner so as to continue to qualify for taxation as a RIC. So long as we maintain our qualification for taxation a RIC, we generally will not be required to pay U.S. federal income tax at corporate rates on any ordinary income or capital gains that we timely distribute to our stockholders as dividends. To qualify for taxation as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, in order to qualify for the special treatment accorded to RICs, we are required to distribute to our stockholders on a timely basis each year at least 90% of our “investment company taxable income,” which is generally our net ordinary income plus the excess of realized net short-term capital gains over realized net long-term capital losses (the “Annual Distribution Requirement”).

Taxation as a Regulated Investment Company

If we:

- qualify as a RIC; and
- satisfy the Annual Distribution Requirement,

then we will not be subject to U.S. federal income tax on the portion of our income and capital gains that we timely distribute (or are deemed to distribute) to stockholders. We will be subject to U.S. federal income tax at the regular corporate rates on any income, including capital gains not distributed (or deemed distributed) to our stockholders.

We will be subject to a 4% nondeductible U.S. federal excise tax on certain undistributed income unless we distribute in a timely manner each calendar year an amount equal to at least the sum of (1) 98% of our net ordinary income for each calendar year, (2) 98.2% of our capital gains in excess of capital losses for the one-year period ending October 31 in that calendar year and (3) any ordinary income and net capital gains that we recognized for preceding years but were not distributed during such years and on which we paid no U.S. federal income tax (the “Excise Tax Avoidance Requirement”). While we intend to timely distribute our income and capital gains in order to avoid imposition of this 4% U.S. federal excise tax, we may not be successful in avoiding entirely the imposition of this tax. In that case, we will be liable for the tax only on the amount by which we do not meet the foregoing distribution requirement.

In order to qualify as a RIC for U.S. federal income tax purposes, we must, among other things:

- continue to qualify as a BDC under the 1940 Act at all times during each taxable year;
- derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to loans of certain securities, gains from the sale of stock or other securities or foreign currencies, other income derived with respect to our business of investing in such stock or securities and net income from “qualified publicly traded partnerships” (the “90% Income Test”); and
- diversify our holdings so that at the end of each quarter of the taxable year:
 - at least 50% of the value of our assets consists of cash, cash equivalents, U.S. government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of our assets or more than 10% of the outstanding voting securities of the issuer (the “50% Diversification Test”); and
 - no more than 25% of the value of our assets is invested in the securities of one issuer, other than U.S. government securities or securities of other RICs, the securities (other than securities of other RICs) of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or the securities of businesses, or of certain “qualified publicly traded partnerships” (the “25% Diversification Test,” and together with the 50% Diversification Test, the “Diversification Tests”).

If we satisfy the Diversification Tests as of the close of any quarter, we will not fail the Diversification Tests as of the close of a subsequent quarter as a consequence of a discrepancy between the value of our assets and the requirements of the Diversification Tests that is attributable solely to fluctuations in the value of our assets. Rather, we will fail the Diversification Tests as of the end of a subsequent quarter only if such a discrepancy existed immediately after our acquisition of any asset and such discrepancy is wholly or partly the result of that acquisition. In addition, if we fail the Diversification Tests as of the end of any quarter, we will not lose our status as a RIC if we eliminate the discrepancy within thirty days of the end of such quarter and, if we eliminate the discrepancy within that thirty-day period, we will be treated as having satisfied the Diversification Tests as of the end of such quarter for purposes of applying the rule described in the preceding sentence.

We may be required to recognize taxable income in circumstances in which we do not receive cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (which may arise if we receive warrants in connection with the origination of a loan or possibly in other circumstances), we must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. We may also have to include in income other amounts that we have not yet received in cash, such as contractual payment-in-kind, or PIK, interest (which represents contractual interest added to the loan balance and due at the end of the loan term) or dividends and deferred loan origination fees that are paid after origination of the loan or are paid in non-cash compensation such as warrants or stock. Because any original issue discount or other amounts accrued will be included in our investment company taxable income for the year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement and the Excise Tax Avoidance Requirement, even though we will not have received any corresponding cash amount.

We will be subject to certain asset coverage ratio requirements under the 1940 Act and financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the Annual Distribution Requirement. See “—Regulation as a BDC—Senior Securities.” Moreover, our ability to dispose of assets to meet our distribution requirements may be limited by (1) the illiquid nature of our portfolio and/or (2) other requirements relating to our status as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement or the Excise Tax Avoidance Requirement, we may make such dispositions at times that, from an investment standpoint, are not advantageous.

We may be required to sell assets in order to satisfy the Diversification Tests. However, our ability to dispose of assets to meet the Diversification Tests may be limited by the illiquid nature of our portfolio. If we dispose of assets in order to meet the Diversification Tests, we may make such dispositions at times that, from an investment standpoint, are not advantageous and may result in substantial losses.

We may invest in partnerships, including qualified publicly traded partnerships, which may result in our being subject to state, local or foreign income taxes, franchise taxes, or withholding liabilities. To the extent that we invest in entities treated as partnerships for U.S. federal income tax purposes (other than a “qualified publicly traded partnership”, as defined in the Code), we generally must include the items of gross income derived by the partnerships for purposes of the 90% Income Test, and the income that is derived from a partnership (other than a “qualified publicly traded partnership”) will be treated as qualifying income for purposes of the 90% Income Test only to the extent that such income is attributable to items of income of the partnership which would be qualifying income if realized by us directly.

In order to meet the 90% Income Test, we may establish one or more special purpose corporations to hold assets from which we do not anticipate earning dividend, interest or other qualifying income under the 90% Income Test. Any investments held through a special purpose corporation would generally be subject to U.S. federal income and other taxes, and therefore we can expect to achieve a reduced after-tax yield on such investments.

Certain of our investment practices may be subject to special and complex U.S. federal income tax provisions that may, among other things: (i) disallow, suspend or otherwise limit the allowance of certain losses or deductions; (ii) convert lower taxed long-term capital gain into higher taxed short-term capital gain or ordinary income; (iii) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited); (iv) cause us to recognize income or gain without a corresponding receipt of cash; (v) adversely affect the time as to when a purchase or sale of securities is deemed to occur; (vi) adversely alter the characterization of certain complex financial transactions; and (vii) produce income that will not be qualifying income for purposes of the 90% Income Test described above. We will monitor our transactions and may make certain tax elections in order to mitigate the potential adverse effect of these provisions.

A portfolio company may face financial difficulty that requires us to work-out, modify or otherwise restructure our investment in the portfolio company. Any such restructuring may result in unusable capital losses and future non-cash income. Any restructuring may also result in our recognition of a substantial amount of non-qualifying income for purposes of the 90% Income Test.

Gain or loss realized by us from the sale or exchange of warrants acquired by us as well as any loss attributable to the lapse of such warrants generally will be treated as capital gain or loss. The treatment of such gain or loss as long-term or short-term will depend on how long we held a particular warrant. Upon the exercise of a warrant acquired by us, our adjusted tax basis in the stock purchased under the warrant will equal the sum of the amount paid for the warrant plus the strike price paid on the exercise of the warrant.

As a RIC, we are generally limited in our ability to deduct expenses in excess of our “investment company taxable income” (which is, generally, ordinary income plus the excess of net short-term capital gains over net long-term capital losses). If our expenses in a given year exceed investment company taxable income, we would experience a net operating loss for that year. However, a RIC is not permitted to carry forward net operating losses to subsequent years. In addition, expenses can be used only to offset investment company taxable income, not net capital gain. Due to these limits on the deductibility of expenses, we may, for tax purposes, have aggregate taxable income or net capital gains for several years that we are required to distribute and that is taxable to our stockholders even if such income or net capital gains is greater than the aggregate net income we actually earned during those years. Such required distributions may be made from the Company’s cash assets or by liquidation of investments, if necessary. We may realize gains or losses from such liquidations. In the event we realize net capital gains from such transactions, a stockholder may receive a larger capital gain distribution than it would have received in the absence of such transactions.

Our investment in non-U.S. securities may be subject to non-U.S. income, withholding and other taxes. In that case, our yield on those securities would be decreased. Stockholders will generally not be entitled to claim a credit or deduction with respect to non-U.S. taxes paid by us.

If we purchase shares in a “passive foreign investment company” (a “PFIC”), we may be subject to U.S. federal income tax on our allocable share of a portion of any “excess distribution” received on, or any gain from the disposition of, such shares. Additional charges in the nature of interest generally will be imposed on us in respect of deferred taxes arising from any such excess distribution or gain. This additional tax and interest may apply even if we make a distribution in an amount equal to any “excess distribution” or gain from the disposition of such shares as a taxable dividend by us to our shareholders. If we invest in a PFIC and elect to treat the PFIC as a “qualified electing fund” under the Code (a “QEF”), in lieu of the foregoing requirements, we will be required to include in income each year our proportionate share of the ordinary earnings and net capital gain of the QEF, even if such income is not distributed by the QEF. Alternatively, we may be able to elect to mark-to-market at the end of each taxable year its shares in a PFIC; in this case, we will recognize as ordinary income our allocable share of any increase in the value of such shares, and as ordinary loss our allocable share of any decrease in such value to the extent that any such decrease does not exceed prior increases included in our income. Under either election, we may be required to recognize in a year income in excess of distributions from PFICs and proceeds from dispositions of PFIC stock during that year, and such income will nevertheless be subject to the Annual Distribution Requirement and will be taken into account for purposes of the 4% U.S. federal excise tax.

Failure to Maintain our Qualification as a RIC

If we fail to satisfy the 90% Income Test or the Diversification Tests for any taxable year, we may nevertheless continue to qualify as a RIC for such year if certain relief provisions are applicable (which may, among other things, require us to pay certain U.S. federal income taxes at corporate rates or to dispose of certain assets).

If we were unable to qualify for treatment as a RIC and the foregoing relief provisions are not applicable, we would be subject to tax on all of our taxable income at regular corporate rates, regardless of whether we make any distributions to our stockholders. Distributions would not be required, and any distributions would be taxable to our stockholders as ordinary dividend income that, subject to certain limitations, may be eligible for the 20% maximum rate to the extent of our current and accumulated earnings and profits provided certain holding period and other requirements were met. Subject to certain limitations under the Code, corporate distributees would be eligible for the dividends-received deduction. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital that would reduce the stockholder’s adjusted tax basis in its common stock (and correspondingly increase such stockholder’s gain, or reduce such stockholder’s loss, on disposition of such common stock), and any remaining distributions would be treated as a capital gain. To requalify as a RIC in a subsequent taxable year, we would be required to satisfy the RIC qualification requirements for that year and dispose of any earnings and profits from any year in which we failed to qualify as a RIC. Subject to a limited exception applicable to RICs that qualified as such under Subchapter M of the Code for at least one year prior to disqualification and that requalify as a RIC no later than the second year following the nonqualifying year, we could be subject to tax on any unrealized net built-in gains in the assets held by us during the period in which we failed to qualify as a RIC that are recognized within the subsequent five years, unless we made a special election to pay U.S. federal income tax at corporate rates on such built-in gain at the time of our requalification as a RIC.

Tax matters are complicated and the tax consequences to an investor of an investment in our common stock will depend on the facts of his, her or its particular situation. We encourage investors to consult their own tax advisers regarding the specific consequences of such an investment, including tax reporting requirements, the applicability of U.S. federal, state, local and foreign tax laws, eligibility for the benefits of any applicable tax treaty and the effect of any possible changes in the tax laws.

See “Risk Factors—Risks Related to Our Business and Structure” in Part I, Item 1A of this Form 10-K and “Note 2—Significant Accounting Policies—U.S. Federal and State Income Taxes” and “Note 9—Income Taxes” to our Consolidated Financial Statements for the year ended December 31, 2023 for further detail.

Item 1A. Risk Factors

Investing in our securities involves a number of significant risks. In addition to the other information contained in this annual report on Form 10-K, you should consider carefully the following information before making an investment in our securities. Although the risks described below represent the principal risks associated with an investment in us, they are not the only risks we face. Additional risks and uncertainties not presently known to us might also impair our operations and performance. If any of the following events occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, our NAV and the trading price of our common stock could decline, and you may lose all or part of your investment.

Summary of Principal Risk Factors

The following is a summary of the principal risks that you should carefully consider before investing in our securities and is followed by a more detailed discussion of the material risks related to us and an investment in our securities.

We are subject to risks related to our investments, including but not limited to the following:

- Our investments in the rapidly growing venture capital-backed emerging companies that we target may be extremely risky, and we could lose all or part of our investments.
- Because our investments are generally not in publicly traded securities, there will be uncertainty regarding the value of our investments, which could adversely affect the determination of our NAV.
- The lack of liquidity in, and potentially extended holding period of, our many investments may adversely affect our business and will delay any distributions of gains, if any.
- Investing in publicly traded companies can involve a high degree of risk and can be speculative.
- We may not realize gains from our equity investments and, because certain of our portfolio companies may incur substantial debt to finance their operations, we may experience a complete loss on our equity investments in the event of a bankruptcy or liquidation of any of our portfolio companies.
- Many of our portfolio companies are currently experiencing operating losses, which may be substantial, and there can be no assurance when or if such companies will operate at a profit.
- Our portfolio is concentrated in a limited number of portfolio companies or market sectors, which subjects us to a risk of significant loss if the business or market position of these companies deteriorates or market sectors experiences a market downturn.
- We may be limited in our ability to make follow-on investments, and our failure to make follow-on investments in our portfolio companies could impair the value of our portfolio.
- Because we will generally not hold controlling equity interests in our portfolio companies, we will likely not be in a position to exercise control over our portfolio companies or to prevent decisions by substantial stockholders or management of our portfolio companies that could decrease the value of our investments.
- We are subject to unique risks specific to our investments in the sponsors of SPACs.
- To the extent we invest in foreign companies, such investments may be subject to unique risks in addition to those inherent to our investments in U.S.-based companies.
- We may be subject to risks associated with hedging transactions and investments in derivatives.

We are subject to risks related to our business and structure, including but not limited to the following:

- As an internally managed BDC, we are subject to certain restrictions that may adversely affect our business and are dependent upon our management team and investment professionals for our future success.
- Our business model depends upon the development and maintenance of strong referral relationships with private equity, venture capital funds and investment banking firms.
- Our financial condition and results of operations will depend on our ability to achieve our investment objective.
- Changes in laws or regulations governing our operations may adversely affect our business or cause us to alter our business strategy.
- Economic, political and market conditions may adversely affect our business, results of operations and financial condition.
- We are exposed to risks associated with changes in interest rates and inflation rates.
- We operate in a highly competitive market for direct equity investment opportunities.
- Our use of borrowed funds to make investments exposes us to risks typically associated with leverage.
- Ineffective internal controls could impact our business and operating results.
- We face cyber-security risks.

Risks related to our securities, include but are not limited to the following:

- Investing in our securities may involve an above average degree of risk.
- Our common stock price may be volatile and may decrease substantially.
- We may not be able to pay distributions to our stockholders and our distributions may not grow over time.
- Our stockholders may experience dilution upon the issuance of additional shares of our common stock.
- If we default under any future credit facility or any other future indebtedness, we may not be able to make payments on our 6.00% Notes due 2026 (the “6.00% Notes due 2026”).
- We may choose to redeem the 6.00% Notes due 2026 when prevailing interest rates are relatively low.
- An active trading market for the 6.00% Notes due 2026 may not develop or be maintained, which could limit a holder’s ability to sell the 6.00% Notes due 2026 and/or adversely impact the market price of the 6.00% Notes due 2026.
- We will be subject to U.S. federal income tax at corporate rates if we are profitable and are unable to qualify as a RIC, which could have a material adverse effect on us and our stockholders.

Risks Related to Our Investments

Our investments in the rapidly growing venture capital-backed emerging companies that we target may be extremely risky, and we could lose all or part of our investments.

Investment in the rapidly growing venture capital-backed emerging companies that we target involves a number of significant risks, including the following:

- these companies may have limited financial resources and may be unable to meet their obligations under their existing debt, which may lead to equity financings, possibly at discounted valuations, in which we could be substantially diluted if we do not or cannot participate, bankruptcy or liquidation and the reduction or loss of our equity investment;
- they typically have limited operating histories, narrower, less established product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions, market conditions and consumer sentiment in respect of their products or services, as well as general economic downturns;
- they generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing industries or sectors with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position;
- some of these private companies may currently experience operating losses, which may be substantial, and there can be no assurance when or if such companies will operate at a profit;
- because they are privately owned, there is generally little publicly available information about these companies; therefore, although we will perform due diligence investigations on these companies, their operations and their prospects, we may not learn all of the material information we need to know regarding these businesses and, in the case of investments we acquire on private secondary transactions, we may be unable to obtain financial or other information regarding the companies with respect to which we invest. Furthermore, there can be no assurance that the information that we do obtain with respect to any investment is reliable;
- they may be adversely affected by a lack of IPO or merger and acquisition opportunities;
- these private companies frequently have much more complex capital structures than traditional publicly traded companies, and may have multiple classes of equity securities with differing rights, including with respect to voting and distributions. In certain cases, these private companies may also have senior or pari passu preferred stock or senior debt outstanding, which may heighten the risk of investing in the underlying equity of such private companies, particularly in circumstance when we have limited information with respect to such capital structures; and
- they are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on the portfolio company and, in turn, on us.

A portfolio company's failure to satisfy financial or operating covenants imposed by its lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its assets, which could trigger cross-defaults under other agreements and jeopardize our equity investment in such portfolio company. We may incur expenses to the extent necessary to seek recovery of our equity investment or to negotiate new terms with a financially distressed portfolio company.

Because our investments are generally not in publicly traded securities, there will be uncertainty regarding the value of our investments, which could adversely affect the determination of our NAV.

Our portfolio investments will generally not be in publicly traded securities. As a result, although we expect that some of our equity investments may trade on private secondary marketplaces, the fair value of our direct investments in portfolio companies will often not be readily determinable. Under the 1940 Act, for our investments for which there are no readily available market quotations, including securities that, while listed on a private securities exchange, have not actively traded, we will value such securities at fair value quarterly as determined in good faith by our Board of Directors based upon the recommendation of the Valuation Committee in accordance with our written valuation policy and in compliance with Rule 2a-5. In connection with that determination, our executive officers and investment professionals will prepare portfolio company valuations using, where available, the most recent portfolio company financial statements and forecasts. The Valuation Committee utilizes the services of an independent valuation firm, which prepares valuations for each of our portfolio investments that are not publicly traded or for which we do not have readily available market quotations, including securities that while listed on a private securities exchange, have not actively traded. However, the Board of Directors retains ultimate authority as to the appropriate valuation of each such investment. The types of factors that the Board of Directors takes into account in determining fair value with respect to such non-traded investments include, as relevant and to the extent available, the portfolio company's earnings, the markets in which the portfolio company does business, comparison to valuations of publicly traded companies, comparisons to recent sales of comparable companies, the discounted value of the cash flows of the portfolio company and other relevant factors. This information may not be available because it is difficult to obtain financial and other information with respect to private companies, and even when we are able to obtain such information, there can be no assurance that it is complete or accurate. Because such valuations are inherently uncertain and may be based on estimates, our determinations of fair value may differ materially from the values that would be assessed if a readily available market for these securities existed. Due to this uncertainty, fair value determinations with respect to any non-traded investments we hold may cause our NAV on a given date to materially understate or overstate the value that we may ultimately realize on one or more of our investments. As a result, investors purchasing our securities based on an overstated NAV would pay a higher price than the value of our investments might warrant. Conversely, investors selling securities during a period in which the NAV understates the value of our investments would receive a lower price for their securities than the value of our investments might warrant.

The securities of our private portfolio companies are illiquid, and the inability of these portfolio companies to complete an IPO or consummate another liquidity event within our targeted time frame will extend the holding period of our investments, may adversely affect the value of these investments, and will delay the distribution of gains, if any.

The IPO market is, by its very nature, unpredictable, and IPO activity in particular has slowed significantly during 2022-2023, which trend may remain for the foreseeable future. A lack of IPO opportunities for venture capital-backed companies could lead to companies staying in our portfolio longer as private entities still requiring funding. This situation may adversely affect the amount of available venture capital funding to late-stage companies that cannot complete an IPO. Such stagnation could dampen returns or could lead to unrealized depreciation and realized losses as some companies run short of cash and have to accept lower valuations in private fundings or are not able to access additional capital at all. A lack of IPO opportunities for venture capital-backed companies may also cause some venture capital firms to change their strategies, leading some of them to reduce funding to their portfolio companies and making it more difficult for such companies to access capital. This might result in unrealized depreciation and realized losses in such companies by other investment funds, like us, who are co-investors in such companies. There can be no assurance that we will be able to achieve our targeted return on our portfolio company investments if, as and when they go public.

The equity securities we acquire in a private company are generally subject to contractual transfer limitations imposed on the company's stockholders as well as other contractual obligations, such as rights of first refusal and co-sale rights. These obligations generally expire only upon an IPO by the company or the occurrence of another liquidity/exit event. As a result, prior to an IPO or other liquidity/exit event, our ability to liquidate our private portfolio company positions may be constrained. Transfer restrictions could limit our ability to liquidate our positions in these securities if we are unable to find buyers acceptable to our portfolio companies, or, where applicable, their stockholders. Such buyers may not be willing to purchase our investments at adequate prices or in volumes sufficient to liquidate our position, and even where they are willing, other stockholders could exercise their co-sale rights to participate in the sale, thereby reducing the number of shares available for us to sell. Furthermore, prospective buyers may be deterred from entering into purchase transactions with us due to the delay and uncertainty that these transfer and other limitations create.

If the private companies in which we invest do not perform as planned, they may be unable to successfully complete an IPO or consummate another liquidity event within our targeted time frame, or they may decide to abandon their plans for an IPO. In such cases, we will likely exceed our targeted holding period and the value of these investments may decline substantially if an IPO or other exit is no longer viable. We may also be forced to take other steps to exit these investments.

The illiquidity of our private portfolio company investments, including those that are traded on the trading platforms of private secondary marketplaces, may make it difficult for us to sell such investments should the need arise. Also, if we were required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we have previously recorded our investments. We will have no limitation on the portion of our portfolio that may be invested in illiquid securities, and we anticipate that all or a substantial portion of our portfolio may be invested in such illiquid securities at all times. Due to the inherent uncertainty in determining the fair value of investments that do not have a readily available market value, the fair value of our investments determined in good faith by our Board of Directors may differ significantly from the value that would have been used had a ready market existed for such investments, and the differences could be material.

In addition, even if a portfolio company completes an IPO, we will typically not be able to sell our position until any applicable post-IPO lockup restriction expires. As a result of lockup restrictions, the market price of securities that we hold may decline substantially before we are able to sell them following an IPO. There is also no assurance that a meaningful trading market will develop for our publicly traded portfolio companies following an IPO to allow us to liquidate our position when we desire.

In addition, because we generally invest in equity and equity-related securities, with respect to the majority of our portfolio companies, we do not expect regular realization events, if any, to occur in the near term. We expect that our holdings of equity securities may require several years to appreciate in value, and we can offer no assurance that such appreciation will occur. Even if such appreciation does occur, it is likely that initial purchasers of our shares could wait for an extended period of time before any appreciation or sale of our investments, and any attendant distributions of gains, may be realized.

Investing in publicly traded companies can involve a high degree of risk and can be speculative.

A portion of our portfolio is invested in publicly traded companies or companies that are in the process of completing an IPO. As publicly traded companies, the securities of these companies may not trade at high volumes, and prices can be volatile, particularly during times of general market volatility, which may restrict our ability to sell our positions and may have a material adverse impact on us.

In addition, our ability to invest in public companies may be limited in certain circumstances. To maintain our status as a BDC, we are not permitted to acquire any assets other than "qualifying assets" specified in the 1940 Act unless, at the time the acquisition is made and giving effect to it, at least 70% of our total assets are qualifying assets (with certain limited exceptions). Subject to certain exceptions for follow-on investments and distressed companies, an investment in an issuer that has outstanding securities listed on a national securities exchange may be treated as a qualifying asset only if such issuer has a market capitalization that is less than \$250.0 million at any point in the 60 days prior to the time of such investment and meets the other specified requirements. Any failure to maintain our status as a BDC would reduce our operating flexibility, which could have a negative effect on our business, financial condition, and results of operations. See "Risks Related to Our Business and Structure — *Any failure on our part to maintain our status as a BDC would reduce our operating flexibility.*"

We may not realize gains from our equity investments and, because certain of our portfolio companies may incur substantial debt to finance their operations, we may experience a complete loss on our equity investments in the event of a bankruptcy or liquidation of any of our portfolio companies.

We invest principally in the equity and equity-related securities of what we believe to be rapidly growing venture capital-backed emerging companies. However, the equity interests we acquire may not appreciate in value and, in fact, may decline in value. Investments in equity securities involve a number of significant risks, including the risk of further dilution as a result of additional issuances, inability to access additional capital and failure to pay current distributions.

In addition, the private company securities we acquire may be subject to drag-along rights, which could permit other stockholders, under certain circumstances, to force us to liquidate our position in a subject company at a specified price, which could be, in our opinion, inadequate or undesirable or even below our cost basis. In this event, we could realize a loss or fail to realize gain in an amount that we deem appropriate on our investment. Further, capital market volatility and the overall market environment may preclude our portfolio companies from realizing liquidity events and impede our exit from these investments. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience. We will generally have little, if any, control over the timing of any gains we may realize from our equity investments unless and until the portfolio companies in which we invest become publicly traded. In addition, the companies in which we invest may have substantial debt loads. In such cases, we would typically be last in line behind any creditors in a bankruptcy or liquidation and would likely experience a complete loss on our investment.

Many of our portfolio companies are currently experiencing operating losses, which may be substantial, and there can be no assurance when or if such companies will operate at a profit.

We have limited information about the financial performance and profitability of some of our portfolio companies. While certain of our portfolio companies have earned net income in recent periods, we believe that many of our portfolio companies are currently experiencing operating losses. There can be no assurance when or if such companies will operate at a profit. If such companies fail to operate at a profit consistently or ever, such failure may adversely affect our investments, which will, in turn, result in negative effects to our results of operations.

Our portfolio is concentrated in a limited number of portfolio companies or market sectors, which subjects us to a risk of significant loss if the business or market position of any of these companies deteriorates or any of their market sectors experience a market downturn.

A consequence of our limited number of investments is that the aggregate returns we realize may be significantly adversely affected if a small number of investments perform poorly or if we need to write down the value of any one investment. For example, as of December 31, 2023, 72.3% of our NAV was comprised of investments in ten portfolio companies. Beyond the asset diversification requirements necessary to qualify as a RIC, we have general guidelines for diversification; however, our investments could be concentrated in relatively few issuers. In addition, our investments may be concentrated in a limited number of market sectors, including in technology-related sectors. As a result, a downturn in any market sector in which a significant number of our portfolio companies operate or the deterioration of the market position of any portfolio company in which we have a material position could materially adversely affect us.

Our portfolio may be exposed in part to one or more specific industries, which may subject us to a risk of significant loss in a particular investment or investments if there is a downturn in that particular industry. In particular, technology-related sectors in which we invest are subject to many risks, including volatility, intense competition, decreasing life cycles, product obsolescence, changing consumer preferences, periodic downturns, regulatory concerns and litigation risks.

Our portfolio may be exposed in part to one or more specific industries. A downturn in any particular industry in which we are invested could significantly impact the aggregate returns we realize. If an industry in which we have significant investments suffers from adverse business or economic conditions, a material portion of our investment portfolio could be adversely affected, which, in turn, could adversely affect our financial position and results of operations.

Given the experience of our executive officers and investment professionals within the technology space, a number of the companies in which we have invested and intend to invest operate in technology-related sectors, and as of December 31, 2023, our largest industry concentrations of our total investments at fair value were in the education technology sector, which represented approximately 37.7% of our portfolio, and the marketplaces sector, which represented approximately 19.8% of our portfolio. Additionally, our investments in the financial technology sector represented approximately 17.5% of our portfolio, and our investments in the cloud and big data sector represents approximately 17.2% of our portfolio. Therefore, we are susceptible to the economic circumstances and market conditions in these industries, and a downturn in one or more of these industries could have a material adverse effect on our business and results of operations.

Our investment in the education technology industry is subject to substantial risks. The revenue, income (or losses) and valuations of technology-related companies can and often do fluctuate suddenly and dramatically. In addition, because of rapid technological change, the average selling prices of products and some services provided by companies in technology-related sectors have historically decreased over their productive lives. In addition, our portfolio companies in these sectors face intense competition since their businesses are rapidly evolving, intensely competitive and subject to changing technology, shifting user needs and frequent introductions of new products and services. For example, new technologies, including those based on artificial intelligence, can provide students with more immediate responses to inquiries than traditional tools, and over time, the accuracy of these tools and their ability to handle complex questions may improve, all of which may be disruptive to education technology businesses.

Potential competitors to our portfolio companies in the education technology industry range from large and established companies to emerging start-ups. Further, such companies may be subject to laws that were adopted prior to the advent of the Internet and related technologies and, as a result, may not contemplate or address the unique issues of the Internet and related technologies. The laws that do reference the Internet are being interpreted by the courts, but their applicability and scope remain uncertain. Claims have been threatened and filed under both U.S. and foreign laws for defamation, invasion of privacy and other tort claims, unlawful activity, copyright and trademark infringement, or other theories based on the nature and content of the materials searched and the ads posted by a company's users, a company's products and services, or content generated by a company's users. Further, the growth of technology-related companies into a variety of new fields implicate a variety of new regulatory issues and may subject such companies to increased regulatory scrutiny, particularly in the U.S. and Europe. Education technology has been a subject of particular scrutiny; for example, in 2019, certain members of the United States Senate circulated letters to education technology companies regarding their concerns about the amount of data being collected on students utilizing such technologies and the potential safety and security risks to children related to such data collection. Evolving regulatory landscapes and our portfolio companies' mandated compliance with new laws and regulations could add new challenges to their operations and negatively affect such companies' results of operations and, in turn, our business.

Similarly, our investments in the financial technology industry are subject to substantial risks. These companies may be unseasoned, unprofitable or have no established operating histories or earnings and may lack technical, marketing, financial and other resources. These companies often have the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. Less established companies tend to have lower capitalization and fewer resources and, therefore, are often more vulnerable to financial failure. These companies may be dependent upon the success of one product or service, a unique distribution channel, or the effectiveness of a manager or management team. The failure of this one product, service or distribution channel or the loss or ineffectiveness of a key executive or executives within the management team may have a materially adverse impact on such companies. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. Further, these companies operate in the highly regulated finance sector, and evolving regulatory regimes specific to financial technology companies and unclear application of existing laws and regulations to financial technology company products or services may provide new challenges to such companies' operations and negatively impact their results of operations and, in turn, our business.

TABLE OF CONTENTS

Investments in the marketplaces sector are also subject to substantial risks. These investments include portfolio companies in sub-industry sectors such as pharmaceutical technology, micromobility and sports betting, all of which are subject to increasing regulatory scrutiny as technological advancements have permitted greater connectivity and remote consumer engagement. In particular, the sports betting sector has been subject to regulatory scrutiny in recent years as states have legalized the marketplace and engagement has proliferated. Shifting market trends, intense competition and changing regulations specific to any such sub-industry could have a significant impact on our portfolio companies' operations and, in turn, our business, performance and results of operations.

Finally, our investments in the cloud and big data sector are subject to particular and substantial risks, including those arising from increased regulatory scrutiny, intense competition, shifting market trends. In particular, data collection has been the subject of significant interest and regulatory scrutiny from legislators on both the state and federal levels, and many states have proposed and/or enacted comprehensive and narrow data privacy laws in recent years with implications for the portfolio companies in which we have invested. As these regulatory regimes have evolved, their application to particular industries or the manner in which certain companies operate have been unclear, and these companies may experience new and evolving challenges in seeking to comply with such mandates, with the potential effect of diverting their attention away from operations and towards compliance. Such challenges may thus negatively impact these businesses' operations, financial condition, and results of operations, thereby affecting the value of our investment.

Common to all of the education technology, financial technology, marketplace and big data and cloud are risks related to cybersecurity. Any of the portfolio companies in these sectors could be required to make a significant investment to remedy the effects of any cybersecurity incident, harm to their reputations, legal claims that they and their respective affiliates may be subjected to, regulatory action or enforcement arising out of applicable privacy and other laws, adverse publicity, and other events that may affect their business and financial performance. The increased use of mobile and cloud technologies can heighten these and other operational risks.

Any of these factors could materially and adversely affect the business and operations of a portfolio company in the technology industry and, in turn, adversely affect the value of these portfolio companies and the value of any securities that we may hold.

Our financial results could be negatively affected if a significant portfolio company fails to perform as expected.

Our total investment in companies may be significant individually or in the aggregate. As a result, if a significant investment in one or more companies fails to perform as expected, our financial results could be more negatively affected and the magnitude of the loss could be more significant than if we had made smaller investments in more companies. The following table shows the cost and fair value of our ten largest portfolio company positions as of December 31, 2023:

Portfolio Company	Cost	Fair Value	% of Net Asset Value
Learneo, Inc. (f/k/a Course Hero, Inc.)	\$ 14,999,972	\$ 55,982,551	27.5%
Stormwind, LLC	6,387,741	12,535,875	6.2%
ServiceTitan, Inc.	10,008,233	11,960,975	5.9%
Blink Health, Inc.	15,004,340	11,692,830	5.7%
Locus Robotics Corp.	10,004,286	10,675,766	5.2%
PSQ Holdings, Inc. (d/b/a PublicSquare)	2,585,240	10,507,136	5.2%
Architect Capital PayJoy SPV, LLC	10,006,745	10,000,000	4.9%
Whoop, Inc.	10,011,460	9,612,887	4.7%
Shogun Enterprises, Inc. (d/b/a Hearth)	8,040,806	7,083,557	3.5%
FourKites, Inc.	8,530,389	6,926,176	3.4%
Total	\$ 95,579,212	\$ 146,977,753	72.3%

We may be limited in our ability to make follow-on investments, and our failure to make follow-on investments in our portfolio companies could impair the value of our portfolio.

Following an initial investment in a portfolio company, we may make additional investments in that portfolio company as "follow-on" investments, in order to: (1) increase or maintain in whole or in part our equity ownership percentage; (2) exercise warrants, options or convertible securities that were acquired in the original or subsequent financing; or (3) attempt to preserve or enhance the value of our investment.

We may elect not to make follow-on investments, or may otherwise lack sufficient funds to make those investments or lack access to desired follow-on investment opportunities. We have the discretion to make any follow-on investments, subject to the availability of capital resources and of the investment opportunity. The failure to make follow-on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial investment, or may result in a missed opportunity for us to increase our participation in a successful operation. Even if we have sufficient capital to make a desired follow-on investment, we may elect not to make a follow-on investment because we may not want to increase our concentration of risk, because we prefer other opportunities, or because we are inhibited by compliance with BDC requirements or the desire to qualify to maintain our status as a RIC, or we lack access to the desired follow-on investment opportunity.

In addition, we may be unable to complete follow-on investments in our portfolio companies that have conducted an IPO as a result of regulatory or financial restrictions. This or any of the preceding rationales for failing to undertake a follow-on investment could impact our portfolio companies' performance and, thus, its value.

Because we will generally not hold controlling equity interests in our portfolio companies, we will likely not be in a position to exercise control over our portfolio companies or to prevent decisions by substantial stockholders or management of our portfolio companies that could decrease the value of our investments.

Generally, we will not take controlling equity positions in our portfolio companies. As a result, we will be subject to the risk that a portfolio company may make business decisions with which we disagree, and the stockholders and management of a portfolio company may take risks or otherwise act in ways that are adverse to our interests. In addition, other stockholders, such as venture capital and private equity sponsors, that have substantial investments in our portfolio companies may have interests that differ from that of the portfolio company or its minority stockholders, which may lead them to take actions that could materially and adversely affect the value of our investment in the portfolio company. Due to the lack of liquidity for the equity and equity-related investments that we will typically hold in our portfolio companies, we may not be able to dispose of our investments in the event we disagree with the actions of a portfolio company or its substantial stockholders, and may therefore suffer a decrease in the value of our investments.

In the event that we make an investment in a sponsor of a SPAC and the SPAC does not consummate a business combination, we will lose the entirety of our investment.

We invest selectively in the sponsors of SPACs, which investments are subject to certain particularized and substantial risks. For example, we will lose the entirety of our investment in a sponsor of a SPAC if the underlying SPAC fails to consummate a business combination. Any investment by us in a sponsor of a SPAC will not have the same redemption rights that a direct investment in a SPAC may have. As such, there is a unique risk of experiencing a complete loss on our investment when we invest in a sponsor of a SPAC.

The number of founder shares allocated to us in respect of any investment in a sponsor of a SPAC may be reduced or otherwise subjected to forfeiture/dilution in the event that the sponsor of a SPAC raises additional capital.

In certain circumstances, the managing member of the sponsor of a SPAC in which we invest may determine that the underlying SPAC requires additional working capital following the IPO of the underlying SPAC but prior to a business combination, as contemplated by the underlying SPAC's registration statement. Typically, the managing member of the sponsor of a SPAC, in his or her sole and absolute discretion, may permit existing or new members in the sponsor of a SPAC, including us, to make loans to the underlying SPAC or to make additional equity investments in the sponsor of the SPAC as needed. Accordingly, we typically will have no right to participate in any such loans or equity investments unless the managing member, in his or her sole discretion, offers us the opportunity to invest in any such loans or equity investments. In connection with such new loans or equity investments, the managing member may reallocate founder shares from members not participating in any such loans or equity to any such lenders/investors at a ratio calculated in accordance with the formula used to derive the ratio for the initial allocation of founder shares to us and the other members and so long as any reallocation would not affect our or any group of members' membership interests disproportionately to all members in the aggregate. In such a case, our interest in the founder shares will be reduced or diluted. In the event any such reallocation would affect our or any group of members' membership interests disproportionately to all members in the aggregate, we will have a limited right to participate in loan or equity investment at issue. If, however, we choose not to participate, our interest in the founder shares would be reduced or diluted as a result. Finally, the managing member may determine in his or her sole and absolute discretion that one or more strategic investors in the sponsor of a SPAC will not be subject to a reallocation of founder shares in the event a loan or equity investment is needed, and if so our interest in the founder shares will be further diluted as a result.

The requirement that a SPAC complete a business combination within a specified completion window may give potential target businesses leverage over the SPAC in negotiating a business combination and may limit the time the SPAC has in which to conduct due diligence on potential business combination targets, in particular as it approaches its dissolution deadline, which could undermine its ability to complete a business combination on terms that would produce value for us.

Any potential target business that enters into negotiations concerning a business combination with a SPAC in which we invest will be aware that the SPAC must complete a business combination within a specified completion window, which is usually between 18-24 months following the SPAC's IPO. Consequently, such target business may obtain leverage over the SPAC in negotiating a business combination, knowing that if the SPAC does not complete a business combination with that particular target business, it may be unable to complete a business combination with any target business. This risk will increase as the SPAC gets closer to the timeframe described above. In addition, the SPAC may have limited time to conduct due diligence and may enter into a business combination on terms that it would have rejected upon a more comprehensive investigation. The foregoing could undermine the SPAC's ability to complete a business combination on terms that would produce value for us.

Investments in foreign companies may involve significant risks in addition to the risks inherent in U.S. investments.

While we invest primarily in U.S. companies, we may invest on an opportunistic basis in certain non-U.S. companies, including those located in emerging markets, that otherwise meet our investment criteria. In regards to the regulatory requirements for BDCs, non-U.S. investments do not qualify as investments in “eligible portfolio companies,” and thus may not be considered “qualifying assets.” In addition, investing in foreign companies, and particularly those in emerging markets, may expose us to additional risks not typically associated with investing in U.S. issuers. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. Further, we may have difficulty enforcing our rights as equity holders in foreign jurisdictions. In addition, to the extent we invest in non-U.S. companies, we may face greater exposure to foreign economic developments.

Although we expect that most of our investments will be U.S. dollar-denominated, any investments denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments. Developments with respect to any one of these or any other factors affecting currency values may negatively impact the value of our investment, thereby resulting in a material adverse effect on our business, financial condition, and results of operations.

We may expose ourselves to risks if we engage in hedging transactions.

If we engage in hedging transactions, we may expose ourselves to risks associated with such transactions. We may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates and market interest rates. Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. However, such hedging can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions may also limit the opportunity for gain if the values of the underlying portfolio positions should increase. It may not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss. In addition, it may not be possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of factors not related to currency fluctuations. Changes to the regulations applicable to the financial instruments we may use to accomplish our hedging strategy could affect the effectiveness of that strategy. See “—*We are exposed to risks associated with changes in interest rates.*”

Our ability to enter into transactions involving derivatives and financial commitment transactions may be limited.

BDCs that enter into transactions involving derivatives are subject to a value-at-risk (“VaR”) leverage limit, certain other derivatives risk management program and testing requirements and requirements related to board reporting. These requirements apply unless the BDC qualifies as a “limited derivatives user” under the rule. Under Rule 18f-4 under the 1940 Act, a BDC may enter into an unfunded commitment agreement that is not a derivatives transaction, such as an agreement to provide financing to a portfolio company, if the BDC has, among other things, a reasonable belief, at the time it enters into such an agreement, that it will have sufficient cash and cash equivalents to meet its obligations with respect to all of its unfunded commitment agreements, in each case as it becomes due. We currently operate as a “limited derivatives user,” which may limit our ability to use derivatives and/or enter into certain other financial contracts.

The market structure applicable to derivatives imposed by the Dodd-Frank Act, the U.S. Commodity Futures Trading Commission (“CFTC”) and the SEC may affect our ability to use over-the-counter (“OTC”) derivatives for hedging purposes.

The Dodd-Frank Act and the CFTC enacted, and the SEC has issued rules implementing, both broad new regulatory requirements and broad new structural requirements applicable to OTC derivatives markets and, to a lesser extent, listed commodity futures (and futures options) markets. Similar changes are in the process of being implemented in other major financial markets.

The CFTC and the SEC have issued final rules establishing that certain swap transactions are subject to CFTC regulation. Engaging in such swap or other commodity interest transactions such as futures contracts or options on futures contracts may cause us to fall within the definition of “commodity pool” under the Commodity Exchange Act and related CFTC regulations. We have claimed relief from CFTC registration and regulation as a commodity pool operator with respect to our operations, with the result that we are limited in our ability to use futures contracts or options on futures contracts or engage in swap transactions. Specifically, we are subject to strict limitations on using such derivatives other than for hedging purposes, whereby the use of derivatives not used solely for hedging purposes is generally limited to situations where (i) the aggregate initial margin and premiums required to establish such positions does not exceed five percent of the liquidation value of our portfolio, after taking into account unrealized profits and unrealized losses on any such contracts we have entered into; or (ii) the aggregate net notional value of such derivatives does not exceed 100% of the liquidation value of our portfolio.

The Dodd-Frank Act also imposed requirements relating to real-time public and regulatory reporting of OTC derivative transactions, enhanced documentation requirements, position limits on an expanded array of derivatives, and record keeping requirements. Taken as a whole, these changes could significantly increase the cost of using uncleared OTC derivatives to hedge risks, including interest rate and foreign exchange risk; reduce the level of exposure we are able to obtain for risk management purposes through OTC derivatives (including as the result of the CFTC imposing position limits on additional products); reduce the amounts available to us to make non-derivatives investments; impair liquidity in certain OTC derivatives; and adversely affect the quality of execution pricing obtained by us, all of which could adversely impact our investment returns.

Risks Related to Our Business and Structure

Any failure on our part to maintain our status as a BDC would reduce our operating flexibility.

The 1940 Act imposes numerous constraints on the operations of BDCs. For example, BDCs are required to invest at least 70% of their gross assets in specified types of securities, primarily in private companies or thinly traded U.S. public companies, cash, cash equivalents, U.S. government securities and other high quality debt investments that mature in one year or less. Any failure to comply with the requirements imposed on BDCs by the 1940 Act could cause the SEC to bring an enforcement action against us and/or expose us to claims of private litigants. In addition, upon approval of a majority of our stockholders, we may elect to withdraw our status as a BDC. If we decide to withdraw our election, or if we otherwise fail to maintain our qualification, to be regulated as a BDC, we may be subject to substantially greater regulation under the 1940 Act as a closed-end investment company. Compliance with such regulations would significantly decrease our operating flexibility and could significantly increase our costs of doing business.

As an internally managed BDC, we are subject to certain restrictions that may adversely affect our business.

As an internally managed BDC, the size and categories of our assets under management is limited, and we are unable to offer as wide a variety of financial products to prospective portfolio companies and sponsors (potentially limiting the size and diversification of our asset base). We therefore may not achieve efficiencies of scale and greater management resources available to externally managed BDCs.

Additionally, as an internally managed BDC, our ability to offer more competitive and flexible compensation structures, such as offering both a profit-sharing plan and an equity incentive plan, is subject to the limitations imposed by the 1940 Act, which limitations thus may limit our ability to attract and retain talented investment management professionals. As such, these limitations could inhibit our ability to grow, pursue our business plan and attract and retain professional talent, any or all of which may have a negative impact on our business, financial condition and results of operations.

As an internally managed BDC, we are dependent upon our management team and investment professionals for their time availability and for our future success, and if we are not able to hire and retain qualified personnel, or if we lose key members of our senior management team, our ability to implement our business strategy could be significantly harmed.

As an internally managed BDC, our ability to achieve our investment objectives and to make distributions to our stockholders depends upon the performance of our management team and investment professionals. We depend upon the expertise, skill and network of members of our management and our investment professionals for the identification, diligence, final selection, structuring, closing and monitoring of our investments. These employees have critical industry experience and relationships on which we rely to implement our business plan. If we lose the services of key members of our senior management team, we may not be able to operate the business as we expect, and our ability to compete could be harmed, which could cause our operating results to suffer. We believe our future success will depend, in part, on our ability to identify, attract and retain sufficient numbers of highly skilled employees. If we do not succeed in identifying, attracting and retaining such personnel, we may not be able to operate our business as we expect.

As an internally managed BDC, our compensation structure is determined and set by our Board of Directors and its Compensation Committee. This structure currently includes salary, bonus and incentive compensation. We are not generally permitted by the 1940 Act to employ an incentive compensation structure that directly ties performance of our investment portfolio and results of operations to incentive compensation.

Members of our senior management team may receive offers of more flexible and attractive compensation arrangements from other companies, particularly from investment advisers to externally managed BDCs that are not subject to the same limitations on incentive-based compensation that we are subject to as an internally managed BDC. A departure by one or more members of our senior management team or competing demands on their time could have a negative impact on our business, financial condition and results of operations.

Our financial condition and results of operations will depend on our ability to manage our business effectively and achieve our investment objective.

Our ability to achieve our investment objective will depend on our management team's and investment professionals' ability to identify, analyze and invest in companies that meet our investment criteria. Accomplishing this result on a cost-effective basis is largely a function of our management team's and investment professionals' structuring of the investment process and their ability to provide competent, attentive and efficient services to us. We seek a specified number of investments in rapidly growing venture capital-backed emerging companies, which may be extremely risky. There can be no assurance that our management team and investment professionals will be successful in identifying and investing in companies that meet our investment criteria, or that we will achieve our investment objective. Even if we are able to grow and build upon our investment operations, any failure to manage our growth effectively could have a material adverse effect on our business, financial condition, results of operations and prospects.

The results of our operations will depend on many factors, including the availability of opportunities for investment, readily accessible short- and long-term funding alternatives in the financial markets and economic conditions. Furthermore, any inability to successfully operate our business or implement our investment policies and strategies as described herein could adversely impact our ability to pay dividends.

Our business model depends upon the development and maintenance of strong referral relationships with private equity, venture capital funds and investment banking firms.

We expect that members of our management team and our investment professionals will maintain key informal relationships, which we use to help identify and gain access to investment opportunities. If our management team and investment professionals fail to maintain relationships with key firms, or if they fail to establish strong referral relationships with other firms or other sources of investment opportunities, we will not be able to grow our portfolio of equity investments and achieve our investment objective. In addition, persons with whom our management team and investment professionals have informal relationships are not obligated to inform them or us of investment opportunities, and therefore such relationships may not lead to the origination of equity or other investments. Any loss or diminishment of such relationships could effectively reduce the ability to identify attractive portfolio companies that meet our investment criteria, either for direct equity investments or for investments through private secondary market transactions or other secondary transactions.

There are significant potential risks related to investing in securities traded on private secondary marketplaces.

We have utilized and expect to continue to utilize private secondary marketplaces, such as SharesPost, Inc., to acquire investments for our portfolio. When we purchase secondary shares, we may have little or no direct access to financial or other information from these portfolio companies. As a result, we are dependent upon the relationships of our management team and investment professionals and our Board of Directors to obtain the information necessary to perform research and due diligence, and to monitor our investments after they are made. There can be no assurance that our management team and investment professionals will be able to acquire adequate information on which to make its investment decision with respect to any private secondary marketplace purchases, or that the information it is able to obtain is accurate or complete. Any failure to obtain full and complete information regarding the portfolio companies with respect to which we invest through private secondary marketplaces could cause us to lose part or all of our investment in such companies, which would have a material and adverse effect on our NAV and results of operations.

In addition, while we believe the ability to trade on private secondary marketplaces provides valuable opportunities for liquidity, there can be no assurance that the portfolio companies with respect to which we invest through private secondary marketplaces will have or maintain active trading markets, and the prices of those securities may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods, which may result in an inability for us to realize full value on our investment. In addition, wide swings in market prices, which are typical of irregularly traded securities, could cause significant and unexpected declines in the value of our portfolio investments. Further, prices in private secondary marketplaces, where limited information is available, may not accurately reflect the true value of a portfolio company, and may overstate a portfolio company's actual value, which may cause us to realize future capital losses on our investment in that portfolio company. If any of the foregoing were to occur, it would likely have a material and adverse effect on our NAV and results of operations.

Investments in private companies, including through private secondary marketplaces, also entail additional legal and regulatory risks which expose participants to the risk of liability due to the imbalance of information among participants and participant qualification and other transactional requirements applicable to private securities transactions, the non-compliance with which could result in rescission rights and monetary and other sanctions. The application of these laws within the context of private secondary marketplaces and related market practices are still evolving, and, despite our efforts to comply with applicable laws, we could be exposed to liability. The regulation of private secondary marketplaces is also evolving. Additional state or federal regulation of these markets could result in limits on the operation of or activity on those markets. Conversely, deregulation of these markets could make it easier for investors to invest directly in private companies and affect the attractiveness of our Company as an access vehicle for investment in private shares. Private companies may also increasingly seek to limit secondary trading in their stock, such as through contractual transfer restrictions, and provisions in company charter documents, investor rights of first refusal and co-sale and/or employment and trading policies further restricting trading. To the extent that these or other developments result in reduced trading activity and/or availability of private company shares, our ability to find investment opportunities and to liquidate our investments could be adversely affected.

Our business is subject to increasingly complex corporate governance, public disclosure and accounting requirements that are costly and could adversely affect our business and financial results.

We are subject to changing rules and regulations of federal and state government as well as the stock exchange on which our common stock is listed. These entities, including the Public Company Accounting Oversight Board, the SEC and the Nasdaq Global Select Market, have issued a significant number of new and increasingly complex requirements and regulations over the course of the last several years and continue to develop additional regulations and requirements in response to laws enacted by Congress. In addition, there are significant corporate governance and executive compensation-related provisions in the Dodd-Frank Act, and the SEC has adopted, and may continue to adopt, additional rules and regulations that may impact us. Our efforts to comply with these requirements have resulted in, and are likely to continue to result in, an increase in expenses and a diversion of management's time from other business activities.

In addition, any failure to keep pace with such rules, or to appropriately address compliance with such rules fully and in a timely manner, would expose us to an increasing risk of inadvertent non-compliance. While our management team takes reasonable efforts to ensure that we are in full compliance with all laws applicable to our operations, the increasing rate and extent of regulatory change increases the risk of a failure to comply, which may limit our ability to operate our business in the ordinary course or may subject us to potential fines, regulatory findings or other matters that may materially impact our business.

Over the last several years, there has also been an increase in regulatory attention to the extension of credit outside of the traditional banking sector, raising the possibility that some portion of the non-bank financial sector will be subject to new regulation. While it cannot be known at this time whether any regulation will be implemented or what form it will take, increased regulation of non-bank credit extension could negatively impact our operating results or financial condition, impose additional costs on us, intensify the regulatory supervision of us or otherwise adversely affect our business.

Capital markets may experience periods of disruption and instability, including as recently experienced. Such market conditions may materially and adversely affect debt and equity capital markets in the United States and abroad, which may have a negative impact on our business and operations.

From time to time, capital markets may experience periods of disruption and instability, including during portions of the last three fiscal years. Since 2020, the U.S. capital markets have experienced extreme volatility and disruption. Despite actions of the U.S. federal government and foreign governments, these types of events contribute to unpredictable general economic conditions that materially and adversely impact the broader financial and credit markets and reduce the availability of debt and equity capital for the market as a whole. These conditions could continue for a prolonged period of time or worsen in the future.

Given the ongoing and dynamic nature of recent market disruption and instability, it is difficult to predict the full impact of these conditions on our business. The extent of any such impact will depend on future developments, which are highly uncertain, including the duration or reoccurrence of any potential business or supply chain disruption, changes in interest rates and inflation rates, global conflicts, health epidemics and pandemics and the actions taken by governments in response to these conditions.

During any such periods of market disruption and instability, we and other companies in the financial services sector may have limited access, if available, to alternative markets for debt and equity capital. Equity capital may be difficult to raise because, subject to some limited exceptions which will apply to us as a BDC, we will generally not be able to issue additional shares of our common stock at a price less than NAV without first obtaining approval for such issuance from our stockholders and our independent directors.

Volatility and dislocation in the capital markets can also create a challenging environment in which to raise or access debt capital, and our ability to incur indebtedness (including by issuing preferred stock) is limited by applicable regulations such that our asset coverage (as defined in the 1940 Act) must equal at least 200% (or 150% if certain requirements are met) immediately after each time we incur indebtedness. The continuance or reappearance of market conditions similar to those experienced during portions of the last three fiscal years for any substantial length of time could make it difficult to extend the maturity of or refinance our existing indebtedness or obtain new indebtedness with similar terms and any failure to do so could have a material adverse effect on our business. The debt capital that will be available to us in the future, if at all, may be at a higher cost and on less favorable terms and conditions than what we currently experience, including being at a higher cost in rising rate environments. If we are unable to raise or refinance debt, then our equity investors may not benefit from the potential for increased returns on equity resulting from leverage and we may be limited in our ability to make new commitments or to fund existing commitments to our portfolio companies. An inability to extend the maturity of, or refinance, our existing indebtedness or obtain new indebtedness could have a material adverse effect on our business, financial condition or results of operations.

Significant volatility and disruption, has had, and in the future may have, a negative effect on the valuations of our investments and on the potential for liquidity events involving these investments. While most of our investments are not publicly traded, applicable accounting standards require us to assume, as part of our valuation process, that our investments are sold in orderly mark-to-market transactions between market participants. As a result, volatility in the capital markets can adversely affect our investment valuations.

Significant disruption or volatility in the capital markets may also affect the pace of our investment activity and the potential for liquidity events involving our investments. The illiquidity of our investments may make it difficult for us to sell such investments to access capital if required and to value such investments. Consequently, we may realize significantly less than the value at which we carry our investments. An inability to raise capital, and any required sale of our investments for liquidity purposes, could have a material adverse impact on our business, financial condition or results of operations. In addition, a prolonged period of market illiquidity may cause us to reduce the volume of loans and debt securities we originate and/or fund and adversely affect the value of our portfolio investments, which could have a material and adverse effect on our business, financial condition, results of operations and cash flows.

We are exposed to risks associated with changes in interest rates.

Because we may borrow money to make investments, our net investment income will depend, in part, upon the difference between the rate at which we borrow funds and the rate at which we invest those funds. As a result, we can offer no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. A reduction in the interest rates on new investments relative to interest rates on current investments could have an adverse impact on our net investment income. However, an increase in interest rates, like that experienced recently, could decrease the value of any investments we hold which earn fixed interest rates and also could increase our interest expense, thereby decreasing our net income. Also, an increase in interest rates available to investors could make an investment in our common stock less attractive if we are not able to increase our distribution rate, which could reduce the value of our common stock. Further, rising interest rates could also adversely affect our performance if such increases cause our borrowing costs to rise at a rate in excess of the rate that our investments yield. In periods of rising interest rates, to the extent we borrow money subject to a floating interest rate, our cost of funds would increase, which could reduce our net investment income. Further, rising interest rates could also adversely affect our performance if we hold investments with floating interest rates, subject to specified minimum interest rates (such as a Secured Overnight Financing Rate (“SOFR”) floor), while at the same time engaging in borrowings subject to floating interest rates not subject to such minimums. In such a scenario, rising interest rates may increase our interest expense, even though our interest income from investments is not increasing in a corresponding manner as a result of such minimum interest rates.

If general interest rates rise, there is a risk that the portfolio companies in which we hold floating rate securities will be unable to pay escalating interest amounts, which could result in a default under their loan documents with us. Rising interest rates could also cause portfolio companies to shift cash from other productive uses to the payment of interest, which may have a material adverse effect on their business and operations and could, over time, lead to increased defaults. In addition, rising interest rates may increase pressure on us to provide fixed rate loans to our portfolio companies, which could adversely affect our net investment income, as increases in our cost of borrowed funds would not be accompanied by increased interest income from such fixed-rate investments.

Economic recessions or downturns could impair our portfolio companies and harm our operating results.

Many of the portfolio companies in which we make investments may be susceptible to economic slowdowns or recessions and may be unable to repay any loans made to them during these periods and, thus, jeopardize our equity investment in such portfolio companies. Therefore, the value of our portfolio may decrease during these periods as we are required to record our investments at their current fair value. Adverse economic conditions also may decrease the value of our equity investments and the value of any collateral securing our loans, if any. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions could also increase our and our portfolio companies’ funding costs, limit our and our portfolio companies’ access to the capital markets or result in a decision by lenders not to extend credit to us or our portfolio companies. These events could prevent us from increasing investments and harm our operating results.

A portfolio company’s failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, acceleration of the time when the loans are due and foreclosure on its secured assets, which could trigger cross defaults under other agreements and jeopardize our equity investment in such portfolio company. We may incur additional expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a financially distressed or defaulting portfolio company. In addition, if one of our portfolio companies were to go bankrupt, depending on the facts and circumstances, we would typically be last in line behind any creditors and would likely experience a complete loss on our investment.

Any disruptive conditions in the financial industry and the impact of new legislation in response to those conditions could restrict our business operations and could adversely impact our results of operations and financial condition. In addition, the BDC market may be more sensitive to changes in interest rates or other factors and to the extent the BDC market trades down, our shares might likewise be affected. If the fair value of our assets declines substantially, we may fail to maintain the asset coverage ratios imposed upon us by the 1940 Act. Any such failure would affect our ability to issue securities, including borrowings, and pay dividends, which could materially impair our business operations. Our liquidity could be impaired further by an inability to access the capital markets or to consummate new borrowing facilities to provide capital for normal operations, including new originations. In recent years, reflecting concern about the stability of the financial markets, many lenders and institutional investors have reduced or ceased providing funding to borrowers.

In the past, instability in the global capital markets resulted in disruptions in liquidity in the debt capital markets, significant write-offs in the financial services sector, the repricing of credit risk in the broadly syndicated credit market and the failure of major domestic and international financial institutions. In particular, in past periods of instability, the financial services sector was negatively impacted by significant write-offs as the value of the assets held by financial firms declined, impairing their capital positions and abilities to lend and invest. In addition, continued uncertainty surrounding the negotiation of trade deals between the United Kingdom and the European Union following the United Kingdom's exit from the European Union and tensions uncertainty between the United States and other countries, including China and Russia, with respect to trade policies, treaties, and tariffs, among other factors, have caused disruption in the global markets. There can be no assurance that market conditions will not worsen in the future.

Economic sanction laws in the United States and other jurisdictions may prohibit us from transacting with certain countries, individuals and companies.

In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control administers and enforces laws, executive orders and regulations establishing U.S. economic and trade sanctions, which prohibit, among other things, transactions with, and the provision of services to, certain non-U.S. countries, territories, entities and individuals. These types of sanctions may significantly restrict or completely prohibit investment activities in certain jurisdictions, and if we, our portfolio companies or other issuers in which we invest were to violate any such laws or regulations, we may face significant legal and monetary penalties. The Foreign Corrupt Practices Act, or FCPA, and other anti-corruption laws and regulations, as well as antiboycott regulations, may also apply to and restrict our activities, our portfolio companies and other issuers of our investments. If an issuer or we were to violate any such laws or regulations, such issuer or we may face significant legal and monetary penalties.

The U.S. government has indicated that it is particularly focused on FCPA enforcement, which may increase the risk that an issuer or us becomes the subject of such actual or threatened enforcement. In addition, certain commentators have suggested that private investment firms and the funds that they manage may face increased scrutiny and/or liability with respect to the activities of their underlying portfolio companies. As such, a violation of the FCPA or other applicable regulations by us or an issuer of our portfolio investments could have a material adverse effect on us. We are committed to complying with the FCPA and other anti-corruption laws and regulations, as well as anti-boycott regulations. As a result, we may be adversely affected because of our unwillingness to enter into transactions that violate any such laws or regulations.

Inflation may adversely affect the business, results of operations and financial condition of our portfolio companies.

Certain of our portfolio companies may be impacted by inflation. If such portfolio companies are unable to pass any increases in their costs along to their customers, it could adversely affect their results, which could in turn adversely impact our results of operations. In addition, any projected future decreases in our portfolio companies' operating results due to inflation could adversely impact the fair value of our investments. Any decreases in the fair value of our investments could result in future unrealized losses and therefore reduce our net assets resulting from operations. Additionally, the Federal Reserve has recently raised certain benchmark interest rates in an effort to combat inflation. There is no guarantee that the actions taken by the Federal Reserve will reduce or eliminate inflation. See *"We are exposed to risks associated with changes in interest rates."*

We are subject to risks related to corporate social responsibility.

Our business faces increasing public scrutiny related to environmental, social and governance ("ESG") activities, which are increasingly considered to contribute to the long-term sustainability of a company's performance. A variety of organizations measure the performance of companies on ESG topics, and the results of these assessments are widely publicized. In addition, investments in funds that specialize in companies that perform well in such assessments are increasingly popular, and major institutional investors have publicly emphasized the importance of such ESG measures to their investment decisions.

We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as environmental stewardship, corporate governance and transparency and considering ESG factors in our investment processes. Adverse incidents with respect to ESG activities could impact the value of our brand, the cost of our operations and relationships with investors, all of which could adversely affect our business and results of operations.

Additionally, new regulatory initiatives related to ESG could adversely affect our business. The SEC has proposed rules that, among other matters, would establish a framework for reporting of climate-related risks. At this time, there is uncertainty regarding the scope of such proposals or when they would become effective (if at all). Compliance with any new laws or regulations increases our regulatory burden and could make compliance more difficult and expensive, affect the manner in which we or our portfolio companies conduct our businesses and adversely affect our profitability.

Our business and operations could be negatively affected if we become subject to any securities litigation or stockholder activism, which could cause us to incur significant expense, hinder execution of investment strategy and impact our stock price.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. Stockholder activism, which could take many forms or arise in a variety of situations, has been increasing in the BDC space recently. While we are currently not subject to any securities litigation or stockholder activism, due to the potential volatility of our stock price and for a variety of other reasons, we may in the future become the target of securities litigation or stockholder activism. Securities litigation and stockholder activism, including potential proxy contests, could result in substantial costs and divert management's and our Board of Directors' attention and resources from our business. Additionally, such securities litigation and stockholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and activist stockholder matters. Further, our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and stockholder activism.

We operate in a highly competitive market for direct equity investment opportunities.

A large number of entities compete with us to make the types of direct equity investments that we target as part of our business strategy. We compete for such investments with a large number of private equity and venture capital funds, other equity and non-equity based investment funds, investment banks and other sources of financing, including traditional financial services companies such as commercial banks and specialty finance companies. Many of our competitors are substantially larger than us and have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have a lower cost of funds and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC or to the distribution and other requirements we must satisfy to maintain our ability to subject to tax as a RIC. These characteristics could allow our competitors to consider a wider variety of investments, establish more relationships and offer financing at more attractive terms than we are able to offer. There can be no assurance that the competitive pressures we face will not have a material adverse effect on our business, financial condition and results of operations. Also, as a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we can offer no assurance that we will be able to identify and make direct equity investments that are consistent with our investment objective.

Borrowings, such as the 6.00% Notes due 2026, can magnify the potential for gain or loss on amounts invested and may increase the risk of investing in us.

Borrowings, also known as leverage, magnify the potential for gain or loss on amounts invested and, therefore, increase the risks associated with investing in our securities. In addition to the 6.00% Notes due 2026, we may borrow from and issue senior debt securities to banks, insurance companies and other lenders. Lenders of such senior securities would have fixed dollar claims on our assets that are superior to the claims of our common stockholders. If the value of our assets increases, then leveraging would cause the net asset value attributable to our common stock to increase more sharply than it would have had we not leveraged. Conversely, if the value of our assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not leveraged. Similarly, any increase in our income in excess of interest payable on the borrowed funds would cause our net income to increase more than it would without the leverage, while any decrease in our income would cause net income to decline more sharply than it would have had we not borrowed. Leverage is generally considered a speculative investment technique. Our ability to service the 6.00% Notes due 2026, borrowings under any other future debt that we incur will depend largely on our financial performance and will be subject to prevailing economic conditions and competitive pressures. As a result of our use of leverage, we have experienced a substantial increase in operating expenses and may continue to do so in the future.

TABLE OF CONTENTS

The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns on our portfolio, net of expenses. Leverage generally magnifies the return of stockholders when the portfolio return is positive and magnifies their losses when the portfolio return is negative. The calculations in the table below are hypothetical, and actual returns may be higher or lower than those appearing in the table below.

	Assumed Return on Our Portfolio (Net of Expenses)				
	(10.0)%	(5.0)%	0.0%	5.0%	10.0%
Corresponding return to common stockholder ⁽¹⁾	(11.46)%	(6.93)%	(2.41)%	2.12%	6.64%

(1) Assumes \$184.1 million in total portfolio assets excluding U.S. Treasuries, and \$75.0 million in outstanding 6.00% Notes due 2026 as of December 31, 2023.

Our use of borrowed funds to make investments exposes us to risks typically associated with leverage.

We borrow money and may issue additional debt securities or preferred stock to leverage our capital structure. As a result:

- shares of our common stock would be exposed to incremental risk of loss; therefore, a decrease in the value of our investments would have a greater negative impact on the value of our common shares than if we did not use leverage;
- any depreciation in the value of our assets may magnify losses associated with an investment and could totally eliminate the value of an asset to us;
- if we do not appropriately match the assets and liabilities of our business and interest or dividend rates on such assets and liabilities, adverse changes in interest rates could reduce or eliminate the incremental income we make with the proceeds of any leverage;
- our ability to pay dividends on our common stock may be restricted if our asset coverage ratio, as provided in the 1940 Act, is not at least 200% (or 150% if certain requirements are met), and any amounts used to service indebtedness or preferred stock would not be available for such dividends;
- any future credit facility we may enter would be subject to periodic renewal by our lenders, whose continued participation cannot be guaranteed;
- such securities would be governed by an indenture or other instrument containing covenants restricting our operating flexibility or affecting our investment or operating policies, and may require us to pledge assets or provide other security for such indebtedness;
- we, and indirectly our common stockholders, bear the entire cost of issuing and paying interest or dividends on such securities;
- if we issue preferred stock, the special voting rights and preferences of preferred stockholders may result in such stockholders' having interests that are not aligned with the interests of our common stockholders, and the rights of our preferred stockholders to dividends and liquidation preferences will be senior to the rights of our common stockholders;
- any convertible or exchangeable securities that we issue may have rights, preferences and privileges more favorable than those of our common shares; and
- any custodial relationships associated with our use of leverage would conform to the requirements of the 1940 Act, and no creditor would have veto power over our investment policies, strategies, objectives or decisions except in an event of default or if our asset coverage was less than 200% (or 150% if certain requirements are met).

Under the provisions of the 1940 Act, we are permitted, as a BDC, to issue senior securities only in amounts such that our asset coverage ratio equals at least 200% after each issuance of senior securities (or 150% if certain requirements are met). If the value of our assets declines, we may be unable to satisfy this test and we may be required to sell a portion of our investments and, depending on the nature of our leverage, repay a portion of our senior securities at a time when such sales may be disadvantageous.

If we default under any future borrowing facility we enter into or are unable to amend, repay or refinance any such facility on commercially reasonable terms, or at all, we may suffer material adverse effects on our business, financial condition, results of operations and cash flows.

Substantially all of our assets may be pledged as collateral under any future borrowing facility. In the event that we default under any future borrowing facility, our business could be adversely affected as we may be forced to sell all or a portion of our investments quickly and prematurely at what may be disadvantageous prices to us in order to meet our outstanding payment obligations and/or support covenants and working capital requirements under any future borrowing facility, any of which would have a material adverse effect on our business, financial condition, results of operations and cash flows.

Following any such default, the agent for the lenders under any future borrowing facility could assume control of the disposition of any or all of our assets, including the selection of such assets to be disposed and the timing of such disposition, which would have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, if the lender exercises its right to sell the assets pledged under any future borrowing facility, such sales may be completed at distressed sale prices, thereby diminishing or potentially eliminating the amount of cash available to us after repayment of our outstanding borrowings. Moreover, such deleveraging could significantly impair our ability to effectively operate our business in the manner in which we have historically operated. As a result, we could be forced to curtail or cease new investment activities and lower or eliminate any dividends that we may pay to our stockholders.

We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income.

Although we focus on achieving capital gains from our investments, in certain cases we may receive current income, such as interest or dividends, on our investments. Because in certain cases we may recognize such current income before or without receiving cash representing such income, we may have difficulty satisfying the annual distribution requirement applicable to RICs. Accordingly, in order to maintain our qualification as a RIC, we may have to sell some of our investments at times we would not consider advantageous, raise additional debt or equity capital or reduce new investments to meet these distribution requirements. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus would be subject to U.S. federal income tax at corporate rates.

Regulations governing our operation as a BDC affect our ability to, and the way in which we, raise additional capital, which may expose us to risks, including the typical risks associated with leverage.

We may in the future issue additional debt securities or preferred stock and/or borrow money from banks or other financial institutions, which we refer to collectively (along with the 6.00% Notes due 2026) as “senior securities,” up to the maximum amount permitted by the 1940 Act. Under the provisions of the 1940 Act, we are permitted, as a BDC, to issue senior securities in amounts such that our asset coverage ratio, as defined in the 1940 Act, equals at least 200% (or 150% if certain requirements are met) of gross assets less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to sell a portion of our investments and, depending on the nature of our leverage, repay a portion of our indebtedness at a time when such sales may be disadvantageous. Furthermore, any amounts that we use to service our indebtedness would not be available for distributions to our common stockholders.

All of the costs of offering and servicing the 6.00% Notes due 2026 and any additional debt or preferred stock we may issue in the future, including interest payments thereon, will be borne by our common stockholders. The interests of the holders of the 6.00% Notes due 2026, any additional debt or preferred stock we may issue will not necessarily be aligned with the interests of our common stockholders. In particular, the rights of holders of the 6.00% Notes due 2026 and our debt or preferred stock to receive interest or principal repayment will be senior to those of our common stockholders. Also, in the event we issue preferred stock, the holders of such preferred stock will have the ability to elect two members of our Board of Directors. In addition, we may grant a lender a security interest in a significant portion or all of our assets, even if the total amount we may borrow from such lender is less than the amount of such lender’s security interest in our assets. In no event, however, will any lender to us have any veto power over, or any vote with respect to, any change in our, or approval of any new, investment objective or investment policies or strategies.

We are not generally able to issue and sell our common stock at a price below net asset value per share. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then-current NAV of our common stock if our Board of Directors determines that such sale is in the best interests of the Company and our stockholders, and our stockholders approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price which, in the determination of our Board of Directors, closely approximates the market value of such securities (less any distributing commission or discount). We are also generally prohibited under the 1940 Act from issuing securities convertible into voting securities without obtaining the approval of our existing stockholders.

In addition to regulatory requirements that restrict our ability to raise capital, the loan agreement governing any future credit facility may contain various covenants which, if not complied with, could materially and adversely affecting our liquidity, financial condition, results of operations and ability to pay dividends.

Under the loan agreement governing any future credit facility, we may take certain customary representations and warranties and may be required to comply with various affirmative and negative covenants, reporting requirements, and other customary requirements for similar credit facilities, including, without limitation, restrictions on incurring additional indebtedness, compliance with the asset coverage requirements under the 1940 Act, a minimum net asset value requirement, a limitation on the reduction of our net asset value, and maintenance of RIC and BDC status. Such loan agreement may include usual and customary events of default for credit facilities of similar nature, including, without limitation, nonpayment, misrepresentation of representations and warranties in a material respect, breach of covenant, cross-default to certain other indebtedness, bankruptcy, and the occurrence of a material adverse effect.

Our ability to continue to comply with these covenants in the future depends on many factors, some of which are beyond our control. There are no assurances that we will be able to comply with these covenants. Failure to comply with these covenants would result in a default which, if we were unable to obtain a waiver under any such loan agreement, would have a material adverse impact on our liquidity, financial condition, results of operations and ability to pay dividends.

We will be subject to U.S. federal income tax at corporate rates if we are profitable and are unable to qualify as a RIC, which could have a material adverse effect on us and our stockholders.

We elected to be treated as a RIC under the Code beginning with our taxable year ended December 31, 2014, have qualified to be treated as a RIC for subsequent taxable years and expect to continue to operate in a manner so as to qualify for the tax treatment applicable to RICs. See “Item 1. Business—Material U.S. Federal Income Tax Considerations” and “Note 2—Significant Accounting Policies—U.S. Federal and State Income Taxes” and “Note 9—Income Taxes” to our Consolidated Financial Statements for the year ended December 31, 2023 for more information.

We generally believe that it will be in our best interest to be treated as a RIC in any year in which we are profitable. If we fail to qualify for tax treatment as a RIC for any year in which we are profitable and such profits exceed certain loss carryforwards that we are entitled to utilize, we will be subject to U.S. federal income tax at corporate rates, which could substantially reduce our net assets, the amount of income available for distribution or reinvestment and the amount of our distributions. Such a failure could have a material adverse effect on us and our stockholders.

In any year in which we intend to be treated as a RIC, we may be forced to dispose of investments at times when our management team would not otherwise do so or raise additional capital at times when we would not otherwise do so, in each case in order to qualify for the special tax treatment accorded to RICs.

To qualify for the special treatment accorded to RICs, we must meet certain income source, asset diversification and annual distribution requirements. In order to satisfy the income source requirement, we must derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to certain securities loans, gains from the sale of stock or other securities or foreign currencies, other income derived with respect to our business of investing in such stock or securities or income from “qualified publicly traded partnerships.” To qualify as a RIC, we must also meet certain asset diversification requirements at the end of each quarter of our taxable year. Failure to meet these tests in any year in which we intend to be treated as a RIC may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC status. Because most of our investments are in private companies, any such dispositions could be made at disadvantageous prices and could result in substantial losses. In addition, in order to satisfy the Annual Distribution Requirement for a RIC, we must distribute at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, to our stockholders on an annual basis. We will be subject to certain asset coverage ratio requirements under the 1940 Act and financial covenants under the terms of our indebtedness that could, under certain circumstances, restrict us from making distributions necessary to satisfy the annual distribution requirement. If we are unable to dispose of investments quickly enough to meet the asset diversification requirements at the end of a quarter or obtain cash from other sources in order to meet the annual distribution requirement, we may fail to qualify for special tax treatment accorded to RICs and, thus, be subject to U.S. federal income tax at corporate rates.

Legislative or regulatory tax changes could adversely affect our business and financial condition.

The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service (“IRS”) and the U.S. Treasury Department. Changes in tax laws, regulations or administrative interpretations or any amendments thereto could adversely affect us, the entities in which we invest, or the holders of our securities, including our common stock and the 6.00% Notes due 2026. For example, on August 16, 2022, President Joseph R. Biden signed the Inflation Reduction Act of 2022 into law, which may result in different and potentially adverse tax treatment for us, our portfolio companies, or the holders of our securities. Additionally, the Biden Administration has announced a number of tax law proposals, including American Families Plan and Made in America Tax Plan, which include increases in the corporate and individual tax rates, and impose a minimum tax on book income and profits of certain multinational corporations. The likelihood of any such legislation being enacted is uncertain, but new legislation and any U.S. Treasury regulations, administrative interpretations or court decisions interpreting such legislation could significantly and negatively affect our ability to qualify for tax treatment as a RIC or the U.S. federal income tax consequences to us and our investors of such qualification, or could have other adverse consequences for us, our portfolio companies, and/or our investors. Investors are urged to consult with their tax advisors with respect to the impact of this legislation and the status of any other regulatory or administrative developments and proposals and their potential effect on an investment in our securities.

Because we expect to distribute substantially all of our net investment income and net realized capital gains to our stockholders, we will need additional capital to finance our growth, and such capital may not be available on favorable terms or at all.

We have elected to be taxed for U.S. federal income tax purposes as a RIC under Subchapter M of the Code. If we meet certain requirements, including source of income, asset diversification and distribution requirements, and if we continue to qualify as a BDC, we will continue to qualify for tax treatment as a RIC under the Code and will not be subject to U.S. income taxes on income we distribute to our stockholders as dividends, allowing us to substantially reduce or eliminate our U.S. federal income tax liability. As a BDC, we are generally required to meet a coverage ratio of total assets to total senior securities, which includes all of our borrowings and any preferred stock we may issue in the future, of at least 200% (or 150% if certain requirements are met) at the time we issue any debt or preferred stock. This requirement limits the amount that we may borrow. Because we will continue to need capital to grow our investment portfolio, this limitation may prevent us from incurring debt or preferred stock and require us to raise additional equity at a time when it may be disadvantageous to do so. We cannot assure you that debt and equity financing will be available to us on favorable terms, or at all, and debt financings may be restricted by the terms of any of our outstanding borrowings. In addition, as a BDC, we are generally not permitted to issue common stock priced below net asset value without stockholder approval. If additional funds are not available to us, we could be forced to curtail or cease new lending and investment activities, and our NAV could decline.

We may continue to choose to pay dividends in our common stock, in which case you may be required to pay tax in excess of the cash you receive.

We have in the past, and may continue to, distribute taxable dividends that are payable in part in shares of our common stock. In accordance with certain applicable U.S. Treasury regulations and published guidance issued by the IRS, a RIC may treat a distribution of its own common stock as fulfilling the RIC distribution requirements if each stockholder may elect to receive his or her entire distribution in either cash or common stock of the RIC, subject to a limitation that the aggregate amount of cash to be distributed to all stockholders must not exceed more than 50% of the aggregate declared distribution. If too many stockholders elect to receive cash, the cash available for distribution must be allocated among the stockholders electing to receive cash (with the balance of the distribution paid in stock). In no event will any stockholder electing to receive cash receive less than the lesser of (a) the portion of the distribution such stockholder has elected to receive in cash or (b) an amount equal to his or her entire distribution times the percentage limitation on cash available for distribution. If these and certain other requirements are met, for U.S. federal income tax purposes, the amount of the dividend paid in common stock will be equal to the amount of cash that could have been received instead of common stock. Taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income (or as long-term capital gain to the extent such distribution is properly reported as a capital gain dividend) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. stockholder may be required to pay tax with respect to such dividends in excess of any cash received. If a U.S. stockholder sells the stock it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in common stock. In addition, if a significant number of our stockholders determine to sell shares of our common stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our common stock.

Changes in laws or regulations governing our business or the businesses of our portfolio companies, changes in the interpretation thereof or newly enacted laws or regulations, and any failure by us or our portfolio companies to comply with these laws or regulations may adversely affect our business and the businesses of our portfolio companies.

We and our portfolio companies are subject to laws and regulations at the U.S. federal, state and local levels and, in some cases, foreign levels. These laws and regulations, as well as their interpretation, may change from time to time, and new laws, regulations and interpretations may also come into effect, potentially with retroactive effect. Any such new or changed laws or regulations could have a material adverse effect on our business or the business of our portfolio companies. The legal, tax and regulatory environment for BDCs, investment advisers and the instruments that they utilize (including derivative instruments) is continuously evolving. In addition, there is significant uncertainty regarding enacted legislation and, consequently, the full impact that such legislation will ultimately have on us and the markets in which we trade and invest is not fully known. For example, on August 16, 2022, the Biden Administration enacted the Inflation Reduction Act of 2022, which modifies key aspects of the Code, including by creating an alternative minimum tax on certain large corporations and an excise tax on stock repurchases by certain corporations. We are currently assessing the potential impact of these legislative changes. Such uncertainty and any resulting confusion may itself be detrimental to the efficient functioning of the markets and the success of certain investment strategies.

In addition, as private equity firms become more influential participants in the U.S. and global financial markets and economy generally, there recently has been pressure for greater governmental scrutiny and/or regulation of the private equity industry. It is uncertain as to what form and in what jurisdictions such enhanced scrutiny and/or regulation, if any, on the private equity industry may ultimately take. Therefore, there can be no assurance as to whether any such scrutiny or initiatives will have an adverse impact on the private equity industry, including our ability to effect operating improvements or restructurings of our portfolio companies or otherwise achieve our objectives.

Over the last several years, there also has been an increase in regulatory attention to the extension of credit outside of the traditional banking sector, raising the possibility that some portion of the non-bank financial sector will be subject to new regulation. While it cannot be known at this time whether any regulation will be implemented or what form it will take, increased regulation of non-bank credit extension could negatively impact our or our portfolio companies' operating results or financial condition, impose additional costs on us or our portfolio companies, intensify the regulatory supervision of us or otherwise adversely affect our business.

Additionally, any changes to the laws and regulations governing our operations may cause us to alter our investment strategy in order to avail ourselves of new or different opportunities. Such changes could result in material differences to the strategies and plans set forth herein and may result in our investment focus shifting from the areas of expertise of our management team and investment professionals to other types of investments in which the investment team may have less expertise or little or no experience. Thus, any such changes, if they occur, could have a material adverse effect on our results of operations and the value of your investment.

The SBCAA allows us to incur additional leverage, which could increase the risk of investing in us.

The 1940 Act had generally prohibited us from incurring indebtedness unless immediately after such borrowing we had an asset coverage for total borrowings of at least 200% (i.e., the amount of debt may not exceed 50% of the value of our total assets). However, the SBCAA modified the 1940 Act to allow BDCs to decrease their asset coverage requirement from 200% to 150% (i.e. the amount of debt may not exceed 66.7% of the value of our total assets), if certain requirements are met. Under the SBCAA, we are allowed to reduce our asset coverage requirement to 150%, and thereby increase our leverage capacity, if shareholders representing at least a majority of the votes cast, when a quorum is present, approve a proposal to do so. If we receive shareholder approval, we would be allowed to reduce our asset coverage requirement to 150% on the first day after such approval. Alternatively, the SBCAA allows the majority of our independent directors to approve the reduction in our asset coverage requirement to 150%, and such approval would become effective after one year. In either case, we would be required to make certain disclosures on our website and in SEC filings regarding, among other things, the receipt of approval to reduce our asset coverage requirement to 150%, our leverage capacity and usage, and risks related to leverage.

As a result of the SBCAA, if we obtain the necessary approval, we may be able to increase our leverage up to an amount that reduces our asset coverage ratio from 200% to 150%. Leverage magnifies the potential for loss on investments in our indebtedness and on invested equity capital. As we use leverage to partially finance our investments, you will experience increased risks of investing in our securities. If the value of our assets increases, then leveraging would cause the NAV attributable to our common stock to increase more sharply than it would have had we not leveraged. Conversely, if the value of our assets decreases, leveraging would cause NAV to decline more sharply than it otherwise would have had we not leveraged our business. Similarly, any increase in our income in excess of interest payable on the borrowed funds would cause our net investment income to increase more than it would without the leverage, while any decrease in our income would cause net investment income to decline more sharply than it would have had we not borrowed. Such a decline could negatively affect our ability to pay common stock dividends, scheduled debt payments or other payments related to our securities. Leverage is generally considered a speculative investment technique.

Certain investors are limited in their ability to make significant investments in us.

Private funds that are excluded from the definition of “investment company” either pursuant to Section 3(c)(1) or 3(c)(7) of the 1940 Act are restricted from acquiring directly or through a controlled entity more than 3% of our total outstanding voting stock (measured at the time of the acquisition). Investment companies registered under the 1940 Act and BDCs, such as us, are also subject to this restriction as well as other limitations under the 1940 Act that would restrict the amount that they are able to invest in our securities. As a result, certain investors will be limited in their ability to make significant investments in us at a time that they might desire to do so.

Ineffective internal controls could impact our business and operating results.

Our internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in their implementation, our business and operating results could be harmed and we could fail to meet our financial reporting obligations.

We may in the future determine to fund a portion of our investments with preferred stock, which would magnify the potential for gain or loss and the risks of investing in us in the same way as our borrowings.

Preferred stock, which is another form of leverage, has the same risks to our common stockholders as borrowings because the dividends on any preferred stock we issue must be cumulative. Payment of such dividends and repayment of the liquidation preference of such preferred stock must take preference over any dividends or other payments to our common stockholders, and preferred stockholders are not subject to any of our expenses or losses and are not entitled to participate in any income or appreciation in excess of their stated preference.

Our Board of Directors is authorized to reclassify any unissued shares of stock into one or more classes of preferred stock, which could convey special rights and privileges to its owners.

Our charter permits our Board of Directors to reclassify any authorized but unissued shares of stock into one or more classes of preferred stock. Our Board of Directors will generally have broad discretion over the size and timing of any such reclassification, subject to a finding that the reclassification and issuance of such preferred stock is in the best interests of SuRo Capital and our existing common stockholders. Any issuance of preferred stock would be subject to certain limitations imposed under the 1940 Act, including the requirement that such preferred stock have equal voting rights with our outstanding common stock. We are authorized to issue up to 100,000,000 shares of common stock. In the event our Board of Directors opts to reclassify a portion of our unissued shares of common stock into a class of preferred stock, those preferred shares would have a preference over our common stock with respect to dividends and liquidation. The cost of any such reclassification would be borne by our existing common stockholders. In addition, the 1940 Act provides that holders of preferred stock are entitled to vote separately from holders of common stock to elect two directors. As a result, our preferred stockholders will have the ability to reject a director that would otherwise be elected by our common stockholders. In addition, while Maryland law generally requires directors to act in the best interests of all of a corporation’s stockholders, there can be no assurance that a director elected by our preferred stockholders will not choose to act in a manner that tends to favor our preferred stockholders, particularly where there is a conflict between the interests of our preferred stockholders and our common stockholders. The class voting rights of any preferred shares we may issue could make it more difficult for us to take some actions that may, in the future, be proposed by the Board of Directors and/or the holders of our common stock, such as a merger, exchange of securities, liquidation, or alteration of the rights of a class of our securities, if these actions were perceived by the holders of preferred shares as not in their best interests. The issuance of preferred shares convertible into shares of common stock might also reduce the net income and net asset value per share of our common stock upon conversion. These effects, among others, could have an adverse effect on your investment in our common stock.

Our Board of Directors may change our investment objective, operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse.

Our Board of Directors has the authority to modify or waive our investment objective, current operating policies, investment criteria and strategies without prior notice and without stockholder approval. We cannot predict the effect any changes to our current operating policies, investment criteria and strategies would have on our business, net asset value, operating results and value of our stock. However, the effects might be adverse, which could negatively impact our ability to pay you dividends and cause you to lose all or part of your investment.

Provisions of the Maryland General Corporation Law and of our charter and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.

The Maryland General Corporation Law and our charter and bylaws contain provisions that may discourage, delay or make more difficult a change in control of us or the removal of our directors. We are subject to the Maryland Business Combination Act (“MBCA”), subject to any applicable requirements of the 1940 Act. Our Board of Directors has adopted a resolution exempting from the MBCA any business combination between us and any other person, subject to prior approval of such business combination by our Board of Directors, including approval by a majority of our directors who are not “interest persons” as defined in the 1940 Act. If the resolution exempting business combinations is repealed or our Board of Directors does not approve a business combination, the MBCA may discourage third parties from trying to acquire control of us and increase the difficulty of consummating such an offer. Our bylaws exempt from the Maryland Control Share Acquisition Act (“Control Share Act”) acquisitions of our stock by any person. If we amend our bylaws to repeal the exemption from the Control Share Act, the Control Share Act also may make it more difficult for a third party to obtain control of us and increase the difficulty of consummating such a transaction. However, we will amend our bylaws to be subject to the Control Share Act only if our Board of Directors determines that it would be in our best interests and if the SEC staff does not object to our determination that our being subject to the Control Share Act does not conflict with the 1940 Act.

We have also adopted measures that may make it difficult for a third party to obtain control of us, including provisions of our charter classifying our Board of Directors in three classes serving staggered three-year terms, and authorizing our Board of Directors, without stockholder action, to classify or reclassify shares of our stock in one or more classes or series, including preferred stock, to cause the issuance of additional shares of our stock, to amend our charter without stockholder approval to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue. These provisions, as well as other provisions of our charter and bylaws, may delay, defer or prevent a transaction or a change in control that might otherwise be in the best interests of our stockholders.

We are highly dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and our ability make distributions.

Our business is highly dependent on our and third parties’ communications and information systems. Any failure or interruption of those systems, including as a result of the termination of an agreement with any third-party service providers, could cause delays or other problems in our activities. Our financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and may adversely affect our business. There could be:

- sudden electrical or telecommunications outages;
- natural disasters such as earthquakes, tornadoes and hurricanes;
- disease pandemics;
- events arising from local or larger scale political or social matters, including terrorist acts; and
- cyber-attacks.

These events, in turn, could have a material adverse effect on our operating results and negatively affect the market price of our common stock and our ability to pay dividends to our stockholders.

We will likely experience fluctuations in our results and we may be unable to replicate past investment opportunities or make the types of investments we have made to date in future periods.

We will likely experience fluctuations in our operating results due to a number of factors, including the rate at which we make new investments, the level of our expenses, changes in the valuation of our portfolio investments, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. For example, since inception through December 31, 2023, we have experienced substantial cumulative negative cash flows from operations. These fluctuations may in certain cases be exaggerated as a result of our focus on realizing capital gains rather than current income from our investments. In addition, there can be no assurance that we will be able to locate or acquire investments that are of a similar nature to those currently in our portfolio. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

Risks Related to the 6.00% Notes due 2026

The 6.00% Notes due 2026 are unsecured and therefore effectively subordinated to any future secured indebtedness we could incur; however, we have agreed under the indenture to not incur any secured or unsecured indebtedness that would be senior to the 6.00% Notes due 2026 while the 6.00% Notes due 2026 are outstanding, subject to certain exceptions. The 6.00% Notes due 2026 rank pari passu with, or equal to, all outstanding and future unsecured, unsubordinated indebtedness issued by us and our general liabilities.

The 6.00% Notes due 2026 are not secured by any of our assets or any of the assets of any of our subsidiaries. As a result, the 6.00% Notes due 2026 are effectively subordinated to any future secured indebtedness we or our subsidiaries may incur in the future (or any indebtedness that is initially unsecured as to which we subsequently grant a security interest) to the extent of the value of the assets securing such indebtedness. However, we have agreed under the governing indenture to not incur any secured or unsecured indebtedness that would be senior to the 6.00% Notes due 2026 while the 6.00% Notes due 2026 are outstanding, subject to certain exceptions. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our future secured indebtedness or secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors.

The 6.00% Notes due 2026 rank *pari passu*, which means equal in right of payment, with all outstanding and future unsecured, unsubordinated indebtedness issued by us. The 6.00% Notes due 2026 also rank *pari passu* with, or equal to, our general liabilities (total liabilities, less debt). In total, these general liabilities were approximately \$0.5 million as of December 31, 2023. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of such indebtedness may assert rights equal to the holders of the 6.00% Notes due 2026, which may limit recovery by the holders of the 6.00% Notes due 2026.

The 6.00% Notes due 2026 are structurally subordinated to the indebtedness and other liabilities of our subsidiaries.

The 6.00% Notes due 2026 are obligations exclusively of SuRo Capital Corp., and not of any of our subsidiaries. None of our subsidiaries will be a guarantor of the 6.00% Notes due 2026, and the 6.00% Notes due 2026 are not required to be guaranteed by any subsidiary we may acquire or create in the future. Any assets of our subsidiaries will not be directly available to satisfy the claims of our creditors, including holders of the 6.00% Notes due 2026. Except to the extent we are a creditor with recognized claims against our subsidiaries, all claims of creditors of our subsidiaries will have priority over our equity interests in such entities (and therefore the claims of our creditors, including holders of the 6.00% Notes due 2026) with respect to the assets of such entities. Even if we are recognized as a creditor of one or more of these entities, our claims would still be effectively subordinated to any security interests in the assets of any such entity and to any indebtedness or other liabilities of any such entity senior to our claims. Consequently, the 6.00% Notes due 2026 are structurally subordinated to all indebtedness and other liabilities, including trade payables, of any of our existing or future subsidiaries.

The indenture under which the 6.00% Notes due 2026 were issued contains limited protection for holders of the 6.00% Notes due 2026.

The indenture under which the 6.00% Notes due 2026 were issued offers limited protection to holders of the 6.00% Notes due 2026. The terms of the indenture and the 6.00% Notes due 2026 do not restrict our or any of our subsidiaries' ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have a material adverse impact on an investment in the 6.00% Notes due 2026. In particular, the terms of the indenture and the 6.00% Notes due 2026 do not place any restrictions on our or our subsidiaries' ability to:

- issue securities or otherwise incur additional indebtedness or other obligations, including (1) any indebtedness or other obligations that would be equal in right of payment to the 6.00% Notes due 2026, (2) any indebtedness or other obligations that would be secured and therefore rank effectively senior in right of payment to the 6.00% Notes due 2026 to the extent of the values of the assets securing such debt, (3) indebtedness of ours that is guaranteed by one or more of our subsidiaries and which therefore is structurally senior to the 6.00% Notes due 2026 and (4) securities, indebtedness or obligations issued or incurred by our subsidiaries that would be senior to our equity interests in those entities and therefore rank structurally senior to the 6.00% Notes due 2026 with respect to the assets of our subsidiaries, in each case other than an incurrence of indebtedness or other obligation that would cause a violation of Section 18(a)(1)(A) as modified by such provisions of Section 61(a) of the 1940 Act as may be applicable to us from time to time or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect, in each case, to any exemptive relief granted to us by the SEC. Currently, these provisions generally prohibit us from making additional borrowings, including through the issuance of additional debt or the sale of additional debt securities, unless our asset coverage, as defined in the 1940 Act, equals 200% (or 150% if certain requirements are met) after such borrowings. Notwithstanding the foregoing, for the period of time during which the 6.00% Notes due 2026 are outstanding, we will not seek the requisite approval under the 1940 Act of our Board Of Directors or our shareholders to reduce our asset coverage below 200%. In addition, we have agreed under the indenture that, for the period of time during which the 6.00% Notes due 2026 are outstanding, we will not incur any indebtedness, unless at the time of the incurrence of such indebtedness we have an asset coverage (as defined in the 1940 Act) of at least 300% after giving effect to the incurrence of such indebtedness and the application of the net proceeds therefrom;

TABLE OF CONTENTS

- pay dividends on, or purchase or redeem or make any payments in respect of, capital stock or other securities ranking junior in right of payment to the 6.00% Notes due 2026, including subordinated indebtedness, except that we have agreed under the indenture that, for the period of time during which the 6.00% Notes due 2026 are outstanding, we will not violate Section 18(a)(1)(B) as modified by (i) Section 61(a) of the 1940 Act or any successor provisions thereto, whether or not we are subject to such provisions of the 1940 Act and after giving effect to any exemptive relief granted to us by the SEC and (ii) the following two exceptions: (A) we will be permitted to declare a cash dividend or distribution notwithstanding the prohibition contained in Section 18(a)(1)(B) as modified by Section 61(a) of the 1940 Act or any successor provisions, but only up to such amount as is necessary for us to maintain our status as a RIC under Subchapter M of the Code; and (B) this restriction will not be triggered unless and until such time as our asset coverage has not been in compliance with the minimum asset coverage required by Section 18(a)(1)(B) as modified by Section 61(a) of the 1940 Act or any successor provisions (after giving effect to any exemptive relief granted to us by the SEC) for more than six consecutive months. Currently, these provisions would generally prohibit us from declaring any cash dividend or distribution upon any class of our capital stock, or purchasing any such capital stock if our asset coverage, as defined in the 1940 Act, were below 200% (or 150% if certain requirements are met) at the time of the declaration of the dividend or distribution or the purchase and after deducting the amount of such dividend, distribution or purchase. Notwithstanding the foregoing, for the period of time during which the 6.00% Notes due 2026 are outstanding, we will not seek the requisite approval under the 1940 Act of our board of directors or our shareholders to reduce our asset coverage below 200%. In addition, we have agreed under the indenture that, for the period of time during which the 6.00% Notes due 2026 are outstanding, we will not purchase any shares of our outstanding capital stock, unless at the time of any such purchase we have an asset coverage (as defined in the 1940 Act) of at least 300% after deducting the amount of such purchase price;
- sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets);
- enter into transactions with affiliates;
- create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions, except that we have agreed under the indenture to not incur any secured or unsecured indebtedness that would be senior to the 6.00% Notes due 2026 while the 6.00% Notes due 2026 are outstanding, subject to certain exceptions;
- make investments; or
- create restrictions on the payment of dividends or other amounts to us from our subsidiaries.

In addition, the indenture governing the 6.00% Notes due 2026 does not require us to make an offer to purchase the 6.00% Notes due 2026 in connection with a change of control or any other event.

Furthermore, the terms of the indenture and the 6.00% Notes due 2026 do not protect holders of the 6.00% Notes due 2026 in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, if any, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow, or liquidity.

Our ability to recapitalize, incur additional debt (including additional debt that matures prior to the maturity of the 6.00% Notes due 2026), and take a number of other actions that are not limited by the terms of the 6.00% Notes due 2026 may have important consequences for a holder of the 6.00% Notes due 2026, including making it more difficult for us to satisfy our obligations with respect to the 6.00% Notes due 2026 or negatively affecting the trading value of the 6.00% Notes due 2026.

Other debt we issue or incur in the future could contain more protections for its holders than the indenture and the 6.00% Notes due 2026, including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for, trading levels, and prices of the 6.00% Notes due 2026.

An active trading market for the 6.00% Notes due 2026 may not develop or be maintained, which could limit a holder's ability to sell the 6.00% Notes due 2026 and/or adversely impact the market price of the 6.00% Notes due 2026.

The 6.00% Notes due 2026 are a new issue of debt securities for which there initially was no trading market. The 6.00% Notes due 2026 are listed on the Nasdaq Global Select Market under the symbol "SSSSL". We cannot provide any assurances that an active trading market will develop or be maintained for the 6.00% Notes due 2026 or that a holder will be able to sell its 6.00% Notes due 2026. The 6.00% Notes due 2026 may trade at a discount from their initial offering price depending on prevailing interest rates, the market for similar securities, our credit ratings, if any, general economic conditions, our financial condition, performance and prospects and other factors. The underwriters of the public offering of the 6.00% Notes due 2026 have advised us that they intend to make a market in the 6.00% Notes due 2026, but they are not obligated to do so. Such underwriters may discontinue any market-making in the 6.00% Notes due 2026 at any time at their sole discretion.

Accordingly, we can provide no assurance that a liquid trading market will develop or be maintained for the 6.00% Notes due 2026, that a holder will be able to sell its 6.00% Notes due 2026 at a particular time or that the price a holder may receive when it sells its 6.00% Notes due 2026 will be favorable. To the extent an active trading market does not develop, the liquidity and trading price for the 6.00% Notes due 2026 may be harmed. Accordingly, a holder may be required to bear the financial risk of an investment in the 6.00% Notes due 2026 for an indefinite period of time.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the 6.00% Notes due 2026.

Any default under any agreements governing any of our future indebtedness that is not waived by the required lenders or holders of such indebtedness, and the remedies sought by lenders or the holders of such indebtedness could make us unable to pay principal, premium, if any, and interest on the 6.00% Notes due 2026 and substantially decrease the market value of the 6.00% Notes due 2026. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, if any, or if we otherwise fail to comply with any covenants, including financial and operating covenants, as applicable, in the instruments governing our indebtedness, if any, we could be in default under the terms of the agreements governing such indebtedness and the 6.00% Notes due 2026. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under any credit facility or other debt we may enter into or incur in the future could elect to terminate their commitment, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation.

Our ability to generate sufficient cash flow in the future is, to some extent, subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We can provide no assurance that our business will generate cash flow from operations, or that future borrowings will be available to us, in an amount sufficient to enable us to meet our payment obligations under the 6.00% Notes due 2026, our other debt, and to fund other liquidity needs.

If our operating performance declines and we are not able to generate sufficient cash flow to service our debt obligations, we may in the future need to refinance or restructure our debt, including any 6.00% Notes due 2026 sold, sell assets, reduce or delay capital investments, seek to raise additional capital or seek to obtain waivers from the lenders under any credit facility or other debt we may enter into or incur in the future to avoid being in default. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under the 6.00% Notes due 2026 and any other debt. If we are unable to repay debt, lenders having secured obligations could proceed against the collateral securing the debt. Because any future credit facilities will likely have customary cross-default provisions, if we have a default under the terms of the 6.00% Notes due 2026, the obligations under any future credit facility may be accelerated and we may be unable to repay or finance the amounts due.

We may choose to redeem the 6.00% Notes due 2026 when prevailing interest rates are relatively low.

On or after December 30, 2024, we may choose to redeem the 6.00% Notes due 2026 from time to time, especially if prevailing interest rates are lower than the rate borne by the 6.00% Notes due 2026. If prevailing rates are lower at the time of redemption, and we redeem the 6.00% Notes due 2026, a holder likely would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the 6.00% Notes due 2026 being redeemed. Our redemption right also may adversely impact a holder's ability to sell the 6.00% Notes due 2026 as the optional redemption date or period approaches.

A downgrade, suspension or withdrawal of the credit rating assigned by a rating agency to us or our securities, if any, could cause the liquidity or market value of the 6.00% Notes due 2026 to decline significantly.

Our credit ratings, if any, are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the 6.00% Notes due 2026. These credit ratings may not reflect the potential impact of risks relating to the structure or marketing of the 6.00% Notes due 2026. Credit ratings are paid for by the issuer and are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion.

An explanation of the significance of any ratings of us or our securities may be obtained from the applicable rating agency. Generally, rating agencies base their ratings on such material and information, and their own investigations, studies and assumptions, as they deem appropriate. Neither we nor any underwriter undertakes any obligation to maintain any such credit ratings or to advise holders of 6.00% Notes due 2026 of any changes in credit ratings of us or our securities. There can be no assurance that our credit ratings will remain at their current levels for any given period of time or that such credit ratings will not be lowered or withdrawn entirely by the rating agency if in their judgment future circumstances relating to the basis of the credit ratings, such as adverse changes in our company, so warrant.

Pursuant to the terms of the indenture governing the 6.00% Notes due 2026, we will use commercially reasonable efforts to maintain a credit rating on the 6.00% Notes due 2026 by a “nationally recognized statistical rating organization” (as such term is defined in Section 3(a)(62) of the Exchange Act) during the period of time that the 6.00% Notes due 2026 are outstanding; provided that no minimum credit rating is required. We offer no assurance that such rating, should it be maintained, will comport to any particular minimum level of creditworthiness.

Risks Related to an Investment in Our Securities

Investing in our securities may involve an above average degree of risk.

The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and a higher risk of volatility or loss of principal. Our investments in portfolio companies may be highly speculative, and therefore, an investment in our shares may not be suitable for someone with lower risk tolerance.

Our common stock price may be volatile and may decrease substantially.

The trading price of our common stock may fluctuate substantially. The price of our common stock that will prevail in the market after any future offering may be higher or lower than the price you pay, depending on many factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include, but are not limited to, the following:

- price and volume fluctuations in the overall stock market from time to time;
- investor demand for our shares;
- significant volatility in the market price and trading volume of securities of RICs, BDCs or other financial services companies;
- changes in regulatory policies or tax guidelines with respect to RICs or BDCs;
- failure to qualify as a RIC for a particular taxable year, or the loss of RIC status;
- actual or anticipated changes in our earnings or fluctuations in our operating results or changes in the expectations of securities analysts;
- general economic conditions and trends;
- fluctuations in the valuation of our portfolio investments;
- operating performance of companies comparable to us;
- market sentiment against technology-related companies; or
- departures of any of the senior members of our management team.

In the past, following periods of volatility in the market price of a company’s securities, securities class action litigation has often been brought against that company. Due to the potential volatility of our stock price, we may therefore be the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management’s attention and resources from our business. For more information, see — “Our business and operations could be negatively affected if we become subject to any securities litigation or stockholder activism, which could cause us to incur significant expenses, hinder the execution of our investment strategy, and impact our stock price.”

Shares of our common stock have recently traded, and may in the future trade, at discounts from NAV or at premiums that may prove to be unsustainable.

Shares of BDCs like us may, during some periods, trade at prices higher than their NAV per share and, during other periods, as frequently occurs with closed-end investment companies, trade at prices lower than their NAV per share. The perceived value of our investment portfolio may be affected by a number of factors including perceived prospects for individual companies we invest in, market conditions for common stock generally, for IPOs and other exit events for venture-capital-backed companies, and the mix of companies in our investment portfolio over time. Negative or unforeseen developments affecting the perceived value of companies in our investment portfolio could result in a decline in the trading price of our common stock relative to our NAV per share.

The possibility that our shares will trade at a discount from NAV or at premiums that are unsustainable are risks separate and distinct from the risk that our NAV per share will decrease. The risk of purchasing shares of a BDC that might trade at a discount or unsustainable premium is more pronounced for investors who wish to sell their shares in a relatively short period of time because, for those investors, realization of a gain or loss on their investments is likely to be more dependent upon changes in premium or discount levels than upon increases or decreases in NAV per share. As of March 13, 2024, the closing price of our common stock on the Nasdaq Global Select Market was \$4.36 per share, which represented an approximately 45.4% discount to our NAV of \$7.99 per share as of December 31, 2023.

We may not be able to pay distributions to our stockholders and our distributions may not grow over time, particularly since we invest primarily in securities that do not produce current income, and a portion of distributions paid to our stockholders may be a return of capital, which is a distribution of the stockholders' invested capital.

The timing and amount of our distributions, if any, will be determined by our Board of Directors and will be declared out of assets legally available for distribution. We cannot assure you that we will achieve investment results or maintain a tax treatment that will allow or require any specified level of cash distributions or year-to-year increases in cash distributions. Our ability to pay distributions might be adversely affected by, among other things, the impact of one or more of the risk factors described herein. In addition, the inability to satisfy the asset coverage test applicable to us as a BDC could limit our ability to pay distributions. All distributions will be paid at the discretion of our Board of Directors and will depend on our earnings, our financial condition, maintenance of our tax treatment as a RIC, compliance with applicable BDC regulations, compliance with our debt covenants and such other factors as our Board of Directors may deem relevant from time to time. We cannot assure you that we will pay distributions to our stockholders in the future.

As we intend to focus on making primarily capital gains-based investments in equity securities, which generally will not be income producing, we do not anticipate that we will pay dividends on a quarterly basis or become a predictable issuer of dividends, and we expect that our dividends, if any, will be less consistent than other BDCs that primarily make debt investments. When we make distributions, we will be required to determine the extent to which such distributions are paid out of current or accumulated taxable earnings, recognized capital gains or capital. To the extent there is a return of capital, investors will be required to reduce their basis in our stock for U.S. federal tax purposes, which may result in higher tax liability when the shares are sold, even if they have not increased in value or have lost value. In addition, any return of capital will be net of any sales load and offering expenses associated with sales of shares of our common stock. Our distributions have included a return of capital in the past, and our future distributions may include a return of capital.

We have broad discretion over the use of proceeds from our offerings, to the extent they are successful, and will use proceeds in part to satisfy operating expenses.

We have significant flexibility in applying the proceeds of our offerings and may use the net proceeds from such offerings in ways with which you may not agree, or for purposes other than those contemplated at the time of the offering. We cannot assure you that we will be able to successfully utilize the proceeds within the time frame contemplated. We will also pay operating expenses, and may pay other expenses such as due diligence expenses of potential new investments, from the net proceeds of any offering. Our ability to achieve our investment objective may be limited to the extent that the net proceeds of an offering, pending full investment, are used to pay operating expenses. In addition, we can provide you no assurance that any such offerings will be successful, or that by increasing the size of our available equity capital our aggregate expenses, and correspondingly, our expense ratio, will be lowered.

General Risk Factors

Global economic, political and market conditions, including uncertainty about the financial stability of the United States, could have a significant adverse effect on our business, financial condition and results of operations.

Downgrades by rating agencies to the U.S. government's credit rating or concerns about its credit and deficit levels in general could cause interest rates and borrowing costs to rise, which may negatively impact both the perception of credit risk associated with our debt portfolio and our ability to access the debt markets on favorable terms. In addition, a decreased U.S. government credit rating could create broader financial turmoil and uncertainty, which may weigh heavily on our financial performance and the value of our common stock.

Deterioration in the economic conditions in the Eurozone and other regions or countries globally and the resulting instability in global financial markets may pose a risk to our business. Financial markets have been affected at times by a number of global macroeconomic events, including the following: large sovereign debts and fiscal deficits of several countries in Europe and in emerging markets jurisdictions, levels of non-performing loans on the balance sheets of European banks, the effect of the United Kingdom leaving the European Union, instability in the Chinese capital markets and bank failures. Global market and economic disruptions have affected, and may in the future affect, the U.S. capital markets, which could adversely affect our business, financial condition or results of operations. We cannot assure you that market disruptions in Europe and other regions or countries, including the increased cost of funding for certain governments and financial institutions, will not impact the global economy, and we cannot assure you that assistance packages will be available, or if available, be sufficient to stabilize countries and markets in Europe or elsewhere affected by a financial crisis. To the extent uncertainty regarding any economic recovery in Europe or elsewhere negatively impacts consumer confidence and consumer credit factors, our and our portfolio companies' business, financial condition and results of operations could be significantly and adversely affected. Moreover, there is a risk of both sector-specific and broad-based corrections and/or downturns in the equity and credit markets. Any of the foregoing could have a significant impact on the markets in which we operate and could have a material adverse impact on our business prospects and financial condition.

Various social and political circumstances in the United States and around the world (including wars and other forms of conflict, terrorist acts, security operations and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and global health epidemics), may also contribute to increased market volatility and economic uncertainties or deterioration in the United States and worldwide. Such events, including uncertainties regarding actual and potential shifts in U.S. and foreign trade, economic and other policies with other countries, and global conflicts could adversely affect our business, financial condition or results of operations. These market and economic disruptions could negatively impact the operating results of our portfolio companies.

Uncertainty about presidential administration initiatives could negatively impact our business, financial condition and results of operations.

The current administration has called for significant changes to U.S. trade, healthcare, immigration, foreign and government regulatory policy. In this regard, there is significant uncertainty with respect to legislation, regulation and government policy at the federal level, as well as the state and local levels. Recent events have created a climate of heightened uncertainty and introduced new and difficult-to-quantify macroeconomic and political risks with potentially far-reaching implications. There has been a corresponding meaningful increase in the uncertainty surrounding interest rates, inflation, foreign exchange rates, trade volumes and fiscal and monetary policy. To the extent the U.S. Congress or the current administration implements changes to U.S. policy, those changes may impact, among other things, the U.S. and global economy, international trade and relations, unemployment, immigration, corporate taxes, healthcare, the U.S. regulatory environment, inflation and other areas.

A particular area identified as subject to potential change, amendment or repeal includes the Dodd-Frank Act, including the Volcker Rule and various swaps and derivatives regulations, credit risk retention requirements and the authorities of the Federal Reserve, the Financial Stability Oversight Council and the SEC. Given the uncertainty associated with the manner in which and whether the provisions of the Dodd-Frank Act will be implemented, repealed, amended, or replaced, the full impact such requirements will have on our business, results of operations or financial condition is unclear. The changes resulting from the Dodd-Frank Act or any changes to the regulations already implemented thereunder may require us to invest significant management attention and resources to evaluate and make necessary changes in order to comply with new statutory and regulatory requirements. Failure to comply with any such laws, regulations or principles, or changes thereto, may negatively impact our business, results of operations or financial condition. While we cannot predict what effect any changes in the laws or regulations or their interpretations would have on us as a result of recent financial reform legislation, these changes could be materially adverse to us and our stockholders.

Terrorist attacks, acts of war or natural disasters may affect any market for our securities, impact the businesses in which we invest and harm our business, operating results and financial condition.

Terrorist acts, acts of war or natural disasters, including as a result of global climate change, may disrupt our operations, as well as the operations of the businesses in which we invest. Such acts have created, and may continue to create, economic and political uncertainties and have contributed to global economic instability. Terrorist activities, military or security operations, global health emergencies, or extreme weather conditions or other natural disasters, including as a result of global climate change, could further weaken domestic and/or global economies and create additional uncertainties, which may negatively impact the businesses in which we invest directly or indirectly and, in turn, could have a material adverse impact on our business, operating results and financial condition. Losses from terrorist attacks, global health emergencies, and extreme weather conditions or other natural disasters are generally uninsurable. The nature and level of extreme weather conditions or other natural disasters cannot be predicted and may be exacerbated by global climate change.

The failure in cybersecurity systems, as well as the occurrence of events unanticipated in our disaster recovery systems and management continuity planning, could impair our ability to conduct business effectively.

Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level, and will likely continue to increase in frequency in the future. The occurrence of a disaster, such as a cyber-attack against us or against a third party that has access to our data or networks, a natural catastrophe, an industrial accident, failure of our disaster recovery systems, or consequential employee error, could have an adverse effect on our ability to communicate or conduct business, negatively impacting our operations and financial condition. This adverse effect can become particularly acute if those events affect our electronic data processing, transmission, storage, and retrieval systems, or impact the availability, integrity, or confidentiality of our data.

Our business operations rely upon secure information technology systems for data processing, storage and reporting. Despite careful security and controls design, implementation and updating, our information technology systems could become subject to cyber-attacks. Network, system, application and data breaches could result in operational disruptions or information misappropriation, which could have a material adverse effect on our business, results of operations and financial condition.

The occurrence of a disaster such as a cyber-attack, a natural catastrophe, an industrial accident, a terrorist attack or war, events unanticipated in our disaster recovery systems, or a support failure from external providers, could have an adverse effect on our ability to conduct business and on our results of operations and financial condition, particularly if those events affect our computer-based data processing, transmission, storage, and retrieval systems or destroy data. If a significant number of the members of our management team are unavailable in the event of a disaster, our ability to effectively conduct our business could be severely compromised.

We depend heavily upon computer systems to perform necessary business functions. Despite our implementation of a variety of security measures, our computer systems could be subject to cyber-attacks and unauthorized access, such as physical and electronic break-ins or unauthorized tampering. Like other companies, we may experience threats to our data and systems, including malware and computer virus attacks, unauthorized access, system failures and disruptions. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary and other information processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in our operations, which could result in damage to our reputation, financial losses, litigation, increased costs, regulatory penalties and/or customer dissatisfaction or loss, reputational damage, and increased costs associated with mitigation of damages and remediation. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information, including nonpublic personal information related to stockholders (and their beneficial owners) and material non-public information. The systems we have implemented to manage risks relating to these types of events could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing them from being addressed appropriately. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in our operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to stockholders, material non-public information and other sensitive information in our possession.

A disaster or a disruption in the infrastructure that supports our business, including a disruption involving electronic communications or other services used by us or third parties with whom we conduct business, or directly affecting our headquarters, could have a material adverse impact on our ability to continue to operate our business without interruption. Our disaster recovery programs may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards might only partially reimburse us for our losses, if at all.

Third parties with which we do business may also be sources of cybersecurity or other technological risk. We outsource certain functions and these relationships allow for the storage and processing of our information, as well as client, counterparty, employee, and borrower information. While we engage in actions to reduce our exposure resulting from outsourcing, ongoing threats may result in unauthorized access, loss, exposure, destruction, or other cybersecurity incident that affects our data, resulting in increased costs and other consequences as described above.

In addition, cybersecurity has become a top priority for regulators around the world, and some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. If we fail to comply with the relevant laws and regulations, we could suffer financial losses, a disruption of our businesses, liability to investors, regulatory intervention or reputational damage.

Finally, the increased use of mobile and cloud technologies due to the proliferation of remote work resulting from and following the COVID-19 pandemic could heighten these and other operational risks as certain aspects of the security of such technologies may be complex and unpredictable. Reliance on mobile or cloud technology or any failure by mobile technology and cloud service providers to adequately safeguard their systems and prevent cyber-attacks could disrupt our operations, the operations of a portfolio company or the operations of our or their service providers and result in misappropriation, corruption or loss of personal, confidential or proprietary information or the inability to conduct ordinary business operations. In addition, there is a risk that encryption and other protective measures may be circumvented, particularly to the extent that new computing technologies increase the speed and computing power available. An extended period of remote working, whether by us, our portfolio companies, or our third-party providers, could strain technology resources and introduce operational risks, including heightened cybersecurity risk. Remote working environments may be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts. Accordingly, the risks described above are heightened under current conditions.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 1C. Cybersecurity

Cybersecurity Program Overview

We maintain, routinely review and evaluate our information technology and cybersecurity policies, practices and procedures (our “Cybersecurity Program”). The Cybersecurity Program has various policies and procedures, including an Information and Cybersecurity Policy and Business Continuity/Disaster Recovery Plan. Our Cybersecurity Program is administered by our Information Security Committee, which consists of our Chief Financial Officer, Chief Compliance Officer and other Company management and counsel, as appropriate, all of which is subject to the oversight of our Board of Directors. We also utilize the services of information technology and cybersecurity advisers, consultants and experts in the evaluation and periodic testing of our information technology and cybersecurity systems to recommend improvements to our Cybersecurity Program and in connection with any cybersecurity incident. We believe that the individuals involved in our Cybersecurity Program possess the necessary skills, experience and backgrounds that, when combined with the resources of our external information technology and cybersecurity advisers, consultants and experts, are sufficient to manage our Cybersecurity Program.

Management’s Role in Cybersecurity Risk Management

As part of our overall risk management process, our management engages at least annually in an enterprise risk management review and evaluation, during which management reviews the principal risks relating to our business and operations. Included in this process is a review and evaluation of our risks relating to our Cybersecurity Program. Additionally, as part of our Rule 38a-1 compliance program, we review at least annually the compliance policies and procedures of our key service providers, including documentation discussing each service providers’ information security and privacy controls. Any failure in our or our key service providers’ cybersecurity systems could have a material impact on our operating results. See “Item 1A. Risk Factors - General Risk Factors - *The failure in cybersecurity systems, as well as the occurrence of events unanticipated in our disaster recovery systems and management continuity planning, could impair our ability to conduct business effectively.*”

Board Oversight of Cybersecurity Risks

Our Board of Directors as a whole has responsibility for the Company’s risk oversight, with reviews of certain areas being conducted by the relevant Board committees that report on their deliberations to the full Board of Directors. The oversight responsibility of the Board of Directors and its committees is enabled by management reporting processes that are designed to provide visibility to the Board of Directors about the identification, assessment and management of critical risks and management’s risk mitigation strategies. Accordingly, our Board of Directors provides strategic oversight on cybersecurity matters, including material risks associated with cybersecurity threats. Our Board of Directors receives periodic updates from our Chief Compliance Officer (or more frequently, as needed) regarding the overall state of our Cybersecurity Program, information on the current threat landscape, and material risks from cybersecurity threats and cybersecurity incidents.

Item 2. Properties

We do not own any real estate or other physical properties materially important to our operations. Our principal executive office and headquarters is located at 640 Fifth Avenue, 12th Floor, New York, NY 10019 and we maintain an additional office at One Sansome Street, Suite 730, San Francisco, CA 94104. We are party to office leases pursuant to which we are leasing office facilities from third parties. We believe our office facilities are suitable and adequate for our business as it is presently conducted.

Item 3. Legal Proceedings

We are not currently subject to any material legal proceedings, nor, to our knowledge, are any material legal proceedings threatened against us. From time to time, we may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies. Furthermore, third parties may seek to impose liability on us in connection with the activities of our portfolio companies. Our business is also subject to extensive regulation, which may result in regulatory proceedings against us. While the outcome of any future legal or regulatory proceedings cannot be predicted with certainty, we do not expect that any such future proceedings will have a material effect upon our financial condition or results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded on the Nasdaq Global Select Market under the symbol “SSSS.” Prior to November 24, 2021, our common stock traded on the Nasdaq Capital Market under the same symbol (“SSSS”). Our common stock has historically traded at prices both above and below our NAV per share. It is not possible to predict whether our common stock will trade at, above or below NAV. See “Item 1A. Risk Factors—Risks Related to an Investment in Our Securities.” The following table sets forth, for each fiscal quarter for the fiscal years ended December 31, 2023, 2022 and 2021, the NAV per share of our common stock, the range of high and low closing sales prices for our common stock, and such closing sales price as a percentage (premium and discount) to our NAV per share. The closing market prices reported below have been adjusted to give retroactive effect to material changes resulting from stock dividends. The reported closing market price of our common stock on March 13, 2024 was \$4.36 per share, which represented an approximately 45.4% discount to our NAV of \$7.99 per share as of December 31, 2023.

	NAV ⁽¹⁾	Price Range		High Close Price as a Premium/(Discount) to NAV ⁽²⁾	Low Close Price as a Premium/(Discount) to NAV ⁽²⁾
		High	Low		
Fiscal 2023					
Fourth Quarter	\$ 7.99	\$ 4.32	\$ 3.51	(45.9)%	(56.1)%
Third Quarter	8.41	4.31	3.19	(48.8)	(62.1)
Second Quarter	7.35	3.93	3.20	(46.5)	(56.5)
First Quarter	7.59	4.64	2.93	(38.9)	(61.4)
Fiscal 2022					
Fourth Quarter	\$ 7.39	\$ 4.38	\$ 3.67	(40.7)%	(50.3)%
Third Quarter	7.83	6.81	3.87	(13.0)	(50.6)
Second Quarter	9.24	8.94	6.33	(3.2)	(31.5)
First Quarter	12.22	13.36	8.27	9.3	(32.3)
Fiscal 2021					
Fourth Quarter	\$ 11.72	\$ 15.60	\$ 11.41	33.1%	(2.6)%
Third Quarter	14.79	16.25	12.19	9.9	(17.6)
Second Quarter	16.56	15.52	13.07	(6.3)	(21.1)
First Quarter	18.01	15.43	12.33	(14.3)	(31.5)

- (1) NAV per share is determined as of the last day in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low close prices. The NAV per share figures shown are based on outstanding shares at the end of each period.
- (2) Calculated as the respective high or low close sales price divided by the NAV and subtracting 1.

Holders

As of March 13, 2024, there were 19 holders of record of our common stock (including Cede & Co.).

Distributions

We have elected to be treated as a RIC under Subchapter M of the Code and expect to continue to operate in a manner so as to qualify for the tax treatment applicable to RICs. To maintain RIC tax treatment, we must, among other things, distribute at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. Further, undistributed taxable income (subject to a 4% excise tax) pertaining to a given fiscal year may be distributed up to 12 months subsequent to the end of that fiscal year, provided such dividends are declared prior to the later of (1) the fifteenth day of the ninth month following the close of that fiscal year or (2) the extended due date for filing the U.S. federal income tax return for that fiscal year. In order to avoid certain excise taxes imposed on RICs, we currently intend to distribute during each calendar year an amount at least equal to the sum of (1) 98% of our ordinary income for the calendar year, (2) 98.2% of our capital gains in excess of capital losses for the one-year period ending on October 31 of the calendar year and (3) any ordinary income and net capital gains for preceding years that were not distributed during such years. In addition, although we currently intend to distribute realized net capital gains (i.e., net long-term capital gains in excess of net short-term capital losses), if any, at least annually, we may in the future decide to retain such capital gains for investment. If this happens, our stockholders will be treated as if they received an actual distribution of the capital gains we retain and reinvested the net after-tax proceeds in us. Stockholders may be eligible to claim a tax credit (or, in certain circumstances, a tax refund) equal to the allocable share of the tax we paid on the capital gains deemed distributed to them. We can offer no assurance that we will achieve results that will permit the payment of any cash distributions and, to the extent that we issue senior securities, we will be prohibited from making distributions if doing so causes us to fail to maintain the asset coverage ratios stipulated by the 1940 Act or if distributions are limited by the terms of any of our borrowings.

[TABLE OF CONTENTS](#)

The timing and amount of our distributions, if any, will be determined by our Board of Directors and will be declared out of assets legally available for distribution. The following table lists the distributions, including dividends and returns of capital, if any, per share that we have declared since our formation through December 31, 2023. The table is divided by fiscal year according to record date:

Date Declared	Record Date	Payment Date	Amount per Share
Fiscal 2015:			
November 4, 2015 ⁽¹⁾	November 16, 2015	December 31, 2015	\$ 2.76
Fiscal 2016:			
August 3, 2016 ⁽²⁾	August 16, 2016	August 24, 2016	0.04
Fiscal 2019:			
November 5, 2019 ⁽³⁾	December 2, 2019	December 12, 2019	0.20
December 20, 2019 ⁽⁴⁾	December 31, 2019	January 15, 2020	0.12
Fiscal 2020:			
July 29, 2020 ⁽⁵⁾	August 11, 2020	August 25, 2020	0.15
September 28, 2020 ⁽⁶⁾	October 5, 2020	October 20, 2020	0.25
October 28, 2020 ⁽⁷⁾	November 10, 2020	November 30, 2020	0.25
December 16, 2020 ⁽⁸⁾	December 30, 2020	January 15, 2021	0.22
Fiscal 2021:			
January 26, 2021 ⁽⁹⁾	February 5, 2021	February 19, 2021	0.25
March 8, 2021 ⁽¹⁰⁾	March 30, 2021	April 15, 2021	0.25
May 4, 2021 ⁽¹¹⁾	May 18, 2021	June 30, 2021	2.50
August 3, 2021 ⁽¹²⁾	August 18, 2021	September 30, 2021	2.25
November 2, 2021 ⁽¹³⁾	November 17, 2021	December 30, 2021	2.00
December 20, 2021 ⁽¹⁴⁾	December 31, 2021	January 14, 2022	0.75
Fiscal 2022:			
March 8, 2022 ⁽¹⁵⁾	March 25, 2022	April 15, 2022	0.11
Total			\$ 12.10

- (1) The distribution was paid in cash or shares of our common stock at the election of stockholders, although the total amount of cash distributed to all stockholders was limited to approximately 50% of the total distribution to be paid to all stockholders. As a result of stockholder elections, the distribution consisted of 2,860,903 shares of common stock issued in lieu of cash, or approximately 14.8% of our outstanding shares prior to the distribution, as well as cash of \$26,358,885. The number of shares of common stock comprising the stock portion was calculated based on a price of \$9.425 per share, which equaled the average of the volume weighted-average trading price per share of our common stock on December 28, 29 and 30, 2015. None of the \$2.76 per share distribution represented a return of capital.
- (2) Of the total distribution of \$887,240 on August 24, 2016, \$820,753 represented a distribution from realized gains, and \$66,487 represented a return of capital.
- (3) All of the \$3,512,849 distribution paid on December 12, 2019 represented a distribution from realized gains. None of the distribution represented a return of capital.
- (4) All of the \$2,107,709 distribution paid on January 15, 2020 represented a distribution from realized gains. None of the distribution represented a return of capital.
- (5) All of the \$2,516,452 distribution paid on August 25, 2020 represented a distribution from realized gains. None of the distribution represented a return of capital.
- (6) All of the \$5,071,326 distribution paid on October 20, 2020 represented a distribution from realized gains. None of the distribution represented a return of capital.
- (7) All of the \$4,978,504 distribution paid on November 30, 2020 represented a distribution from realized gains. None of the distribution represented a return of capital.

[TABLE OF CONTENTS](#)

- (8) All of the \$4,381,084 distribution paid on January 15, 2021 represented a distribution from realized gains. None of the distribution represented a return of capital.
- (9) All of the \$4,981,131 distribution paid on February 19, 2021 represented a distribution from realized gains. None of the distribution represented a return of capital.
- (10) All of the \$6,051,304 distribution paid on April 15, 2021 represented a distribution from realized gains. None of the distribution represented a return of capital.
- (11) The distribution was paid in cash or shares of our common stock at the election of stockholders, although the total amount of cash distributed to all stockholders was limited to approximately 50% of the total distribution to be paid to all stockholders. As a result of stockholder elections, the distribution consisted of 2,335,527 shares of common stock issued in lieu of cash, or approximately 9.6% of our outstanding shares prior to the distribution, as well as cash of \$29,987,589. The number of shares of common stock comprising the stock portion was calculated based on a price of \$13.07 per share, which equaled the average of the volume weighted-average trading price per share of our common stock on May 12, 13, and 14, 2021. None of the \$2.50 per share distribution represented a return of capital.
- (12) The distribution was paid in cash or shares of our common stock at the election of stockholders, although the total amount of cash distributed to all stockholders was limited to approximately 50% of the total distribution to be paid to all stockholders. As a result of stockholder elections, the distribution consisted of 2,225,193 shares of common stock issued in lieu of cash, or approximately 8.4% of our outstanding shares prior to the distribution, as well as cash of \$29,599,164. The number of shares of common stock comprising the stock portion was calculated based on a price of \$13.55 per share, which equaled the average of the volume weighted-average trading price per share of our common stock on August 11, 12, and 13, 2021. None of the \$2.25 per share distribution represented a return of capital.
- (13) The distribution was paid in cash or shares of our common stock at the election of stockholders, although the total amount of cash distributed to all stockholders was limited to approximately 50% of the total distribution to be paid to all stockholders. As a result of stockholder elections, the distribution consisted of 2,170,807 shares of common stock issued in lieu of cash, or approximately 7.5% of our outstanding shares prior to the distribution, as well as cash of \$28,494,812. The number of shares of common stock comprising the stock portion was calculated based on a price of \$13.39 per share, which equaled the average of the volume weighted-average trading price per share of our common stock on November 11, 12, and 13, 2021. None of the \$2.00 per share distribution represented a return of capital.
- (14) All of the \$23,338,915 distribution paid on January 14, 2022 represented a distribution from realized gains. None of the distribution represented a return of capital.
- (15) All of the \$3,441,824 distribution paid on April 15, 2022 represented a distribution from realized gains. None of the distribution represented a return of capital.

We intend to focus on making equity-based investments from which we will derive primarily capital gains. As a consequence, we do not anticipate that we will pay distributions on a quarterly basis or become a predictable distributor of distributions, and we expect that our distributions, if any, will be much less consistent than the distributions of other BDCs that primarily make debt investments. If there are earnings or realized capital gains to be distributed, we intend to declare and pay a distribution at least annually. The amount of realized capital gains available for distribution to stockholders will be impacted by our tax status.

Our current intention is to make any future distributions out of assets legally available therefrom in the form of additional shares of our common stock under our dividend reinvestment plan (“DRIP”), except in the case of stockholders who elect to receive dividends and/or long-term capital gains distributions in cash. Under the DRIP, if a stockholder owns shares of common stock registered in its own name, the stockholder will have all cash distributions (net of any applicable withholding) automatically reinvested in additional shares of common stock unless the stockholder opts out of our DRIP by delivering a written notice to our dividend paying agent prior to the record date of the next dividend or distribution. Any distributions reinvested under the plan will nevertheless be treated as received by the U.S. stockholder for U.S. federal income tax purposes, although no cash distribution has been made. As a result, if a stockholder does not elect to opt out of the DRIP, it will be required to pay applicable federal, state and local taxes on any reinvested dividends even though such stockholder will not receive a corresponding cash distribution. Stockholders that hold shares in the name of a broker or financial intermediary should contact the broker or financial intermediary regarding any election to receive distributions in cash.

So long as we qualify and maintain our tax treatment as a RIC, we generally will not be subject to U.S. federal and state income taxes on any ordinary income or capital gains that we distribute at least annually to our stockholders as dividends. Rather, any tax liability related to income earned by the RIC will represent obligations of our investors and will not be reflected in our consolidated financial statements. See “Note 2—Significant Accounting Policies—U.S. Federal and State Income Taxes” and “Note 9—Income Taxes” to our Consolidated Financial Statements as of December 31, 2023 for more information. The Taxable Subsidiaries included in our Consolidated Financial Statements are taxable subsidiaries, regardless of whether we are taxed as a RIC. These Taxable Subsidiaries are not consolidated for income tax purposes and may generate income tax expenses as a result of their ownership of the portfolio companies. Such income tax expenses and deferred taxes, if any, will be reflected in our Consolidated Financial Statements.

Securities Authorized for Issuance under Equity Compensation Plans

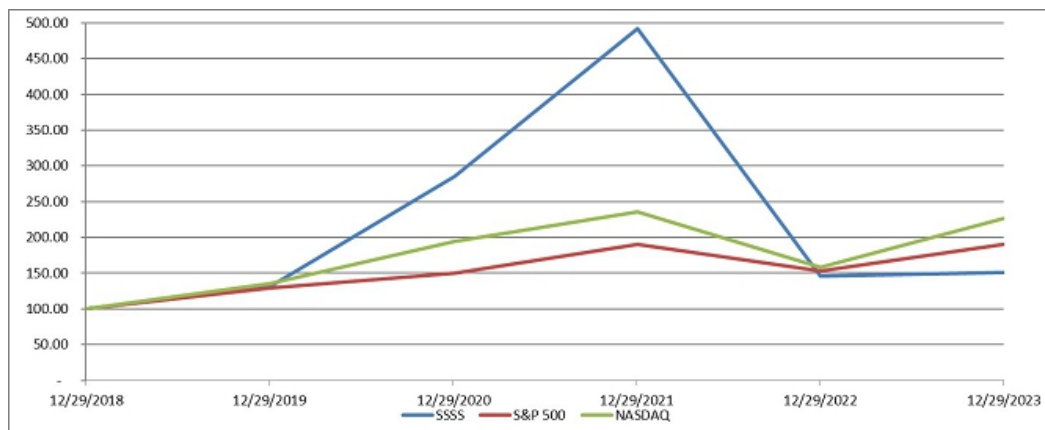
On July 31, 2019, our Board of Directors approved and adopted the SuRo Capital Corp. Amended and Restated 2019 Equity Incentive Plan (the “Amended Equity Incentive Plan.”) and on June 19, 2020, stockholders approved the Amended Equity Incentive Plan. The Amended Equity Incentive Plan provides stock-based awards as long-term incentive compensation to our employees, including our executive officers. We use stock-based awards to (i) attract and retain key employees and officers, (ii) motivate employees and officers by means of performance-related incentives to achieve long-range performance goals, (iii) enable employees and officers to participate in our long-term growth, (iv) link employees’ compensation to the long-term interests of stockholders, (v) recognize individual contributions to corporate strategic priorities and to our long-term performance and (vi) provide competitive total direct compensation. The Compensation Committee of the Board of Directors (the “Compensation Committee”) has authority to select the persons to receive stock-based awards, and our Board of Directors may also grant awards and administer the Amended Equity Incentive Plan in its sole discretion. At the time of each award, the Compensation Committee determines the terms of the award in its sole discretion, including any performance period (or periods) and any performance objectives relating to the award. We do not have any equity compensation plan that has not been approved by our stockholders.

The following table details the securities authorized for issuance under our equity compensation plans as of December 31, 2023:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	-	-	474,432
Equity compensation plans not approved by security holders	-	-	-
Total			474,432

Performance Graph

The following graph compares the cumulative total return on our common stock with that of the Standard & Poor’s 500 Stock Index and the Nasdaq Stock Index, as we do not believe there is an appropriate index of companies with an investment strategy similar to our own with which to compare the return on our common stock, for the five years ended December 31, 2023. The graph assumes that, on December 31, 2018, a person invested \$100.00 in our common stock, at the closing price of our common stock on December 31, 2018, and in the Standard & Poor’s 500 Stock Index and the Nasdaq Stock Index. The graph measures total stockholder return, which takes into account both changes in stock price and dividends. It assumes that dividends are reinvested in like securities on the respective dividend dates without commissions.



	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23
SSSS	\$ 100.00	\$ 131.56	\$ 285.00	\$ 491.94	\$ 146.08	\$ 151.46
S&P 500 Index	\$ 100.00	\$ 128.88	\$ 149.83	\$ 190.13	\$ 153.16	\$ 190.27
Nasdaq Stock Index	\$ 100.00	\$ 135.23	\$ 194.24	\$ 235.78	\$ 157.74	\$ 226.24

The graph and other information furnished under this Part II, Item 5 of this Form 10-K shall not be deemed to be “soliciting material” or to be “filed” with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act. The stock price performance included in the above graph is not necessarily indicative of future stock price performance.

Sales of Unregistered Equity Securities

We did not sell any equity securities during the period covered in this report that were not registered under the Securities Act of 1933, as amended.

Issuer Purchases of Equity Securities⁽¹⁾

Information relating to our purchases of our common stock during the year ended December 31, 2023 is as follows:

Period	Total Number of Shares Purchased ⁽²⁾	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Share Repurchase Program
January 1 through January 31, 2023	—	\$ —	—	\$ 16,364,771
February 1 through February 28, 2023	—	—	—	16,364,771
March 1 through March 31, 2023	—	—	—	16,364,771
April 1 through April 30, 2023	3,000,000	4.50	3,000,000	16,364,771
May 1 through May 31, 2023	—	—	—	16,364,771
June 1 through June 30, 2023	—	—	—	16,364,771
July 1 through July 31, 2023	—	—	—	16,364,771
August 1 through August 31, 2023	69,990	3.62	69,990	21,111,429
September 1 through September 30, 2023	116,503	3.65	116,503	20,686,087
October 1 through October 31, 2023	—	—	—	20,686,087
November 1 through November 30, 2023	49,300	3.97	—	20,686,087
December 1 through December 31, 2023	76,750	4.04	—	20,686,087
Total	3,312,543		3,186,493	

On March 17, 2023, we commenced the Modified Dutch Auction Tender Offer to purchase up to 3,000,000 shares of our common stock from our stockholders, which expired on April 17, 2023. In accordance with the terms of the Modified Dutch Auction Tender Offer, we selected the lowest price per share of not less than \$3.00 per share and not greater than \$4.50 per share.

Pursuant to the Modified Dutch Auction Tender Offer, we repurchased 3,000,000 shares, representing 10.6% of our outstanding shares, on or about April 21, 2023 at a price of \$4.50 per share. We used available cash to fund the purchase of our shares of common stock in the Modified Dutch Auction Tender Offer and to pay for all related fees and expenses.

- (1) On August 8, 2017, we announced the \$5.0 million discretionary open-market Share Repurchase Program under which our Board of Directors authorized the repurchase of shares of our common stock in the open market until the earlier of (i) August 6, 2018 or (ii) the repurchase of \$5.0 million in aggregate amount of our common stock. Following several intervening approvals from our Board of Directors to increase the amount of shares of our common stock that may be repurchased under the discretionary Share Repurchase Program and/or extend the Share Repurchase Program to later expiration dates, most recently, on August 7, 2023, our Board of Directors approved an extension of the Share Repurchase Program under the earlier of (i) October 31, 2024 or (ii) the repurchase of \$60.0 million in aggregate amount of our common stock. The timing and number of shares to be repurchased will depend on a number of factors, including market conditions and alternative investment opportunities. The Share Repurchase Program may be suspended, terminated or modified at any time for any reason and does not obligate us to acquire any specific number of shares of our common stock. During the year ended December 31, 2023, we repurchased 186,493 shares of common stock under the Share Repurchase Program. As of December 31, 2023, the dollar value of shares that remained available to be purchased under the Share Repurchase Program was approximately \$20.7 million.
- (2) Includes purchases of our common stock made on the open market by or on behalf of any “affiliated purchaser,” as defined in Exchange Act Rule 10b-18(a)(3), of the Company.

Senior Securities

Information about our senior securities is shown in the following table as of the end of the last ten fiscal years. The report of our independent registered public accounting firm, Marcum LLP, on the senior securities table, as of December 31, 2023, 2022, 2021, 2020 and 2019, is attached as an exhibit to this annual report on Form 10-K.

[TABLE OF CONTENTS](#)

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities ⁽¹⁾	Asset Coverage Ratio Per Unit ⁽²⁾	Involuntary Liquidation Preference Per Unit ⁽³⁾	Average Market Value Per Unit
6.00% Notes due 2026				
Fiscal 2023 ⁽⁴⁾	\$ 75,000,000	\$ 3,711	—	\$ 23.40
Fiscal 2022 ⁽⁴⁾	75,000,000	3,800	—	24.83
Fiscal 2021 ⁽⁴⁾	75,000,000	5,865	—	25.52
Fiscal 2020	—	8,892	—	N/A
Fiscal 2019	—	5,998	—	N/A
Fiscal 2018	—	5,884	—	N/A
Fiscal 2017	—	3,968	—	N/A
Fiscal 2016	—	3,784	—	N/A
Fiscal 2015	—	4,884	—	N/A
Fiscal 2014	—	4,286	—	N/A
4.75% Convertible Senior Notes due 2023				
Fiscal 2023	\$ —	\$ 3,711	—	N/A
Fiscal 2022	—	3,800	—	N/A
Fiscal 2021 ⁽⁵⁾	—	5,865	—	N/A
Fiscal 2020 ⁽⁵⁾	38,215,000	8,892	—	N/A
Fiscal 2019	40,000,000	5,998	—	N/A
Fiscal 2018	40,000,000	5,884	—	N/A
Fiscal 2017	—	3,968	—	N/A
Fiscal 2016	—	3,784	—	N/A
Fiscal 2015	—	4,884	—	N/A
Fiscal 2014	—	4,286	—	N/A
5.25% Convertible Senior Notes due 2018				
Fiscal 2023	\$ —	\$ 3,711	—	N/A
Fiscal 2022	—	3,800	—	N/A
Fiscal 2021	—	5,865	—	N/A
Fiscal 2020	—	8,892	—	N/A
Fiscal 2019	—	5,998	—	N/A
Fiscal 2018 ⁽⁶⁾	—	5,884	—	N/A
Fiscal 2017	69,000,000	3,968	—	N/A
Fiscal 2016	69,000,000	3,784	—	N/A
Fiscal 2015	69,000,000	4,884	—	N/A
Fiscal 2014	69,000,000	4,286	—	N/A
Credit Facility				
Fiscal 2023	\$ —	\$ 3,711	—	N/A
Fiscal 2022	—	3,800	—	N/A
Fiscal 2021	—	5,865	—	N/A
Fiscal 2020	—	8,892	—	N/A
Fiscal 2019 ⁽⁷⁾	—	5,998	—	N/A
Fiscal 2018 ⁽⁷⁾	—	5,884	—	N/A
Fiscal 2017 ⁽⁷⁾	—	3,968	—	N/A
Fiscal 2016 ⁽⁸⁾	—	3,784	—	N/A
Fiscal 2015 ⁽⁸⁾	—	4,884	—	N/A
Fiscal 2014 ⁽⁸⁾	18,000,000	4,286	—	N/A

- (1) Total gross amount of each class of senior securities outstanding at the end of the period presented, before deduction of discount and debt issuance costs.
- (2) Asset coverage per unit for a class of senior securities is the ratio of the carrying value of our total consolidated assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollar amounts per \$1,000 of indebtedness.
- (3) The amount to which such class of senior security would be entitled upon the voluntary liquidation of the issuer in preference to any security junior to it. The “—” in this column indicates that the SEC expressly does not require this information to be disclosed for the types of senior securities representing indebtedness issued by the Company as of the stated time periods.
- (4) The 6.00% Notes due 2026 were issued on December 17, 2021.
- (5) For the year ended December 31, 2020, we issued 174,888 shares of our common stock and cash for fractional shares upon the conversion of \$1,785,000 in aggregate principal amount of the 4.75% Convertible Senior Notes due 2023. The 4.75% Convertible Senior Notes due 2023 were repaid in full with interest on March 29, 2021.
- (6) The 5.25% Convertible Senior Notes due 2018 were repaid in full with interest on September 15, 2018.
- (7) Represents amounts under the \$12.0 million senior secured revolving Credit Facility with Western Alliance Bank, National Association, which matured on May 31, 2019.
- (8) Represents amounts under the \$18.0 million Credit Facility with Silicon Valley Bank, National Association, which matured on December 31, 2016.

Item 6. [Reserved]

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This annual report on Form 10-K contains forward-looking statements that involve substantial risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about us, our current and prospective portfolio investments, our industry, our beliefs, and our assumptions. Words such as “anticipates,” “expects,” “intends,” “plans,” “will,” “may,” “continue,” “believes,” “seeks,” “estimates,” “would,” “could,” “should,” “targets,” “projects,” and variations of these words and similar expressions are intended to identify forward-looking statements.

The forward-looking statements contained in this annual report on Form 10-K involve risks and uncertainties, including, without limitation, statements as to:

- our future operating results;
- our dependence upon our management team and key investment professionals;
- our business prospects and the prospects of our portfolio companies;
- our ability to manage our business and future growth;
- the impact of investments that we expect to make;
- risks related to investments in growth-stage companies, other venture capital-backed companies, and generally U.S. companies;
- our contractual arrangements and relationships with third parties;
- our ability to make distributions;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- risks related to the uncertainty of the value of our portfolio investments;
- the ability of our portfolio companies to achieve their objectives;
- change in political, economic or industry conditions;
- our expected financings and investments;
- the impact of changes in laws or regulations (including the interpretation thereof), including tax laws, on our operations and/or the operation of our portfolio companies;
- the adequacy of our cash resources and working capital;
- risks related to market volatility, including general price and volume fluctuations in stock markets; and
- the timing of cash flows, if any, from the operations of our portfolio companies.

These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including, without limitation:

- an economic downturn could impair our portfolio companies’ ability to continue to operate, which could lead to the loss of some or all of our investments in such portfolio companies;

- an economic downturn could disproportionately impact the market sectors in which a significant portion of our portfolio is concentrated, causing us to suffer losses in our portfolio;
- a contraction of available credit and/or an inability to access the equity markets could impair our investment activities;
- increases in inflation or an inflationary economic environment could adversely affect our portfolio companies' operating results, causing us to suffer losses in our portfolio;
- interest rate volatility could adversely affect our results, particularly because we use leverage as part of our investment strategy; and
- the risks, uncertainties and other factors we identify in the sections entitled "Risk Factors" in our quarterly reports on Form 10-Q, our annual report on Form 10-K, and in our other filings with the SEC.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions also could be inaccurate. Important assumptions include our ability to originate new investments, certain margins and levels of profitability and the availability of additional capital. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this annual report on Form 10-K should not be regarded as a representation by us that our plans and objectives will be achieved. These risks and uncertainties include those described or identified in our quarterly reports on Form 10-Q and our annual report on Form 10-K, in the "Risk Factors" sections. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this annual report on Form 10-K. The following analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes thereto contained elsewhere in this annual report on Form 10-K.

Overview

We are an internally managed, non-diversified closed-end management investment company that has elected to be regulated as a BDC under the 1940 Act, and has elected to be treated, and intends to qualify annually, as a RIC under Subchapter M of the Code.

Our investment objective is to maximize our portfolio's total return, principally by seeking capital gains on our equity and equity-related investments, and to a lesser extent, income from debt investments. We invest principally in the equity securities of what we believe to be rapidly growing venture capital-backed emerging companies. We acquire our investments through direct investments in prospective portfolio companies, secondary marketplaces for private companies and negotiations with selling stockholders. In addition, we may invest in private credit and in the founders equity, founders warrants, forward purchase agreements, and PIPE transactions of SPACs. We may also invest on an opportunistic basis in select publicly traded equity securities or certain non-U.S. companies that otherwise meet our investment criteria, subject to applicable requirements of the 1940 Act. To the extent we make investments in private equity funds and hedge funds that are excluded from the definition of "investment company" under the 1940 Act by Section 3(c)(1) or 3(c)(7) of the 1940 Act, we will limit such investments to no more than 15% of our net assets.

In regard to the regulatory requirements for BDCs under the 1940 Act, some of these investments may not qualify as investments in "eligible portfolio companies," and thus may not be considered "qualifying assets." "Eligible portfolio companies" generally include U.S. companies that are not investment companies and that do not have securities listed on a national exchange. If at any time less than 70% of our gross assets are comprised of qualifying assets, including as a result of an increase in the value of any non-qualifying assets or decrease in the value of any qualifying assets, we would generally not be permitted to acquire any additional non-qualifying assets until such time as 70% of our then-current gross assets were comprised of qualifying assets. We would not be required, however, to dispose of any non-qualifying assets in such circumstances.

Our investment philosophy is based on a disciplined approach of identifying promising investments in high-growth, venture-backed companies across several key industry themes which may include, among others, social/mobile, cloud computing and big data, internet commerce, financial technology, mobility, and enterprise software. Our investment decisions are based on a disciplined analysis of available information regarding each potential portfolio company's business operations, focusing on the portfolio company's growth potential, the quality of recurring revenues, and path to profitability, as well as an understanding of key market fundamentals. Venture capital funds or other institutional investors have invested in the vast majority of companies that we evaluate.

We seek to deploy capital primarily in the form of non-controlling equity and equity-related investments, including common stock, warrants, preferred stock and similar forms of senior equity, which may or may not be convertible into a portfolio company's common equity, and convertible debt securities with a significant equity component. Typically, our preferred stock investments are non-income producing, have different voting rights than our common stock investments and are generally convertible into common stock at our discretion. As our investment strategy is primarily focused on equity positions, our investments generally do not produce current income and therefore we may be dependent on future capital raising to meet our operating needs if no other source of liquidity is available.

We seek to create a low-turnover portfolio that includes investments in companies representing a broad range of investment themes.

Our History

We formed in 2010 as a Maryland corporation and operate as an internally managed, non-diversified closed-end management investment company. Our investment activities are supervised by our Board of Directors and managed by our executive officers and investments professionals, all of which are our employees.

Our date of inception was January 6, 2011, which is the date we commenced development stage activities. We commenced operations as a BDC upon completion of our IPO in May 2011 and began our investment operations during the second quarter of 2011.

On and effective June 22, 2020, we changed our name to "SuRo Capital Corp." from "Sutter Rock Capital Corp."

On and effective March 12, 2019, our Board of Directors approved our Internalization, and we began operating as an internally managed non-diversified closed-end management investment company that has elected to be regulated as a BDC under the 1940 Act. Our Board of Directors approved the Internalization in order to better align the interests of our stockholders with its management. As an internally managed BDC, we are managed by our employees, rather than the employees of an external investment adviser, thereby allowing for greater transparency to stockholders through robust disclosure regarding our compensation structure. As a result of the Internalization, we no longer pay any fees or expenses under an investment advisory agreement or administration agreement, and instead pay the operating costs associated with employing investment management professionals including, without limitation, compensation expenses related to salaries, discretionary bonuses and restricted stock grants.

Except as otherwise disclosed herein, this Form 10-K discusses our business and operations as an internally managed BDC during the period covered by this Form 10-K.

Portfolio and Investment Activity

Year Ended December 31, 2023

The value of our investment portfolio will change over time due to changes in the fair value of our underlying investments, as well as changes in the composition of our portfolio resulting from purchases of new and follow-on investments and the sales of existing investments. The fair value, as of December 31, 2023, of all of our portfolio investments, excluding short-term U.S. Treasury bills, was \$184,081,249.

During the year ended December 31, 2023, we funded investments in an aggregate amount of \$25,766,162 (not including capitalized transaction costs or investments in short-term U.S. Treasury bills) as shown in the following table:

Portfolio Company	Investment	Transaction Date	Gross Payments	
Orchard Technologies, Inc. ⁽¹⁾	Preferred shares, Series 1	1/13/2023	\$	2,000,000
True Global Ventures 4 Plus Pte Ltd ⁽²⁾	Limited Partner Fund Investment	3/31/2023		1,330,000
PayJoy, Inc.	Simple Agreement for Future Equity (SAFE)	5/25/2023		500,000
ServiceTitan, Inc.	Common shares	6/30/2023		9,999,990
FourKites, Inc.	Common shares	Various		8,511,174
Shogun Enterprises, Inc. (d/b/a Hearth) ⁽³⁾	Preferred shares, Series B-4	7/12/2023		499,998
Stake Trade, Inc. (d/b/a Prophet Exchange)	Simple Agreement for Future Equity (SAFE)	7/26/2023		1,000,000
Xgroup Holdings Limited (d/b/a Xpoint)	Convertible Note 6%, Due 8/17/2024	10/26/2023		325,000
Colombier Sponsor II LLC	Class B Units and Class W Units	11/20/2023		1,600,000
Total			\$	25,766,162

- (1) On January 13, 2023, we invested \$2.0 million in Orchard Technologies, Inc.'s Series 1 Senior Preferred financing round. As part of the transaction, we exchanged a portion of our existing Series D Preferred shares investment for Series 1 Senior Preferred shares, Series 2 Senior Preferred shares, and Common shares. Additionally, our previous investment in the Simple Agreement for Future Equity of Orchard Technologies, Inc. was converted into additional Series 1 Senior Preferred shares.
- (2) On March 31, 2023, the previously unfunded capital commitment of \$1.3 million was deemed fully contributed in lieu of cash distributions. On March 31, 2023, the full \$2.0 million capital commitment to True Global Ventures 4 Plus Fund LP had been called and funded.
- (3) On July 12, 2023, we invested \$0.5 million in Shogun Enterprises, Inc. (d/b/a Hearth)'s Series B-4 Preferred financing round. As part of the transaction, our previous investment in the Convertible Note of Shogun Enterprises, Inc. (d/b/a Hearth) was converted into Series B-3 Preferred shares. Additionally, we received Common Warrants as part of the transaction.

During the year ended December 31, 2023, we capitalized fees of \$49,269.

During the year ended December 31, 2023, we exited or received proceeds from investments in the amount of \$17,338,100, net of transaction costs, and realized a net loss on investments of \$11,947,504 (including adjustments to amounts held in escrow receivable) as shown in following table:

Portfolio Company	Transaction Date	Quantity	Average Net Share Price⁽¹⁾	Net Proceeds	Realized Gain/(Loss)⁽²⁾
Kahoot! ASA ⁽³⁾	Various	38,305	\$ 1.97	\$ 75,601	\$ (100,466)
NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.) ⁽⁴⁾	Various	229,758	16.44	3,776,638	(903,070)
Nextdoor Holdings, Inc. ⁽⁵⁾	Various	1,689,996	2.97	5,011,707	(4,364,489)
Rent the Runway, Inc. ⁽⁶⁾	1/4/2023	79,191	3.05	241,456	(961,837)
Residential Homes for Rent, LLC (d/b/a Second Avenue) ⁽⁷⁾	Various	N/A	N/A	1,000,000	—
True Global Ventures 4 Plus Pte Ltd ⁽⁸⁾	Various	N/A	N/A	1,699,222	1,330,000
Ozy Media, Inc. ⁽⁹⁾	5/4/2023	3,492,465	N/A	—	(10,945,024)
PSQ Holdings, Inc. (d/b/a PublicSquare) - Warrants ⁽¹⁰⁾	Various	303,963	1.05	318,369	187,873
Forge Global, Inc. ⁽¹¹⁾	Various	1,465,994	3.56	5,215,107	3,865,611
Churchill Sponsor VI LLC	12/4/2023	N/A	N/A	—	(200,000)
Total				\$ 17,338,100	\$ (12,091,402)

- (1) The average net share price is the net share price realized after deducting all commissions and fees on the sale(s), if applicable.
- (2) Realized gain/(loss) does not include adjustments to amounts held in escrow receivable.
- (3) As of March 8, 2023, we had sold our remaining Kahoot! ASA public common shares.
- (4) As of December 15, 2023, we had sold our remaining NewLake Capital Partners, Inc. public common shares.
- (5) As of December 31, 2023, we held 112,420 remaining Nextdoor Holdings, Inc. public common shares.
- (6) As of January 4, 2023, we had sold our remaining Rent the Runway, Inc. public common shares.

[TABLE OF CONTENTS](#)

- (7) On December 26, 2023, a final payment was received from Residential Homes For Rent, LLC (d/b/a Second Avenue) related to the 15% term loan due December 23, 2023. During the year ended December 31, 2023, approximately \$1.1 million was received from Residential Homes for Rent, LLC (d/b/a Second Avenue) related to the 15% term loan due December 23, 2023. Of the proceeds received, approximately \$1.0 million repaid a portion of the outstanding principal and the remaining was attributed to interest.
- (8) On March 31, 2023, the previously unfunded capital commitment of \$1.3 million to True Global Ventures 4 Plus Pte Ltd was deemed fully contributed in lieu of cash distributions.
- (9) On May 4, 2023, we abandoned our investment in Ozy Media, Inc.
- (10) As of December 31, 2023, we held 2,396,037 remaining PSQ Holdings, Inc. (d/b/a PublicSquare) warrants.
- (11) As of December 31, 2023, we held 1,145,875 remaining Forge Global, Inc. public common shares.

During the year ended December 31, 2023, our OneValley, Inc. (f/k/a NestGSV, Inc.) Series B preferred warrants with a strike price of \$2.31 expired on December 31, 2023.

Year Ended December 31, 2022

The value of our investment portfolio will change over time due to changes in the fair value of our underlying investments, as well as changes in the composition of our portfolio resulting from purchases of new and follow-on investments and the sales of existing investments. The fair value, as of December 31, 2022, of all of our portfolio investments, excluding U.S. Treasury bills, was \$157,188,578.

During the year ended December 31, 2022, we funded investments in an aggregate amount of \$23,665,080 (not including capitalized transaction costs or investments in short-term U.S. Treasury investments) as shown in the following table:

Portfolio Company	Investment	Transaction Date	Gross Payments
Shogun Enterprises, Inc. (d/b/a Hearth)	Convertible Note 0.5%, Due 4/18/2024	5/2/2022	\$ 500,000
EDGE Markets, Inc.	Preferred shares, Series Seed	5/18/2022	500,000
Whoop, Inc.	Preferred shares, Series C	6/30/2022	10,000,000
Xgroup Holdings Limited (d/b/a Xpoint)	Convertible Note 6%, Due 8/17/2023	8/17/2022	1,000,000
Orchard Technologies, Inc.	Simple Agreement for Future Equity (SAFE)	9/2/2022	500,000
Forge Global, Inc. ⁽¹⁾	Common shares	9/30/2022	915,076
YouBet Technology, Inc. (d/b/a FanPower)	Preferred shares, Series Seed-2	11/17/2022	249,999
Locus Robotics Corp.	Preferred shares, Series F	11/30/2022	10,000,005
Total			\$ 23,665,080

- (1) On and effective August 5, 2022, we notified Forge Global, Inc. of our intent to net exercise via cashless settlement our 230,144 common warrants in Forge Global, Inc. into 53,283 shares of Forge Global Inc.'s public common stock, pursuant to the net exercise formula in the warrant agreement. The exercise was effectuated on September 30, 2022.

During the year ended December 31, 2022, we capitalized fees of \$33,384.

During the year ended December 31, 2022, we exited or received proceeds from investments in the amount of \$9,063,919, net of transaction costs, and realized a net loss on investments of \$5,905,453 (including adjustments to amounts held in escrow receivable) as shown in following table:

Portfolio Company	Transaction Date	Shares	Average Net Share Price ⁽¹⁾	Net Proceeds	Realized Gain/(Loss) ⁽²⁾
NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.) ⁽³⁾	Various	48,713	\$ 23.50	\$ 1,144,774	\$ 170,103
Rover Group, Inc. ⁽⁴⁾	Various	838,381	4.93	4,131,112	1,624,993
Rent the Runway, Inc. ⁽⁵⁾	Various	260,000	3.56	925,289	(3,025,364)
Residential Homes for Rent, LLC (d/b/a Second Avenue) ⁽⁶⁾	Various	N/A	N/A	1,000,000	—
True Global Ventures 4 Plus Pte Ltd ⁽⁷⁾	5/31/2022	N/A	N/A	874,470	160,965
Palantir Lending Trust SPV I ⁽⁸⁾	7/14/2022	N/A	N/A	611,930	610,790
Enjoy Technology, Inc. ⁽⁹⁾	Various	947,297	0.26	246,134	(5,280,642)
Kahoot! ASA ⁽¹⁰⁾	10/19/2022	61,367	2.12	130,210	(151,861)
Total				\$ 9,063,919	\$ (5,891,016)

- (1) The average net share price is the net share price realized after deducting all commissions and fees on the sale(s), if applicable.
- (2) Realized gain/(loss) does not include adjustments to amounts held in escrow receivable.
- (3) As of December 31, 2022, we held 229,758 remaining NewLake Capital Partners, Inc. public common shares.
- (4) As of October 11, 2022, we had sold all our public common shares of Rover Group, Inc.
- (5) As of December 31, 2022, we held 79,191 remaining Rent the Runway, Inc. public common shares.
- (6) During the year ended December 31, 2022, approximately \$1.2 million has been received from Residential Homes for Rent, LLC (d/b/a Second Avenue) related to the 15% term loan due December 23, 2023. Of the proceeds received, approximately \$1.0 million repaid a portion of the outstanding principal and the remaining was attributed to interest.
- (7) On May 31, 2022, we received an \$874,470 cash distribution from True Global Ventures 4 Plus Pte Ltd.
- (8) On July 14, 2022, a final payment was received for the remaining 512,290 Class A common shares of Palantir Technologies, Inc. that comprised the beneficial equity interest in underlying shares. The realized gain from our investment in Palantir Lending Trust SPV I is generated by the proceeds from the sale of shares collateralizing the repaid promissory note to Palantir Lending Trust SPV I and attributable to the Equity Participation in Underlying Collateral.

[TABLE OF CONTENTS](#)

(9) As of August 12, 2022, we had sold all its public common shares of Enjoy Technology, Inc.

(10) As of December 31, 2022, we held 38,305 remaining Kahoot! ASA public common shares.

During the year ended December 31, 2022, we did not write-off any investments and our OneValley, Inc. (f/k/a NestGSV, Inc.) Series B preferred warrants with a strike price of \$2.31 expired on May 29, 2022.

Results of Operations**Comparison of the Year Ended December 31, 2023, 2022, and 2021**

Operating results for the years ended December 31, 2023, 2022, and 2021 are as follows:

	Year Ended December 31,		
	2023	2022	2021
Total Investment Income	\$ 6,596,780	\$ 3,456,193	\$ 1,470,842
Interest income	5,885,470	2,914,954	897,772
Dividend income	711,310	541,239	573,070
Total Operating Expenses	\$ 20,036,389	\$ 18,164,201	\$ 11,401,661
Compensation expense	9,482,867	7,566,452	6,162,716
Directors' fees	645,548	675,716	752,442
Professional fees	2,602,894	3,395,260	2,665,689
Interest expense	4,858,049	4,845,549	693,526
Income tax expense	624,049	82,238	9,347
Other expenses	1,822,982	1,598,986	1,117,941
Net Investment Loss	\$ (13,439,609)	\$ (14,708,008)	\$ (9,930,819)
Net realized gain/(loss) on investments	(11,947,504)	(5,905,453)	218,735,504
Net change in unrealized appreciation/(depreciation) of investments	30,453,935	(111,563,592)	(61,732,964)
Net Change in Net Assets Resulting from Operations	\$ 5,066,822	\$ (132,177,053)	\$ 147,071,721

Investment Income

For the year ended December 31, 2023 as compared to the year ended December 31, 2022

Investment income increased to \$6,596,780 for the year ended December 31, 2023 from \$3,456,193 for the year ended December 31, 2022. The net increase between periods was due to increases in interest income from U.S. Treasury Bills and interest on idle cash, plus an increase in dividend income from SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.). The increase was offset by a decrease in interest income from Architect Capital PayJoy SPV, LLC, Residential Homes for Rent, LLC (d/b/a Second Avenue), and a decrease in dividend income from NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.) during the year ended December 31, 2023, relative to the year ended December 31, 2022.

For the year ended December 31, 2022 as compared to the year ended December 31, 2021

Investment income increased to \$3,456,193 for the year ended December 31, 2022 from \$1,470,842 for the year ended December 31, 2021. The net increase between periods was due to increases in interest income from U.S. Treasury Bills, Xgroup Holdings Limited (d/b/a Xpoint), Architect Capital PayJoy SPV, LLC, and Shogun Enterprises, Inc. (d/b/a Hearth) plus an increase in dividend income from NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.) and interest on idle cash. The increase was offset by a decrease in interest income from Residential Homes for Rent, LLC (d/b/a Second Avenue) and Neutron Holdings, Inc. (d/b/a Lime), plus a cessation in dividend income from Treehouse Real Estate Investment Trust, Inc. during the year ended December 31, 2022, relative to the year ended December 31, 2021.

Operating Expenses

For the year ended December 31, 2023 as compared to the year ended December 31, 2022

Total operating expenses increased to \$20,036,389 for the year ended December 31, 2023 from \$18,164,201 for the year ended December 31, 2022. The increase in operating expense was primarily due to an increase in compensation expense associated with an increased headcount and stock-based compensation expense, and income tax expense related to blocker corporations, offset by a decrease in professional fees during the year ended December 31, 2023, relative to the year ended December 31, 2022.

For the year ended December 31, 2022 as compared to the year ended December 31, 2021

Total operating expenses increased to \$18,164,201 for the year ended December 31, 2022 from \$11,401,661 for the year ended December 31, 2021. The increase in operating expense was primarily due to an increase in interest expense, compensation expense, and professional fees during the year ended December 31, 2022, relative to the year ended December 31, 2021.

Net Investment Loss

For the year ended December 31, 2023 as compared to the year ended December 31, 2022

For the year ended December 31, 2023, we recognized a net investment loss of \$13,439,609, compared to a net investment loss of \$14,708,008 for the year ended December 31, 2022. The change between periods resulted from an increase in total investment income, offset by an increase in operating expenses during the year ended December 31, 2023, relative to the year ended December 31, 2022.

For the year ended December 31, 2022 as compared to the year ended December 31, 2021

For the year ended December 31, 2022, we recognized a net investment loss of \$14,708,008, compared to a net investment loss of \$9,930,819 for the year ended December 31, 2021. The change between periods resulted from the increase in operating expenses offset by an increase in total investment income between periods during the year ended December 31, 2022, relative to the year ended December 31, 2021.

Net Realized Loss on Investments

For the year ended December 31, 2023 as compared to the year ended December 31, 2022

For the year ended December 31, 2023, we recognized a net realized loss on our investments of \$11,947,504, compared to a net realized loss of \$5,905,453 for the year ended December 31, 2022. The components of our net realized losses on portfolio investments for the year ended December 31, 2023 and 2022, excluding short-term U.S. Treasury bills and fluctuations in escrow receivables estimates, are reflected in the tables above, under “—Portfolio and Investment Activity.”

For the year ended December 31, 2022 as compared to the year ended December 31, 2021

For the year ended December 31, 2022, we recognized a net realized loss on our investments of \$5,905,453, compared to a net realized gain of \$218,735,504 for the year ended December 31, 2021. The components of our net realized gains and losses on portfolio investments for the year ended December 31, 2022 and 2021, excluding U.S. Treasury investments and fluctuations in escrow receivables estimates, are reflected in the tables above, under “—Portfolio and Investment Activity.”

Net Change in Unrealized Appreciation/(Depreciation) of Investments

For the year ended December 31, 2023, we had a net change in unrealized appreciation/(depreciation) of \$30,453,935. For the year ended December 31, 2022, we had a net change in unrealized appreciation/(depreciation) of \$(111,563,592). For the year ended December 31, 2021, we had a net change in unrealized appreciation/depreciation of \$(61,732,964). The following tables summarize, by portfolio company, the significant changes in unrealized appreciation/(depreciation) of our investment portfolio for the year ended December 31, 2023, 2022, and 2021.

Portfolio Company	Net Change in Unrealized Appreciation /(Depreciation) For the Year Ended December 31, 2023
Ozy Media, Inc. ⁽¹⁾	\$ 10,945,024
PSQ Holdings, Inc. (d/b/a PublicSquare) ⁽¹⁾	7,925,790
Nextdoor Holdings, Inc. ⁽¹⁾	5,875,694
Learneo, Inc. (f/k/a Course Hero, Inc.)	5,441,177
Neutron Holdings, Inc. (d/b/a/ Lime)	3,991,353
Whoop, Inc.	3,528,846
Shogun Enterprises, Inc. (d/b/a Hearth)	3,240,026
StormWind, LLC	2,585,041
ServiceTitan, Inc.	1,952,742
Varo Money, Inc.	1,029,807
FourKites, Inc.	(1,604,213)
Trax, Ltd.	(2,927,814)
Aspiration Partners, Inc.	(6,541,511)
Orchard Technologies, Inc.	(7,649,609)
Other ⁽²⁾	2,661,582
Total	\$ 30,453,935

(1) The change in unrealized appreciation/(depreciation) reflected for these investments resulted from the full or partial exit of the investment, which resulted in the reversal of previously accrued unrealized appreciation/(depreciation), as applicable.

(2) "Other" represents investments for which individual changes in unrealized appreciation/(depreciation) was less than \$1.0 million for the year ended December 31, 2023.

Portfolio Company	Net Change in Unrealized Appreciation/ (Depreciation)		Portfolio Company	Net Change in Unrealized Appreciation/ (Depreciation)	
	For the Year Ended December 31, 2022			For the Year Ended December 31, 2021	
True Global Ventures 4 Plus Pte Ltd ⁽¹⁾	\$	3,106,863	Course Hero, Inc.	\$	42,752,699
Rent the Runway ⁽¹⁾		1,773,329	Forge Global, Inc.		10,976,202
StormWind, LLC		(1,879,887)	Aspiration Partners, Inc.		7,597,596
NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.) ⁽¹⁾		(3,331,136)	Rover Group, Inc.		6,290,626
Blink Health, Inc.		(3,365,627)	StormWind, LLC		3,872,381
Whoop, Inc.		(3,927,419)	CUX, Inc. (d/b/a CorpU) ⁽¹⁾		3,654,203
Neutron Holdings, Inc. (d/b/a/ Lime)		(3,991,353)	NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.) ⁽¹⁾		1,905,116
Shogun Enterprises, Inc. (d/b/a Hearth)		(4,225,397)	Varo Money, Inc.		(1,463,873)
Aspiration Partners, Inc.		(4,514,232)	Palantir Lending Trust SPV I		(1,620,240)
Rover Group, Inc. ⁽¹⁾		(5,259,385)	Enjoy Technology, Inc.		(2,514,243)
Varo Money, Inc.		(7,254,893)	Rent the Runway, Inc.		(2,581,146)
Trax Ltd.		(7,442,485)	Ozy Media, Inc.		(10,098,381)
Skillsoft Corp.		(7,707,467)	Coursera, Inc. ⁽¹⁾		(35,822,601)
Nextdoor Holdings, Inc.		(8,726,545)	Palantir Technologies, Inc. ⁽¹⁾		(81,760,272)
Forge Global, Inc.		(17,594,073)	Other ⁽²⁾		(2,921,031)
Learnleo, Inc. (f/k/a Course Hero, Inc.)		(37,290,369)			
Other ⁽²⁾		66,484			
Total	\$	(111,563,592)	Total	\$	(61,732,964)

- (1) The change in unrealized appreciation/(depreciation) reflected for these investments resulted from the full or partial exit of the investment, which resulted in the reversal of previously accrued unrealized appreciation/(depreciation), as applicable.
- (2) “Other” represents investments (including U.S. Treasury bills) for which individual change in unrealized appreciation/(depreciation) was less than \$1.0 million for the year ended December 31, 2022 and 2021.

Recent Developments

Portfolio Activity

Please refer to “Note 12—Subsequent Events” to our Consolidated Financial Statements as of December 31, 2023 for details regarding activity in our investment portfolio from January 1, 2024 through March 13, 2024.

We are frequently in negotiations with various private companies with respect to investments in such companies. Investments in private companies are generally subject to satisfaction of applicable closing conditions. In the case of secondary market transactions, such closing conditions may include approval of the issuer, waiver or failure to exercise rights of first refusal by the issuer and/or its stockholders and termination rights by the seller or us. Equity investments made through the secondary market may involve making deposits in escrow accounts until the applicable closing conditions are satisfied, at which time the escrow accounts will close and such equity investments will be effectuated.

Modified Dutch Auction Tender Offer

On February 14, 2024, our Board of Directors authorized a modified Dutch Auction tender offer (the “Tender Offer”) to purchase up to 2,000,000 shares of our common stock at a price per share of not less than \$4.00 and not greater than \$5.00 in \$0.10 increments, using available cash. The Tender Offer commenced on February 20, 2024 and will expire at 5:00 P.M. Eastern Time on April 1, 2024, unless extended. If the Tender Offer is fully subscribed, we will purchase 2,000,000 shares, or approximately 7.9%, of our outstanding shares of its common stock. Any shares tendered may be withdrawn prior to expiration of the Tender Offer.

Based on the number of shares tendered and the prices specified by the tendering stockholders, we will determine the lowest per-share price that will enable us to acquire up to 2,000,000 shares of our common stock. All shares accepted in the Tender Offer will be purchase at the same price even if tendered at a lower price.

Liquidity and Capital Resources

Our liquidity and capital resources are generated primarily from the sales of our investments and the net proceeds from public offerings of our equity and debt securities, including pursuant to our continuous at-the-market offering of shares of our common stock as discussed below under “Equity Issuances and Debt Capital Activities — At-the-Market Offering”. In addition, on December 17, 2021, we issued \$75.0 million aggregate principal amount of 6.00% Notes due 2026, all of which remain outstanding. For additional information, see below and “Note 10—Debt Capital Activities” to our Consolidated Financial Statements as of December 31, 2023.

Our primary uses of cash are to make investments, pay our operating expenses, and make distributions to our stockholders. For the year ended December 31, 2023 our operating expenses were \$20,036,389. For the years ended December 31, 2022 and 2021, our operating expenses were \$18,164,201 and \$11,401,661, respectively.

[TABLE OF CONTENTS](#)

Cash Reserves and Liquid Securities	December 31, 2023	December 31, 2022	December 31, 2021
Cash	\$ 28,178,352	\$ 40,117,598	\$ 198,437,078
Cash Equivalents:			
U.S. Treasury bills ⁽¹⁾	63,810,855	85,056,817	—
Securities of publicly traded portfolio companies:			
Unrestricted securities ⁽²⁾	6,970,612	13,298,992	16,970,411
Subject to other sales restrictions ⁽³⁾	8,542,386	24,493	27,602,814
Securities of publicly traded portfolio companies	15,512,998	13,323,485	44,573,225
Total Cash Reserves and Liquid Securities	\$ 107,502,205	\$ 138,497,900	\$ 243,010,303

(1) Consists of short-term U.S. Treasury bills.

(2) “Unrestricted securities” represents common stock and warrants of our publicly traded portfolio companies that are not subject to any restrictions upon sale. We may incur losses.

(3) Securities of publicly traded portfolio companies “subject to other sales restrictions” represents common stock of our publicly traded portfolio companies that are subject to certain lock-up restrictions.

During the year ended December 31, 2023, cash decreased to \$28,178,352 from \$40,117,598 at the beginning of the year. The decrease was primarily driven by the purchase of new and follow-on investments, our operating expenses, interest payments on the 6.00% Notes due 2026, and the repurchase of our common stock pursuant to a modified “Dutch Auction” tender offer (the “Modified Dutch Auction Tender Offer”) and Share Repurchase Program. The decrease was offset by portfolio investment exits and investment income received.

Currently, we believe we have ample liquidity to support our near-term capital requirements. Consistent with past and current practices, we will continue to evaluate our overall liquidity position and take proactive steps to maintain the appropriate liquidity position based upon the current circumstances.

Contractual Obligations

A summary of our significant contractual payment obligations as of December 31, 2023 is as follows:

	Payments Due By Period (in millions)				
	Total	Less than 1 year	1–3 years	3–5 years	More than 5 years
6.00% Notes due 2026 ⁽¹⁾	\$ 75.0	\$ —	\$ 75.0	—	\$ —
Operating lease liability	0.1	0.1	—	—	—
Total	\$ 75.1	\$ 0.1	\$ 75.0	\$ —	\$ —

(1) Reflects the principal balance payable to investors for the 6.00% Notes due 2026 as of December 31, 2023. Refer to “Note 10—Debt Capital Activities” in our Consolidated Financial Statements as of December 31, 2023 for more information.

Share Repurchase Program

During the year ended December 31, 2023, we repurchased 186,493 shares of our common stock under the Share Repurchase Program. During the year ended December 31, 2022, we repurchased 1,008,676 shares of our common stock under the Share Repurchase Program. As of December 31, 2023, the dollar value of shares that remained available to be purchased under the Share Repurchase Program was approximately \$20.7 million. On August 7, 2023, our Board of Directors authorized an extension of, and an increase in the amount of shares of our common stock that may be repurchased under, the discretionary Share Repurchase Program until the earlier of (i) October 31, 2024 or (ii) the repurchase of \$60.0 million in aggregate amount of our common stock.

Under the Share Repurchase Program, we may repurchase our outstanding common stock in the open market provided that we comply with the prohibitions under our insider trading policies and procedures and the applicable provisions of the 1940 Act and the Exchange Act and the rules promulgated thereunder. For more information on the Share Repurchase Program, see “Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuances of Equity Securities -- Issuer Purchases of Equity Securities” and “Note 5—Common Stock” to our Consolidated Financial Statements as of December 31, 2023.

Modified Dutch Auction Tender Offer

On March 17, 2023, we commenced a Modified Dutch Auction Tender Offer to purchase up to 3,000,000 shares of our common stock from our stockholders, which expired on April 17, 2023. In accordance with the terms of the Modified Dutch Auction Tender Offer, we selected the lowest price per share of not less than \$3.00 per share and not greater than \$4.50 per share.

Pursuant to the Modified Dutch Auction Tender Offer, we repurchased 3,000,000 shares, representing 10.6% of our outstanding shares, on or about April 21, 2023 at a price of \$4.50 per share. We used available cash to fund the purchase of our shares of common stock in the Modified Dutch Auction Tender Offer and to pay for all related fees and expenses.

Off-Balance Sheet Arrangements

As of December 31, 2023, we had no off-balance sheet arrangements, including any risk management of commodity pricing or other hedging practices. However, we may employ hedging and other risk management techniques in the future.

Equity Issuances and Debt Capital Activities

At-the-Market Offering

On July 29, 2020, we entered into an At-the-Market Sales Agreement, dated July 29, 2020 (as amended, the “Sales Agreement”), with BTIG, LLC, JMP Securities LLC, and Ladenburg Thalmann & Co., Inc. (collectively, the “Agents”). Under the Initial Sales Agreement, we may, but have no obligation to, issue and sell up to \$150.0 million in aggregate amount of shares of our common stock (the “Shares”) from time to time through the Agents or to them as principal for their own account (the “ATM Program”). We intend to use the net proceeds from the ATM Program to make investments in portfolio companies in accordance with our investment objective and strategy and for general corporate purposes.

During the year ended December 31, 2023, we did not issue or sell Shares under the ATM program. As of December 31, 2023, up to approximately \$98.8 million in aggregate amount of the Shares remain available for sale under the ATM Program.

During the year ended December 31, 2022, we issued and sold 17,807 Shares under the ATM Program at a weighted-average price of \$13.01 per Share, for gross proceeds of \$231,677 and net proceeds of \$229,896, after deducting commissions to the Agents on Shares sold. As of December 31, 2022, up to approximately \$98.8 million in aggregate amount of the Shares remain available for sale under the ATM Program.

Refer to “Note 5—Common Stock” to our Consolidated Financial Statements as of December 31, 2023 for more information regarding the ATM Program.

6.00% Notes due 2026

On December 17, 2021, we issued \$70.0 million aggregate principal amount of 6.00% Notes due 2026, which bear interest at a fixed rate of 6.00% per year, payable quarterly in arrears on March 31, June 30, September 30, and December 30 of each year, commencing on March 30, 2022. On December 21, 2021, we issued an additional \$5.0 million aggregate principal amount of 6.00% Notes due 2026. We received approximately \$73.0 million in proceeds from the offering, net of underwriting discounts and commissions and other offering expenses. The 6.00% Notes due 2026 have a maturity date of December 30, 2026, unless previously repurchased or redeemed in accordance with their terms. We have the right to redeem the 6.00% Notes due 2026, in whole or in part, at any time or from time to time, on or after December 30, 2024 at a redemption price of 100% of the aggregate principal amount thereof plus accrued and unpaid interest.

Refer to “Note 10—Debt Capital Activities” to our Consolidated Financial Statements as of December 31, 2023 for more information regarding the 6.00% Notes due 2026.

Distributions

The timing and amount of our distributions, if any, will be determined by our Board of Directors and will be declared out of assets legally available for distribution. See “Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities” in Part II, Item 5 of this Form 10-K for a list of our past distributions, including dividends and returns of capital, if any, per share that we have declared since our formation through December 31, 2023.

Critical Accounting Estimates and Policies

Critical accounting policies and practices are the policies that are both most important to the portrayal of our financial condition and results, and require management’s most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. These include estimates of the fair value of our Level 3 investments and other estimates that affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements and the reported amounts of certain revenues and expenses during the reporting period. It is likely that changes in these estimates will occur in the near term. Our estimates are inherently subjective in nature and actual results could differ materially from such estimates. See “Note 2—Significant Accounting Policies” to our Consolidated Financial Statements as of December 31, 2023 for further detail regarding our critical accounting policies and recently issued or adopted accounting pronouncements.

Investment Portfolio Valuation

The most significant determination inherent in the preparation of our Consolidated Financial Statements is the valuation of our investment portfolio. We consider this determination to be a critical accounting estimate, given the significant judgments and subjective measurements required. As of December 31, 2023 and 2022, our investment portfolio valued at fair value represented 90.52% and 74.84% of our net assets, respectively.

We are required to report our investments at fair value. We follow the provisions of the Financial Accounting Standards Board Accounting Standards Codification (“ASC”) 820, Fair Value Measurements and Disclosures (“ASC 820”). ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value and enhances disclosure requirements for fair value measurements. ASC 820 requires us to assume that the portfolio investment is to be sold in the principal market to independent market participants, which may be a hypothetical market. Market participants are defined as buyers and sellers in the principal market that are independent, knowledgeable and willing and able to transact. See “Note 2 – Significant Accounting Policies – Investments at Fair Value” for more information.

Due to the inherent uncertainty in the valuation process, the determination of fair value for our investment portfolio may differ materially from the values that would have been determined had a ready market for the securities existed. In addition, changes in the market environment, portfolio company performance and other events that may occur over the lives of the investments may cause the gains or losses ultimately realized on these investments to be materially different than the valuations currently assigned. We determine the fair value of each individual investment and record changes in fair value as unrealized appreciation or depreciation.

In 2022, the SEC adopted Rule 2a-5 under the 1940 Act (“Rule 2a-5”), which establishes a framework for determining fair value in good faith for purposes of the 1940 Act. As adopted, Rule 2a-5 permits boards of directors to designate certain parties to perform fair value determinations, subject to board oversight and certain other conditions. The SEC also adopted Rule 31a-4 under the 1940 Act (“Rule 31a-4”), which provides the recordkeeping requirements associated with fair value determinations. While our Board of Directors has not elected to designate a valuation designee, we adopted certain revisions to our valuation policies and procedures to comply with the applicable requirements of Rule 2a-5 and Rule 31a-4.

While the Board of Directors is ultimately and solely responsible for determining the fair value of our investments, we have engaged independent valuation firms to provide us with valuation assistance with respect to our investments. Our Board of Directors consulted with an independent third-party valuation firm in arriving at its determination of fair value for 100% of our portfolio investments as of December 31, 2023 and 2022, exclusive of new portfolio company investments made during the three months ended December 31, 2023 and 2022, respectively.

Revenue Recognition

We recognize gains or losses on the sale of investments using the specific identification method. We recognize interest income, adjusted for amortization of premium and accretion of discount, on an accrual basis. We recognize dividend income on the ex-dividend date.

Investment Transaction Costs and Escrow Deposit

Commissions and other costs associated with an investment transaction, including legal expenses not reimbursed by the portfolio company, are included in the cost basis of purchases and deducted from the proceeds of sales. We make certain acquisitions on secondary markets, which may involve making deposits to escrow accounts until certain conditions are met, including the underlying private company's right of first refusal. If the underlying private company does not exercise or assign its right of first refusal and all other conditions are met, then the funds in the escrow account are delivered to the seller and the account is closed. Such transactions would be reflected on the Consolidated Statement of Assets and Liabilities as escrow deposits. As of December 31, 2023 and December 31, 2022, we had no escrow deposits.

Related-Party Transactions

See "Note 3—Related-Party Arrangements" to our Consolidated Financial Statements as of December 31, 2023 for more information.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Market Risk

Our equity investments are primarily in growth companies that in many cases have short operating histories and are generally illiquid. In addition to the risk that these companies may fail to achieve their objectives, the price we may receive for these companies in private transactions may be significantly impacted by periods of disruption and instability in the capital markets. While these periods of disruption generally have little actual impact on the operating results of our equity investments, these events may significantly impact the prices that market participants will pay for our equity investments in private transactions. This may have a significant impact on the valuation of our equity investments.

Valuation Risk

Our investments may not have a readily available market quotation, as such term is defined in Rule 2a-5 under the 1940 Act, and we value these investments at fair value as determined in good faith by our Board of Directors in accordance with our valuation policy. There is no single standard for determining fair value in good faith. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio investment while employing a consistently applied valuation process for the types of investments we make. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and it is possible that the difference could be material. In addition, if we were required to liquidate a portfolio investment in a forced or liquidation sale, we may realize amounts that are different from the amounts presented and such differences could be material.

Interest Rate Risk

We are subject to financial market risks, which could include, to the extent we utilize leverage with variable rate structures, changes in interest rates. As we invest primarily in equity rather than debt instruments, we would not expect fluctuations in interest rates to directly impact the return on our portfolio investments, although any significant change in market interest rates could potentially have an adverse effect on the business, financial condition and results of operations of the portfolio companies in which we invest.

As of December 31, 2023, all of our debt investments and outstanding borrowings bore fixed rates of interest.

Item 8. Financial Statements and Supplementary Data

Index to Financial Statements

	Page
Report of Independent Registered Public Accounting Firm PCAOB ID: 688	67
Consolidated Statements of Assets and Liabilities as of December 31, 2023 and 2022	68
Consolidated Statements of Operations for the years ended December 31, 2023, 2022 and 2021	69
Consolidated Statements of Changes in Net Assets for the years ended December 31, 2023, 2022 and 2021	70
Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021	71
Consolidated Schedule of Investments as of December 31, 2023	72
Consolidated Schedule of Investments as of December 31, 2022	76
Notes to Consolidated Financial Statements	80

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
SuRo Capital Corp.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of assets and liabilities of SuRo Capital Corp. and subsidiaries (the “Company”) including the consolidated schedule of investments as of December 31, 2023 and 2022, the related consolidated statements of operations, cash flows, and changes in net assets for each of the three years in the period ended December 31, 2023, the financial highlights (presented in Note 8) for each of the five years in the period ended December 31, 2023, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations, changes in net assets and its cash flows for each of the three years in the period ended December 31, 2023 and the financial highlights for each of the five years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of investments owned as of December 31, 2023 and 2022, by correspondence with the custodian, loan agents, and borrowers; when replies were not received, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of Investments – Level 3 Investments in Preferred Stock, Common Stock, Debt Investments and Options

As described in Note 4 to the financial statements, approximately 68% of the Company’s \$248 million total investments in securities as of December 31, 2023 represents investments in level 3 preferred stock, common stock, debt investments and options issued by private companies whose fair value, as disclosed by management, is determined in good faith by the Board of Directors. Management applied significant judgment in determining the fair value of these level 3 investments, which involved the use of significant unobservable inputs with respect to the revenue and/or other multiples utilized, liquidation value, financing risk, term to expiration and discount rates.

The principal considerations for our determination that performing procedures relating to the valuation of level 3 investments in preferred stock, common stock, debt investments and options is a critical audit matter are the significant judgment involved by management in determining the fair value of these level 3 investments, including the use of various valuation techniques and significant unobservable inputs, which in turn led to a high degree of auditor judgment, subjectivity, and effort in performing audit procedures and evaluating the audit evidence obtained relating to the valuation techniques and significant unobservable inputs.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements and financial highlights. Our principle audit procedures included, among others:

- (i) testing the completeness and accuracy of management’s valuations, including evaluating the appropriateness of management’s methodologies, evaluating the reasonableness of assumptions and significant unobservable inputs, including revenue and/or other multiples utilized, liquidation value, financing risk, term to expiration and discount rates; and
- (ii) the involvement of professionals with specialized skills and knowledge to assist in the assessment of the fair values for a sample of investments, including reviewing the valuation methodologies, assessing the assumptions utilized in developing the estimates, and evaluating the reasonableness of management’s conclusions in deriving the valuations.

/s/ Marcum LLP

San Francisco, CA

March 14, 2024

We have served as the Company’s auditor since 2019.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
ASSETS		
Investments at fair value:		
Non-controlled/non-affiliate investments (cost of \$160,994,161 and \$155,103,810, respectively)	\$ 147,167,535	\$ 130,901,546
Non-controlled/affiliate investments (cost of \$32,775,940 and \$41,140,804, respectively)	24,931,333	12,591,162
Controlled investments (cost of \$18,771,097 and \$19,883,894, respectively)	11,982,381	13,695,870
Total Portfolio Investments	184,081,249	157,188,578
Investments in U.S. Treasury bills (cost of \$63,792,704 and \$84,999,598, respectively)	63,810,855	85,056,817
Total Investments (cost of \$276,333,902 and \$301,128,106, respectively)	247,892,104	242,245,395
Cash	28,178,352	40,117,598
Escrow proceeds receivable	309,293	628,332
Interest and dividends receivable	132,607	138,766
Deferred financing costs	594,726	555,761
Prepaid expenses and other assets ⁽¹⁾	494,602	727,006
Total Assets	277,601,684	284,412,858
LIABILITIES		
Accounts payable and accrued expenses ⁽¹⁾	346,308	708,827
Dividends payable	152,523	296,170
6.00% Notes due December 30, 2026 ⁽²⁾	73,745,207	73,387,159
Total Liabilities	74,244,038	74,392,156
Commitments and contingencies (Notes 7 and 10)		
Net Assets	\$ 203,357,646	\$ 210,020,702
NET ASSETS		
Common stock, par value \$0.01 per share (100,000,000 authorized; 25,445,805 and 28,429,499 issued and outstanding, respectively)	\$ 254,458	\$ 284,295
Paid-in capital in excess of par	248,454,107	330,899,254
Accumulated net investment loss	(4,304,111)	(64,832,605)
Accumulated net realized gain/(loss) on investments, net of distributions	(12,348,772)	2,552,465
Accumulated net unrealized appreciation/(depreciation) of investments	(28,698,036)	(58,882,707)
Net Assets	\$ 203,357,646	\$ 210,020,702
Net Asset Value Per Share	\$ 7.99	\$ 7.39

See accompanying notes to consolidated financial statements.

(1) This balance includes a right of use asset and corresponding operating lease liability, respectively. Refer to “Note 7—Commitments and Contingencies—Operating Leases and Related Deposits” for more detail.

(2) As of December 31, 2023, the 6.00% Notes due December 30, 2026 (the “6.00% Notes due 2026”) (effective interest rate of 6.53%) had a face value \$75,000,000. As of December 31, 2022, the 6.00% Notes due 2026 (effective interest rate of 6.53%) had a face value \$75,000,000. Refer to “Note 10—Debt Capital Activities” for a reconciliation of the carrying value to the face value.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,		
	2023	2022	2021
INVESTMENT INCOME			
Non-controlled/non-affiliate investments:			
Interest income ⁽¹⁾	\$ 795,847	\$ 403,029	\$ 507,772
Dividend income	211,310	541,239	470,438
Non-controlled/affiliate investments:			
Dividend income	—	—	102,632
Controlled investments:			
Interest income	1,331,258	1,685,000	390,000
Dividend income	500,000	—	—
Interest income from U.S. Treasury bills	3,758,365	826,925	—
Total Investment Income	6,596,780	3,456,193	1,470,842
OPERATING EXPENSES			
Compensation expense	9,482,867	7,566,452	6,162,716
Directors' fees ⁽²⁾	645,548	675,716	752,442
Professional fees	2,602,894	3,395,260	2,665,689
Interest expense	4,858,049	4,845,549	693,526
Income tax expense	624,049	82,238	9,347
Other expenses	1,822,982	1,598,986	1,117,941
Total Operating Expenses	20,036,389	18,164,201	11,401,661
Net Investment Loss	(13,439,609)	(14,708,008)	(9,930,819)
Realized Gain/(Loss) on Investments:			
Non-controlled/non-affiliated investments	(1,185,273)	(5,835,074)	216,870,940
Non-controlled/affiliate investments	(10,762,231)	(70,379)	1,864,564
Net Realized Gain/(Loss) on Investments	(11,947,504)	(5,905,453)	218,735,504
Change in Unrealized Appreciation/(Depreciation) of Investments:			
Non-controlled/non-affiliated investments	10,349,592	(109,553,034)	(59,057,641)
Non-controlled/affiliate investments	20,705,035	(1,947,553)	(2,902,517)
Controlled investments	(600,692)	(63,005)	227,194
Net Change in Unrealized Appreciation/(Depreciation) of Investments	30,453,935	(111,563,592)	(61,732,964)
Net Change in Net Assets Resulting from Operations	\$ 5,066,822	\$ (132,177,053)	\$ 147,071,721
Net Change in Net Assets Resulting from Operations per Common Share:			
Basic	\$ 0.19	\$ (4.40)	\$ 5.69
Diluted ⁽³⁾	\$ 0.19	\$ (4.40)	\$ 5.52
Weighted-Average Common Shares Outstanding			
Basic	26,222,667	30,023,202	25,861,642
Diluted ⁽³⁾	26,222,667	30,023,202	26,758,367

See accompanying notes to consolidated financial statements.

(1) Includes interest income earned on idle cash.

(2) Refer to "Note 11 — Stock-Based Compensation" for more detail.

(3) As of December 31, 2023, 2022, and 2021, there were no potentially dilutive securities outstanding. Refer to "Note 6 — Net Change in Net Assets Resulting from Operations per Common Share — Basic and Diluted".

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31,		
	2023	2022	2021
Change in Net Assets Resulting from Operations			
Net investment loss	\$ (13,439,609)	\$ (14,708,008)	\$ (9,930,819)
Net realized gain/(loss) on investments	(11,947,504)	(5,905,453)	218,735,504
Net change in unrealized appreciation/(depreciation) of investments	30,453,935	(111,563,592)	(61,732,964)
Net Change in Net Assets Resulting from Operations	5,066,822	(132,177,053)	147,071,721
Distributions			
Dividends declared	—	(3,441,824)	(212,197,025)
Total Distributions	—	(3,441,824)	(212,197,025)
Change in Net Assets Resulting from Capital Transactions			
Issuance of common stock from public offering	—	229,896	78,608
Stock-based compensation ⁽¹⁾	2,448,807	2,015,600	1,306,615
Issuance of common stock from conversion of 4.75% Convertible Notes due 2023	—	—	37,259,819
Issuance of common stock from stock dividend	—	—	89,743,813
Repurchases of common stock	(14,178,685)	(21,452,541)	—
Net Change in Net Assets Resulting from Capital Transactions	(11,729,878)	(19,207,045)	128,388,855
Total Change in Net Assets	(6,663,056)	(154,825,922)	63,263,551
Net Assets at Beginning of Year	210,020,702	364,846,624	301,583,073
Net Assets at End of Year	\$ 203,357,646	\$ 210,020,702	\$ 364,846,624
Capital Share Activity			
Shares outstanding at beginning of year	28,429,499	31,118,556	19,914,023
Issuance of common stock from public offering	—	17,807	5,900
Issuance of common stock under restricted stock plan, net ⁽¹⁾	202,799	301,812	369,298
Issuance of common stock from conversion of 4.75% Convertible Notes due 2023	—	—	4,097,808
Issuance of common stock from stock dividend	—	—	6,731,527
Shares repurchased	(3,186,493)	(3,008,676)	—
Shares Outstanding at End of Year	25,445,805	28,429,499	31,118,556

See accompanying notes to consolidated financial statements.

(1) Refer to “Note 11 — Stock-Based Compensation” for more detail.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2023	2022	2021
Cash Flows from Operating Activities			
Net change in net assets resulting from operations	\$ 5,066,822	\$ (132,177,053)	\$ 147,071,721
Adjustments to reconcile net change in net assets resulting from operations to net cash provided by/(used in) operating activities:			
Net realized (gain)/loss on investments	11,947,504	5,905,453	(218,735,504)
Net change in unrealized (appreciation)/depreciation of investments	(30,453,935)	111,563,592	61,732,964
Amortization of discount on 4.75% Convertible Senior Notes due 2023	—	—	76,927
Amortization of discount on 6.00% Notes due 2026	319,092	425,550	16,310
Stock-based compensation	2,448,807	2,015,600	1,306,615
Adjustments to escrow proceeds receivable	117,136	(859,121)	1,934,622
Accrued interest on U.S. Treasury bills	13,024	—	—
Forfeited interest on 4.75% Convertible Senior Notes due 2023	—	—	102,917
Purchases of investments in:			
Portfolio investments	(24,485,431)	(22,783,388)	(81,716,039)
U.S. Treasury bills	(253,585,717)	(184,172,673)	—
Proceeds from sales or maturity of investments in:			
Portfolio investments	16,008,100	9,063,919	257,427,478
U.S. Treasury bills	274,792,611	99,173,075	150,000,000
Change in operating assets and liabilities:			
Prepaid expenses and other assets	232,404	210,978	47,566
Interest and dividends receivable	6,159	(55,111)	83,343
Proceeds receivable	—	52,493	(52,493)
Escrow proceeds receivable	319,039	1,418,313	(1,194,183)
Payable for securities purchased	—	—	(134,250,000)
Accounts payable and accrued expenses	(362,519)	(166,220)	112,735
Income tax payable	—	—	(35,850)
Accrued interest payable	—	(175,000)	(278,803)
Net Cash Provided by/(Used in) Operating Activities	2,383,096	(110,559,593)	183,650,326
Cash Flows from Financing Activities			
Proceeds from the issuance of common stock, net	—	229,896	78,608
Proceeds from the issuance of 6.00% Notes due 2026	—	—	75,000,000
Redemption of 4.75% Convertible Senior Notes due 2023	—	—	(290,000)
Deferred debt issuance costs	—	—	(1,970,892)
Repurchases of common stock	(14,178,685)	(21,452,541)	—
Cash dividends paid	(143,657)	(26,535,702)	(103,458,098)
Cash paid for fractional shares	—	—	(399)
Deferred financing costs	—	(1,540)	(366,191)
Net Cash Used in Financing Activities	(14,322,342)	(47,759,887)	(31,006,972)
Total Increase/(Decrease) in Cash Balance	(11,939,246)	(158,319,480)	152,643,354
Cash Balance at Beginning of Year	40,117,598	198,437,078	45,793,724
Cash Balance at End of Year	\$ 28,178,352	\$ 40,117,598	198,437,078
Supplemental Information:	2023	2022	2021
Interest paid	\$ 4,500,000	\$ 4,662,500	794,206
Taxes paid	533,894	82,238	43,499
Conversion of 4.75% Convertible Senior Notes due 2023	—	—	37,925,000

See accompanying notes to consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2023

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
NON-CONTROLLED/NON-AFFILIATE						
Learnco, Inc. (f/k/a Course Hero, Inc.)						
	Redwood City, CA					
Preferred shares, Series A 8%	Online Education	9/18/2014	2,145,509	\$ 5,000,001	\$ 45,982,580	22.61%
Preferred shares, Series C 8%		11/5/2021	275,659	9,999,971	9,999,971	4.92%
Total				<u>14,999,972</u>	<u>55,982,551</u>	<u>27.53%</u>
ServiceTitan, Inc.						
	Glendale, CA					
	Contractor Management					
Common shares	Software	6/30/2023	151,515	10,008,233	11,960,975	5.88%
Blink Health, Inc.						
	New York, NY					
Preferred shares, Series A	Pharmaceutical Technology	10/27/2020	238,095	5,000,423	1,692,855	0.83%
Preferred shares, Series C		10/27/2020	261,944	10,003,917	9,999,975	4.92%
Total				<u>15,004,340</u>	<u>11,692,830</u>	<u>5.75%</u>
Locus Robotics Corp.						
	Wilmington, MA					
Preferred shares, Series F 6%	Warehouse Automation	11/30/2022	232,568	10,004,286	10,675,766	5.25%
Whoop, Inc.						
	Boston, MA					
Preferred shares, Series C	Fitness Technology	6/30/2022	13,293,450	10,011,460	9,612,887	4.73%
Shogun Enterprises, Inc. (d/b/a Hearth)⁽¹³⁾						
	Austin, TX					
Preferred shares, Series B-1	Home Improvement Finance	2/26/2021	436,844	3,501,657	3,132,942	1.54%
Preferred shares, Series B-2		2/26/2021	301,750	3,501,661	3,132,946	1.54%
Preferred shares, Series B-3		5/2/2022	56,936	530,822	475,152	0.23%
Preferred shares, Series B-4		7/12/2023	48,267	366,606	342,517	0.17%
Common Warrants, Strike Price \$0.01, Expiration Date 7/12/2026		7/12/2023	86,076	140,060	—	—%
Total				<u>8,040,806</u>	<u>7,083,557</u>	<u>3.48%</u>
FourKites, Inc.						
	Chicago, IL					
Common shares	Supply Chain Technology	7/7/2023	1,398,024	8,530,389	6,926,176	3.41%
Orchard Technologies, Inc.⁽¹²⁾						
	New York, NY					
Preferred shares, Series D 8%	Real Estate Platform	8/9/2021	558,053	3,751,518	—	—%
Senior Preferred shares, Series 2		8/9/2021	58,771	587,951	—	—%
Senior Preferred shares, Series 1 7%		1/13/2023	441,228	4,418,406	4,854,086	2.39%
Common shares		8/9/2021	558,053	3,751,518	—	—%
Total				<u>12,509,393</u>	<u>4,854,086</u>	<u>2.39%</u>
True Global Ventures 4 Plus Pte Ltd^{**}						
	Singapore, Singapore					
Limited Partner Fund Investment ⁽⁸⁾	Venture Investment Fund	8/27/2021	1	960,778	4,054,309	1.99%
Neutron Holdings, Inc. (d/b/a Lime)						
	San Francisco, CA					
Junior Preferred shares, Series 1-D	Micromobility	1/25/2019	41,237,113	10,007,322	3,485,014	1.71%
Junior Preferred Convertible Note 4% Due 5/11/2027 ^{***}		5/11/2020	\$ 506,339	506,339	506,339	0.25%
Common Warrants, Strike Price \$0.01, Expiration Date 5/11/2027		5/11/2020	2,032,967	—	—	—%
Total				<u>10,513,661</u>	<u>3,991,353</u>	<u>1.96%</u>
Forge Global, Inc.^{**}						
	San Francisco, CA					
Common shares ⁽³⁾	Online Marketplace Finance	7/20/2011	1,145,875	2,093,988	3,930,351	1.93%
PayJoy, Inc.						
	San Francisco, CA					
Preferred shares	Mobile Access Technology	7/23/2021	244,117	2,501,570	2,500,002	1.23%
Simple Agreement for Future Equity		5/25/2023	1	501,470	500,000	0.25%
Total				<u>3,003,040</u>	<u>3,000,002</u>	<u>1.48%</u>
Residential Homes for Rent, LLC (d/b/a Second Avenue)						
	Chicago, IL					
Preferred shares, Series A ⁽⁶⁾	Real Estate Platform	12/23/2020	150,000	1,500,000	2,452,792	1.21%
Varo Money, Inc.^{**}						
	San Francisco, CA					
Common shares	Financial Services	8/11/2021	1,079,266	10,005,548	2,316,590	1.14%

See accompanying notes to consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS - continued
December 31, 2023

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
Aventine Property Group, Inc.	Chicago, IL					
Common shares***	Cannabis REIT	9/11/2019	312,500	2,580,750	1,418,723	0.70%
Xgroup Holdings Limited (d/b/a Xpoint)**(7)	Philadelphia, PA					
Convertible Note 6%, Due 10/17/2024 ⁽⁴⁾	Geolocation Technology	8/17/2022	\$ 1,000,000	1,338,976	1,325,000	0.65%
Commercial Streaming Solutions Inc. (d/b/a BettorView)⁽⁷⁾	Las Vegas, NV					
Simple Agreement for Future Equity	Interactive Media & Services	3/26/2021	1	1,004,240	1,000,000	0.49%
Stake Trade, Inc. (d/b/a Prophet Exchange)⁽⁷⁾	New York, NY					
Simple Agreement for Future Equity	Sports Betting	7/26/2023	1	1,002,153	1,000,000	0.49%
AltC Sponsor LLC**⁽¹⁰⁾	New York, NY					
	Special Purpose Acquisition Company					
Common shares, Class B		7/21/2021	214,400	224,753	759,076	0.37%
Common shares, Class A		7/21/2021	24,900	26,102	176,315	0.09%
Total				<u>250,855</u>	<u>935,391</u>	<u>0.46%</u>
Skillsoft Corp.**	Nashua, NH					
Common shares ⁽³⁾	Online Education	6/8/2021	49,092	9,818,428	863,037	0.42%
Rebric, Inc. (d/b/a Compliant)⁽⁷⁾	Denver, CO					
Preferred shares, Series Seed-4	Gaming Licensing	10/12/2021	2,406,492	1,002,755	799,323	0.39%
EDGE Markets, Inc.⁽⁷⁾	San Diego, CA					
Preferred shares, Series Seed	Gaming Technology	5/18/2022	456,704	501,330	500,000	0.25%
Churchill Sponsor VII LLC**⁽¹⁰⁾	New York, NY					
	Special Purpose Acquisition Company					
Common share units		2/25/2021	292,100	205,820	344,097	0.17%
Warrant units		2/25/2021	277,000	94,180	18,929	0.01%
Total				<u>300,000</u>	<u>363,026</u>	<u>0.18%</u>
Nextdoor Holdings, Inc.**	San Francisco, CA					
Common shares, Class B ⁽³⁾	Social Networking	9/27/2018	112,420	626,470	212,474	0.10%
YouBet Technology, Inc. (d/b/a FanPower)⁽⁷⁾	New York, NY					
Preferred shares, Series Seed-2	Digital Media Technology	8/26/2021	578,029	752,943	187,500	0.09%
Kinetiq Holdings, LLC	Philadelphia, PA					
Common shares, Class A	Social Data Platform	3/30/2012	112,374	—	28,836	0.01%
Trax Ltd.**	Singapore, Singapore					
Common shares	Retail Technology	6/9/2021	55,591	2,781,148	—	—%
Preferred shares, Investec Series		6/9/2021	144,409	7,224,600	—	—%
Total				<u>10,005,748</u>	<u>—</u>	<u>—%</u>
Aspiration Partners, Inc.	Marina Del Rey, CA					
Preferred shares, Series A	Financial Services	8/11/2015	540,270	1,001,815	—	—%
Preferred shares, Series C-3		8/12/2019	24,912	281,190	—	—%
Total				<u>1,283,005</u>	<u>—</u>	<u>—%</u>
Fullbridge, Inc.	Cambridge, MA					
Common shares	Business Education	5/13/2012	517,917	6,150,506	—	—%
Promissory Note 1.47%, Due 11/9/2021 ⁽⁴⁾ ⁽¹¹⁾		3/3/2016	\$ 2,270,458	2,270,858	—	—%
Total				<u>8,421,364</u>	<u>—</u>	<u>—%</u>
Treeshouse Real Estate Investment Trust, Inc.	Chicago, IL					
Common shares	Cannabis REIT	9/11/2019	312,500	4,919,250	—	—%
Total Non-controlled/Non-affiliate				\$ 160,994,161	\$ 147,167,535	72.37%

See accompanying notes to consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS - continued
December 31, 2023

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
NON-CONTROLLED/AFFILIATE⁽¹⁾						
StormWind, LLC⁽⁵⁾ Scottsdale, AZ						
Preferred shares, Series D 8%	Interactive Learning	11/26/2019	329,337	\$ 257,267	\$ 653,975	0.32%
Preferred shares, Series C 8%		1/7/2014	2,779,134	4,000,787	6,804,933	3.35%
Preferred shares, Series B 8%		12/16/2011	3,279,629	2,019,687	4,751,064	2.34%
Preferred shares, Series A 8%		2/25/2014	366,666	110,000	325,903	0.16%
Total				<u>6,387,741</u>	<u>12,535,875</u>	<u>6.16%</u>
PSQ Holdings, Inc. (d/b/a PublicSquare)^{** (3) (15)} West Palm Beach, FL						
Common shares, Class A	E-Commerce Marketplace	4/1/2021	1,976,032	1,556,587	8,542,386	4.20%
Warrants, Strike Price \$11.50, Expiration Date 7/19/2028		4/1/2021	2,396,037	1,028,653	1,964,750	0.97%
Total				<u>2,585,240</u>	<u>10,507,136</u>	<u>5.17%</u>
OneValley, Inc. (f/k/a NestGSV, Inc.) San Mateo, CA						
Derivative Security, Expiration Date 8/23/2024 ⁽⁹⁾	Global Innovation Platform	8/23/2019	1	8,555,124	620,927	0.31%
Convertible Promissory Note 8% Due 8/23/2024 ⁽⁴⁾		2/17/2016	\$ 1,010,198	1,030,176	1,267,395	0.62%
Total				<u>9,585,300</u>	<u>1,888,322</u>	<u>0.93%</u>
Maven Research, Inc. San Francisco, CA						
Preferred shares, Series C	Knowledge Networks	7/2/2012	318,979	2,000,447	—	—%
Preferred shares, Series B		2/28/2012	49,505	217,206	—	—%
Total				<u>2,217,653</u>	<u>—</u>	<u>—%</u>
Curious.com, Inc. Menlo Park, CA						
Common shares	Online Education	11/22/2013	1,135,944	12,000,006	—	—%
Total Non-controlled/Affiliate				\$ 32,775,940	\$ 24,931,333	12.26%
CONTROLLED⁽²⁾						
Architect Capital PayJoy SPV, LLC** San Francisco, CA						
Membership Interest in Lending SPV***	Mobile Finance Technology	3/24/2021	\$ 10,000,000	\$ 10,006,745	\$ 10,000,000	4.92%
Colombier Sponsor II LLC**⁽¹⁰⁾ Palm Beach, FL						
Special Purpose Acquisition Company						
Class B Units		11/20/2023	1,040,000	842,289	1,101,695	0.54%
Class W Units			1,600,000	760,651	498,305	0.25%
Total				<u>1,602,940</u>	<u>1,600,000</u>	<u>0.79%</u>
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.) Cupertino, CA						
Preferred shares, Class A	Clean Technology	4/15/2014	14,300,000	7,151,412	382,381	0.19%
Common shares		4/15/2014	100,000	10,000	—	—%
Total				<u>7,161,412</u>	<u>382,381</u>	<u>0.19%</u>
Total Controlled				\$ 18,771,097	\$ 11,982,381	5.89%
Total Portfolio Investments				\$ 212,541,198	\$ 184,081,249	90.52%
U.S. Treasury⁽³⁾						
U.S. Treasury bill, 0%, due 3/28/2024***		12/29/2023	\$ 35,000,000	34,547,625	34,559,949	16.99%
U.S. Treasury bill, 0%, due 6/27/2024***		12/29/2023	\$ 30,000,000	29,245,079	29,250,906	14.38%
Total				<u>63,792,704</u>	<u>63,810,855</u>	<u>31.38%</u>
TOTAL INVESTMENTS				\$ 276,333,902	\$ 247,892,104	121.90%

See accompanying notes to consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS - continued
December 31, 2023

- * All portfolio investments are non-control/non-affiliated and non-income-producing, unless otherwise identified. Equity investments are subject to lock-up restrictions upon their initial public offering (“IPO”). Preferred dividends are generally only payable when declared and paid by the portfolio company’s board of directors. The Company’s directors, officers, employees and staff, as applicable, may serve on the board of directors of the Company’s portfolio investments. (Refer to “Note 3—Related-Party Arrangements”). All portfolio investments are considered Level 3 and valued using significant unobservable inputs, unless otherwise noted. (Refer to “Note 4—Investments at Fair Value”). All of the Company’s portfolio investments are restricted as to resale, unless otherwise noted, and were valued at fair value as determined in good faith by the Company’s Board of Directors. (Refer to “Note 2—Significant Accounting Policies—*Investments at Fair Value*”).
- ** Indicates assets that SuRo Capital Corp. believes do not represent “qualifying assets” under Section 55(a) of the Investment Company Act of 1940, as amended (the “1940 Act”). Of the Company’s total investments as of December 31, 2023, 14.03% of its total investments are non-qualifying assets.
- *** Investment is income-producing.
- (1) “Affiliate Investments” are investments in those companies that are “Affiliated Companies” of SuRo Capital Corp., as defined in the 1940 Act. In general, a company is deemed to be an “Affiliate” of SuRo Capital Corp. if SuRo Capital Corp. beneficially owns, directly or indirectly, between 5% and 25% of the voting securities (*i.e.*, securities with the right to elect directors) of such company. For the Schedule of Investments In, and Advances To, Affiliates, as required by SEC Regulation S-X, Rule 12-14, refer to “Note 4—Investments at Fair Value”.
- (2) “Control Investments” are investments in those companies that are “Controlled Companies” of SuRo Capital Corp., as defined in the 1940 Act. In general, under the 1940 Act, the Company would “Control” a portfolio company if the Company beneficially owns, directly or indirectly, more than 25% of its outstanding voting securities (*i.e.*, securities with the right to elect directors) and/or had the power to exercise control over the management or policies of such portfolio company. For the Schedule of Investments In, and Advances To, Affiliates, as required by SEC Regulation S-X, Rule 12-14, refer to “Note 4—Investments at Fair Value”.
- (3) Denotes an investment considered Level 1 or Level 2 and valued using observable inputs. Refer to “Note 4—Investments at Fair Value”.
- (4) As of December 31, 2023, the investments noted had been placed on non-accrual status.
- (5) SuRo Capital Corp.’s investments in StormWind, LLC are held through SuRo Capital Corp.’s wholly owned subsidiary, GSVC SW Holdings, Inc.
- (6) SuRo Capital Corp.’s investment in preferred shares of Residential Homes for Rent, LLC (d/b/a Second Avenue) are held through SuRo Capital Corp.’s wholly owned subsidiary, GSVC AV Holdings, Inc.
- (7) SuRo Capital Corp.’s investments in Commercial Streaming Solutions Inc. (d/b/a BettorView), YouBet Technology, Inc. (d/b/a FanPower), Rebric, Inc. (d/b/a Compliant), EDGE Markets, Inc., Xgroup Holdings Limited (d/b/a Xpoint), and Stake Trade, Inc. (d/b/a Prophet Exchange) are held through SuRo Capital Corp.’s wholly owned subsidiary, SuRo Capital Sports, LLC (“SuRo Sports”).
- (8) SuRo Capital Corp.’s investments in True Global Ventures 4 Plus Pte Ltd are held through SuRo Capital Corp.’s wholly owned subsidiary, GSVC SVDS Holdings, Inc. On March 31, 2023, the previously unfunded capital commitment of \$1.3 million was deemed fully contributed in lieu of cash distributions. On March 31, 2023, the full \$2.0 million capital commitment to True Global Ventures 4 Plus Fund LP had been called and funded.
- (9) On August 23, 2019, SuRo Capital Corp. amended the structure of its investment in OneValley, Inc. (f/k/a NestGSV, Inc.). As part of the agreement, SuRo Capital Corp.’s equity holdings (warrants notwithstanding) were restructured into a derivative security. OneValley, Inc. (f/k/a NestGSV, Inc.) has the right to call the position at any time over a five year period, ending August 23, 2024, while SuRo Capital Corp. can put the shares to OneValley, Inc. (f/k/a NestGSV, Inc.) at the end of the five year period.
- (10) Denotes an investment that is the sponsor of a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses.
- (11) On November 9, 2021, Fullbridge, Inc.’s obligations under its financing arrangements with the Company became past due.
- (12) On January 13, 2023, SuRo Capital Corp. invested \$2.0 million in Orchard Technologies, Inc.’s Series 1 Senior Preferred financing round. As part of the transaction, SuRo Capital Corp. exchanged a portion of its existing Series D Preferred shares investment for Series 1 Senior Preferred shares, Series 2 Senior Preferred shares, and Common shares. Additionally, SuRo Capital Corp.’s previous investment in the Simple Agreement for Future Equity was converted into additional Series 1 Senior Preferred shares.
- (13) On July 12, 2023, SuRo Capital Corp. invested \$0.5 million in Shogun Enterprises, Inc. (d/b/a Hearth)’s Series B-4 Preferred financing round. As part of the transaction, the previous investment in the Convertible Note was converted into Series B-3 Preferred shares. Additionally, SuRo Capital Corp. received Common Warrants as part of the transaction.
- (14) On July 11, 2023, AltC Acquisition Corp. announced it signed a definitive agreement to merge with Oklo, Inc. As part of the transaction, SuRo Capital Corp.’s Share units converted to 24,900 Class A Common shares and 214,400 Class B Common shares.
- (15) On July 19, 2023, Colombier Acquisition Corp. (“Colombier”) stockholders approved a business combination with PSQ Holdings, Inc. (d/b/a PublicSquare) and related proposals at a special meeting. Also on July 19, 2023, PSQ Holdings, Inc. announced that it had consummated the business combination with Colombier pursuant to a merger agreement between the parties, creating the resultant combined company PSQ Holdings, Inc. (d/b/a PublicSquare). SuRo Capital Corp.’s shares of PSQ Holdings, Inc. (d/b/a PublicSquare) Class A Common shares are subject to certain restrictions on transfer, while the Company’s PSQ Holdings, Inc. warrants are freely tradable.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2022

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
NON-CONTROLLED/NON-AFFILIATE						
<u>Learnco, Inc. (f/k/a Course Hero, Inc.)</u>						
	Redwood City, CA					
Preferred shares, Series A 8%	Online Education	9/18/2014	2,145,509	\$ 5,000,001	\$ 40,541,403	19.30%
Preferred shares, Series C 8%		11/5/2021	275,659	9,999,971	9,999,971	4.76%
Total				<u>14,999,972</u>	<u>50,541,374</u>	<u>24.06%</u>
<u>Blink Health, Inc.</u>						
	New York, NY					
Preferred shares, Series A	Pharmaceutical Technology	10/27/2020	238,095	5,000,423	949,924	0.45%
Preferred shares, Series C		10/27/2020	261,944	10,003,917	9,999,974	4.76%
Total				<u>15,004,340</u>	<u>10,949,898</u>	<u>5.21%</u>
<u>Orchard Technologies, Inc.</u>						
	New York, NY					
Preferred shares, Series D	Real Estate Platform	8/9/2021	1,488,139	10,004,034	9,999,996	4.76%
Simple Agreement for Future Equity		9/2/2022	1	501,663	500,000	0.24%
Total				<u>10,505,697</u>	<u>10,499,996</u>	<u>5.00%</u>
<u>Locus Robotics Corp.</u>						
	Wilmington, MA					
Preferred shares, Series F	Warehouse Automation	11/30/2022	232,568	10,004,286	10,000,005	4.76%
<u>Aspiration Partners, Inc.</u>						
	Marina Del Rey, CA					
Preferred shares, Series A	Financial Services	8/11/2015	540,270	1,001,815	6,229,360	2.97%
Preferred shares, Series C-3		8/12/2019	24,912	281,190	312,151	0.15%
Total				<u>1,283,005</u>	<u>6,541,511</u>	<u>3.11%</u>
<u>Whoop, Inc.</u>						
	Boston, MA					
Preferred shares, Series C	Fitness Technology	6/30/2022	13,293,450	10,011,460	6,084,041	2.90%
<u>Forge Global, Inc.**</u>						
	San Francisco, CA					
Common shares ⁽³⁾⁽¹⁴⁾	Online Marketplace Finance	7/20/2011	2,508,074	3,443,483	4,338,968	2.07%
<u>Nextdoor Holdings, Inc.**</u>						
	San Francisco, CA					
Common shares, Class B ⁽³⁾	Social Networking	9/27/2018	1,802,416	10,002,666	3,712,977	1.77%
<u>NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.)**</u>						
	New Canaan, CT					
Common shares ^{***(3)}	Cannabis REIT	8/12/2019	229,758	4,678,686	3,680,723	1.75%
<u>Shogun Enterprises, Inc. (d/b/a Hearth)</u>						
	Austin, TX					
Preferred shares, Series B-1	Home Improvement Finance	2/26/2021	436,844	3,501,657	1,403,023	0.67%
Preferred shares, Series B-2		2/26/2021	301,750	3,501,661	1,403,024	0.67%
Convertible Note 0.5%, Due 4/18/2024 ^{***}		5/2/2022	\$ 500,000	500,000	500,000	0.24%
Total				<u>7,503,318</u>	<u>3,306,047</u>	<u>1.57%</u>
<u>True Global Ventures 4 Plus Pte Ltd^{**}(8)</u>						
	Singapore, Singapore					
Limited Partner Fund Investment	Venture Investment Fund	8/27/2021	1	—	3,063,358	1.46%
<u>Residential Homes for Rent, LLC (d/b/a Second Avenue)</u>						
	Chicago, IL					
Preferred shares, Series A ⁽⁶⁾	Real Estate Platform	12/23/2020	150,000	1,500,000	1,959,713	0.93%
Term loan 15%, Due 12/23/2023 ^{***} (11)		12/23/2020	\$ 1,000,000	1,000,000	1,000,000	0.48%
Total				<u>2,500,000</u>	<u>2,959,713</u>	<u>1.41%</u>
<u>Trax Ltd.**</u>						
	Singapore, Singapore					
Common shares	Retail Technology	6/9/2021	55,591	2,781,148	280,797	0.13%
Preferred shares, Investec Series		6/9/2021	144,409	7,224,600	2,647,017	1.26%
Total				<u>10,005,748</u>	<u>2,927,814</u>	<u>1.39%</u>
<u>PayJoy, Inc.</u>						
	San Francisco, CA					
Preferred shares	Mobile Access Technology	7/23/2021	244,117	2,501,570	2,500,002	1.19%
<u>Aventine Property Group, Inc.</u>						
	Chicago, IL					
Common shares ^{***}	Cannabis REIT	9/11/2019	312,500	2,580,750	1,917,521	0.91%
<u>Varo Money, Inc.**</u>						
	San Francisco, CA					
Common shares	Financial Services	8/11/2021	1,079,266	10,005,548	1,286,783	0.61%

See accompanying notes to consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS - continued
December 31, 2022

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
Skillsoft Corp.**	Nashua, NH					
Common shares ⁽³⁾	Online Education	6/8/2021	981,843	9,818,430	1,276,396	0.61%
Commercial Streaming Solutions Inc. (d/b/a BettorView)⁽⁷⁾	Las Vegas, NV					
Simple Agreement for Future Equity	Interactive Media & Services	3/26/2021	1	1,004,240	1,000,000	0.48%
Rebric, Inc. (d/b/a Compliant)⁽⁷⁾	Denver, CO					
Preferred shares, Series Seed-4	Gaming Licensing	10/12/2021	2,064,409	1,002,755	1,000,000	0.48%
Xgroup Holdings Limited (d/b/a Xpoint)**⁽⁷⁾	Dubai, UAE					
Convertible Note 6%, Due 8/17/2023***	Geolocation Technology	8/17/2022	\$ 1,000,000	1,009,093	1,000,000	0.48%
YouBet Technology, Inc. (d/b/a FanPower)⁽⁷⁾	New York, NY					
Preferred shares, Series Seed-2	Digital Media Technology	8/26/2021	578,029	752,943	749,998	0.36%
EDGE Markets, Inc.⁽⁷⁾	San Diego, CA					
Preferred shares, Series Seed	Gaming Technology	5/18/2022	456,704	501,330	500,000	0.24%
Churchill Sponsor VII LLC**⁽¹²⁾	New York, NY					
Common share units	Special Purpose Acquisition Company	2/25/2021	292,100	205,820	205,820	0.10%
Warrant units		2/25/2021	277,000	94,180	94,180	0.04%
Total				300,000	300,000	0.14%
AltC Sponsor LLC**⁽¹²⁾	New York, NY					
Share units	Special Purpose Acquisition Company	7/21/2021	239,300	250,855	250,000	0.12%
Rent the Runway, Inc.**	New York, NY					
Common shares ⁽³⁾	Subscription Fashion Rental	6/17/2020	79,191	1,203,293	241,533	0.12%
Churchill Sponsor VI LLC**⁽¹²⁾	New York, NY					
Common share units	Special Purpose Acquisition Company	2/25/2021	195,000	134,297	134,297	0.06%
Warrant units		2/25/2021	199,100	65,703	65,703	0.03%
Total				200,000	200,000	0.10%
Kahoot! ASA**	Oslo, Norway					
Common shares ⁽³⁾	Education Software	12/5/2014	38,305	176,067	72,888	0.03%
Neutron Holdings, Inc. (d/b/a Lime)	San Francisco, CA					
Junior Preferred shares, Series 1-D	Micromobility	1/25/2019	41,237,113	10,007,322	—	—%
Junior Preferred Convertible Note 4% Due 5/11/2027 ⁽⁴⁾		5/11/2020	\$ 506,339	506,339	—	—%
Common Warrants, Strike Price \$0.01, Expiration Date 5/11/2027		5/11/2020	2,032,967	—	—	—%
Total				10,513,661	—	—%
Fullbridge, Inc.	Cambridge, MA					
Common shares	Business Education	5/13/2012	517,917	6,150,506	—	—%
Promissory Note 1.47%, Due 11/9/2021 ⁽⁴⁾⁽¹³⁾		3/3/2016	\$ 2,270,458	2,270,858	—	—%
Total				8,421,364	—	—%
Trehouse Real Estate Investment Trust, Inc.	Chicago, IL					
Common shares	Cannabis REIT	9/11/2019	312,500	4,919,250	—	—%
Kinetiq Holdings, LLC	Philadelphia, PA					
Common shares, Class A	Social Data Platform	3/30/2012	112,374	—	—	—%
Total Non-controlled/Non-affiliate				\$ 155,103,810	\$ 130,901,546	62.33%

See accompanying notes to consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS - continued
December 31, 2022

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
NON-CONTROLLED/AFFILIATE⁽¹⁾						
StormWind, LLC⁽⁵⁾						
	Scottsdale, AZ					
Preferred shares, Series D 8%	Interactive Learning	11/26/2019	329,337	\$ 257,267	\$ 533,429	0.25%
Preferred shares, Series C 8%		1/7/2014	2,779,134	4,000,787	5,675,081	2.70%
Preferred shares, Series B 8%		12/16/2011	3,279,629	2,019,687	3,550,631	1.69%
Preferred shares, Series A 8%		2/25/2014	366,666	110,000	191,694	0.09%
Total				<u>6,387,741</u>	<u>9,950,835</u>	<u>4.74%</u>
OneValley, Inc. (f/k/a NestGSV, Inc.)						
	San Mateo, CA					
Derivative Security, Expiration Date 8/23/2024 ⁽¹⁰⁾	Global Innovation Platform	8/23/2019	1	8,555,124	652,127	0.31%
Convertible Promissory Note 8% Due 8/23/2024 ⁽⁴⁾⁽¹⁰⁾		2/17/2016	\$ 1,010,198	1,030,176	1,988,200	0.95%
Preferred Warrant Series B, Strike Price \$2.31, Expiration Date 12/31/2023		12/31/2018	250,000	5,080	—	—%
Total				<u>9,590,380</u>	<u>2,640,327</u>	<u>1.26%</u>
Ozy Media, Inc.						
	Mountain View, CA					
Preferred shares, Series C-2 6%	Digital Media Platform	8/31/2016	683,482	2,414,178	—	—%
Preferred shares, Series B 6%		10/3/2014	922,509	4,999,999	—	—%
Preferred shares, Series A 6%		12/11/2013	1,090,909	3,000,200	—	—%
Preferred shares, Series Seed 6%		11/2/2012	500,000	500,000	—	—%
Common Warrants, Strike Price \$0.01, Expiration Date 4/9/2028		4/9/2018	295,565	30,647	—	—%
Total				<u>10,945,024</u>	<u>—</u>	<u>—%</u>
Maven Research, Inc.						
	San Francisco, CA					
Preferred shares, Series C	Knowledge Networks	7/2/2012	318,979	2,000,447	—	—%
Preferred shares, Series B		2/28/2012	49,505	217,206	—	—%
Total				<u>2,217,653</u>	<u>—</u>	<u>—%</u>
Curious.com, Inc.						
	Menlo Park, CA					
Common shares	Online Education	11/22/2013	1,135,944	12,000,006	—	—%
Total Non-controlled/Affiliate				\$ 41,140,804	\$ 12,591,162	6.00%
CONTROLLED⁽²⁾						
Architect Capital PayJoy SPV, LLC**						
	San Francisco, CA					
Membership Interest in Lending SPV***	Mobile Finance Technology	3/24/2021	\$ 10,000,000	\$ 10,006,745	\$ 10,000,000	4.76%
Colombier Sponsor LLC**⁽¹²⁾						
	New York, NY					
	Special Purpose Acquisition Company					
Class B Units		4/1/2021	1,976,033	1,556,587	1,554,355	0.74%
Class W Units		4/1/2021	2,700,000	1,159,150	1,157,487	0.55%
Total				<u>2,715,737</u>	<u>2,711,842</u>	<u>1.29%</u>
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)						
	Cupertino, CA					
Preferred shares, Class A ⁽⁹⁾	Clean Technology	4/15/2014	14,300,000	7,151,412	984,028	0.47%
Common shares		4/15/2014	100,000	10,000	—	—%
Total				<u>7,161,412</u>	<u>984,028</u>	<u>0.47%</u>
Total Controlled				\$ 19,883,894	\$ 13,695,870	6.52%
Total Portfolio Investments				\$ 216,128,508	\$ 157,188,578	74.84%
U.S. Treasury						
U.S. Treasury bill, 0%, due 3/30/2023*** ⁽³⁾		12/29/2022	\$ 45,492,000	45,000,118	45,026,162	21.44%
U.S. Treasury bill, 0%, due 6/29/2023*** ⁽³⁾		12/29/2022	\$ 40,937,000	39,999,480	40,030,655	19.06%
Total				<u>84,999,598</u>	<u>85,056,817</u>	<u>40.50%</u>
TOTAL INVESTMENTS				\$ 301,128,106	\$ 242,245,395	115.34%

See accompanying notes to consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS - continued
December 31, 2022

-
- * All portfolio investments are non-control/non-affiliated and non-income-producing, unless otherwise identified. Equity investments are subject to lock-up restrictions upon their initial public offering (“IPO”). Preferred dividends are generally only payable when declared and paid by the portfolio company’s board of directors. The Company’s directors, officers, employees and staff, as applicable, may serve on the board of directors of the Company’s portfolio investments. (Refer to “Note 3—Related-Party Arrangements”). All portfolio investments are considered Level 3 and valued using significant unobservable inputs, unless otherwise noted. (Refer to “Note 4—Investments at Fair Value”). All of the Company’s portfolio investments are restricted as to resale, unless otherwise noted, and were valued at fair value as determined in good faith by the Company’s Board of Directors. (Refer to “Note 2—Significant Accounting Policies—*Investments at Fair Value*”).
- ** Indicates assets that SuRo Capital Corp. believes do not represent “qualifying assets” under Section 55(a) of the Investment Company Act of 1940, as amended (the “1940 Act”). Of the Company’s total investments as of December 31, 2022, 14.47% of its total investments are non-qualifying assets.
- *** Investment is income-producing.
- (1) “Affiliate Investments” are investments in those companies that are “Affiliated Companies” of SuRo Capital Corp., as defined in the 1940 Act. In general, a company is deemed to be an “Affiliate” of SuRo Capital Corp. if SuRo Capital Corp. beneficially owns, directly or indirectly, between 5% and 25% of the voting securities (*i.e.*, securities with the right to elect directors) of such company. For the Schedule of Investments In, and Advances To, Affiliates, as required by SEC Regulation S-X, Rule 12-14, refer to “Note 4—Investments at Fair Value”.
- (2) “Control Investments” are investments in those companies that are “Controlled Companies” of SuRo Capital Corp., as defined in the 1940 Act. In general, under the 1940 Act, the Company would “Control” a portfolio company if the Company beneficially owns, directly or indirectly, more than 25% of its outstanding voting securities (*i.e.*, securities with the right to elect directors) and/or had the power to exercise control over the management or policies of such portfolio company. For the Schedule of Investments In, and Advances To, Affiliates, as required by SEC Regulation S-X, Rule 12-14, refer to “Note 4—Investments at Fair Value”.
- (3) Denotes an investment considered Level 1 or Level 2 and valued using observable inputs. Refer to “Note 4—Investments at Fair Value”.
- (4) As of December 31, 2022, the investments noted had been placed on non-accrual status.
- (5) SuRo Capital Corp.’s investments in StormWind, LLC are held through SuRo Capital Corp.’s wholly owned subsidiary, GSV SW Holdings, Inc.
- (6) SuRo Capital Corp.’s investments in preferred shares of Residential Homes for Rent, LLC (d/b/a Second Avenue) are held through SuRo Capital Corp.’s wholly owned subsidiary, GSV AV Holdings, Inc.
- (7) SuRo Capital Corp.’s investments in Commercial Streaming Solutions Inc. (d/b/a BettorView), YouBet Technology, Inc. (d/b/a FanPower), Rebric, Inc. (d/b/a Compliant), EDGE Markets, Inc., and Xgroup Holdings Limited (d/b/a Xpoint) are held through SuRo Capital Corp.’s wholly owned subsidiary, SuRo Capital Sports, LLC (“SuRo Sports”).
- (8) SuRo Capital Corp.’s investments in True Global Ventures 4 Plus Pte Ltd are held through SuRo Capital Corp.’s wholly owned subsidiary, GSV SVDS Holdings, Inc. As of December 31, 2022, \$0.7 million of a \$2.0 million capital commitment to True Global Ventures 4 Plus Fund LP had been called and funded.
- (9) The SPBRX, INC. (*f/k/a* GSV Sustainability Partners, Inc.) preferred shares held by SuRo Capital Corp. do not entitle SuRo Capital Corp. to a preferred dividend. SuRo Capital Corp. does not anticipate that SPBRX, INC. will pay distributions on a quarterly or regular basis or become a predictable distributor of distributions.
- (10) On August 23, 2019, SuRo Capital Corp. amended the structure of its investment in OneValley, Inc. (*f/k/a* NestGSV, Inc.). As part of the agreement, SuRo Capital Corp.’s equity holdings (warrants notwithstanding) were restructured into a derivative security. OneValley, Inc. (*f/k/a* NestGSV, Inc.) has the right to call the position at any time over a five year period, ending August 23, 2024, while SuRo Capital Corp. can put the shares to OneValley, Inc. (*f/k/a* NestGSV, Inc.) at the end of the five year period.
- (11) During the year ended December 31, 2022, approximately \$1.2 million has been received from Residential Homes for Rent, LLC (d/b/a Second Avenue) related to the 15% term loan due December 23, 2023. Of the proceeds received, approximately \$1.0 million repaid a portion of the outstanding principal and the remaining was attributed to interest.
- (12) Denotes an investment that is the sponsor of a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses.
- (13) On November 9, 2021, Fullbridge, Inc.’s obligations under its financing arrangements with the Company became past due.
- (14) On March 22, 2022, Forge Global Holdings, Inc., completed its business combination with Motive Capital Corp. As a result of the transaction, each share of Forge Global, Inc.’s capital stock outstanding prior to the business combination was exchanged at the designated exchange ratio of approximately 3.123. In addition, each warrant of Forge Global, Inc. was exchanged into warrants exercisable into common stock based on the exchange ratio of 3.123. The exercise price of each converted warrant was determined by dividing the exercise price of the respective Forge Global, Inc. warrants by the exchange ratio, rounded to the nearest whole cent. On and effective August 5, 2022, SuRo Capital Corp. notified Forge Global, Inc. of its intent to net exercise via cashless settlement its 230,144 common warrants in Forge Global, Inc. into 53,283 shares of Forge Global, Inc.’s public common stock, pursuant to the net exercise formula in the warrant agreement. The exercise was effectuated on September 30, 2022.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

NOTE 1—NATURE OF OPERATIONS

SuRo Capital Corp. (“we”, “us”, “our”, “Company” or “SuRo Capital”), formerly known as Sutter Rock Capital Corp. and as GSV Capital Corp. and formed in September 2010 as a Maryland corporation, is an internally managed, non-diversified closed-end management investment company. The Company has elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”), and has elected to be treated, and intends to qualify annually, as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”).

The Company’s date of inception was January 6, 2011, which is the date it commenced development stage activities. The Company’s common stock is currently listed on the Nasdaq Global Select Market under the symbol “SSSS” (formerly “GSVC”). Prior to November 24, 2021, the Company’s common stock traded on the Nasdaq Capital Market under the same symbol (“SSSS”). The Company began its investment operations during the second quarter of 2011.

The table below displays the Company’s subsidiaries as of December 31, 2023, which, other than GSV Capital Lending, LLC (“GCL”) and SuRo Capital Sports, LLC, are collectively referred to as the “Taxable Subsidiaries.” The Taxable Subsidiaries were formed to hold certain portfolio investments. The Taxable Subsidiaries, including their associated portfolio investments, are consolidated with the Company for accounting purposes, but have elected to be treated as separate entities for U.S. federal income tax purposes. GCL was formed to originate portfolio loan investments within the state of California and is consolidated with the Company for accounting purposes. Refer to “Note 2—Significant Accounting Policies—Basis of Consolidation” below for further detail.

Subsidiary	Jurisdiction of Incorporation	Formation Date	Percentage Owned
GCL	Delaware	April 13, 2012	100%
SuRo Capital Sports, LLC (“SuRo Sports”)	Delaware	March 19, 2021	100%
Subsidiaries below are referred to collectively as the “Taxable Subsidiaries”			
GSVC AE Holdings, Inc. (“GAE”)	Delaware	November 28, 2012	100%
GSVC AV Holdings, Inc. (“GAV”)	Delaware	November 28, 2012	100%
GSVC SW Holdings, Inc. (“GSW”)	Delaware	November 28, 2012	100%
GSVC SVDS Holdings, Inc. (“SVDS”)	Delaware	August 13, 2013	100%

The Company’s investment objective is to maximize its portfolio’s total return, principally by seeking capital gains on its equity and equity-related investments, and to a lesser extent, income from debt investments. The Company invests principally in the equity securities of what it believes to be rapidly growing venture capital-backed emerging companies. The Company may invest in these portfolio companies through offerings of the prospective portfolio companies, transactions on secondary marketplaces for private companies, or negotiations with selling stockholders. In addition, the Company may invest in private credit and in founders equity, founders warrants, forward purchase agreements, and private investment in public equity transactions of special purpose acquisition companies (“SPACs”). The Company may also invest on an opportunistic basis in select publicly traded equity securities or certain non-U.S. companies that otherwise meet its investment criteria, subject to any applicable limitations under the 1940 Act.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements of the Company are prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (“GAAP”) and pursuant to the requirements for reporting on Form 10-K and Regulation S-X under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Company is an investment company following the specialized accounting and reporting guidance specified in the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) Topic 946, *Financial Services—Investment Companies*. In the opinion of management, all adjustments, all of which were of a normal recurring nature, were considered necessary for the fair presentation of consolidated financial statements for the period have been included.

Basis of Consolidation

Under Article 6 of Regulation S-X and the American Institute of Certified Public Accountants’ (“AICPA”) Audit and Accounting Guide for Investment Companies, the Company is precluded from consolidating any entity other than another investment company, a controlled operating company that provides substantially all of its services and benefits to the Company, and certain entities established for tax purposes where the Company holds a 100% interest. Accordingly, the Company’s Consolidated Financial Statements include its accounts and the accounts of the Taxable Subsidiaries, GCL, and SuRo Sports, its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of Consolidated Financial Statements in accordance with GAAP requires the Company’s management to make a number of significant estimates. These include estimates of the fair value of certain assets and liabilities and other estimates that affect the reported amounts of certain assets and liabilities as of the date of the Consolidated Financial Statements and the reported amounts of certain revenues and expenses during the reporting period. It is likely that changes in these estimates may occur in the near term. The Company’s estimates are inherently subjective in nature and actual results could differ materially from such estimates.

Uncertainties and Risk Factors

The Company is subject to a number of risks and uncertainties in the nature of its operations, as well as vulnerability due to certain concentrations. Refer to “Risk Factors” in Part I, Item 1A of this Form 10-K for a detailed discussion of the risks and uncertainties inherent in the nature of the Company’s operations. Refer to “Note 4—Investments at Fair Value” for an overview of the Company’s industry and geographic concentrations.

Investments at Fair Value

The Company applies fair value accounting in accordance with GAAP and the AICPA’s Audit and Accounting Guide for Investment Companies. The Company values its assets on a quarterly basis, or more frequently if required under the 1940 Act.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a framework for measuring fair value that includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1—Valuations based on unadjusted quoted prices for identical assets or liabilities in an active market that the Company has the ability to access at the measurement date.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

Level 2—Valuations based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data at the measurement date for substantially the full term of the assets or liabilities.

Level 3—Valuations based on unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model. The majority of the Company’s investments are Level 3 investments and are subject to a high degree of judgment and uncertainty in determining fair value.

When the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement in its entirety. For example, a Level 3 fair value measurement may include inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Therefore, gains and losses for such assets and liabilities categorized within the Level 3 table set forth in “Note 4—Investments at Fair Value” may include changes in fair value that are attributable to both observable inputs (Levels 1 and 2) and unobservable inputs (Level 3).

A review of fair value hierarchy classifications is conducted on a quarterly basis. Changes in the observability of valuation inputs may result in a reclassification for certain financial assets or liabilities. Reclassifications impacting Level 3 of the fair value hierarchy are reported as transfers in/out of the Level 3 category as of the beginning of the measurement period in which the reclassifications occur. Refer to “Levelling Policy” below for a detailed discussion of the levelling of the Company’s financial assets or liabilities and events that may cause a reclassification within the fair value hierarchy.

Securities for which market quotations are readily available on an exchange are valued at the most recently available closing price of such security as of the valuation date, unless there are legal or contractual restrictions on the sale or use of such security that under ASC 820-10-35 should be incorporated into the security’s fair value measurement as a characteristic of the security that would transfer to market participants who would buy the security. The Company may also obtain quotes with respect to certain of its investments from pricing services, brokers or dealers in order to value assets. When doing so, the Company determines whether the quote obtained is sufficient according to GAAP to determine the fair value of the security. If determined to be adequate, the Company uses the quote obtained.

Securities for which reliable market quotations are not readily available or for which the pricing source does not provide a valuation or methodology, or provides a valuation or methodology that, in the judgment of management, the Company’s Board of Directors or the valuation committee of the Company’s Board of Directors (the “Valuation Committee”), does not reliably represent fair value, shall each be valued as follows:

1. The quarterly valuation process begins with each portfolio company or investment being initially valued by the internal investment professionals responsible for the portfolio investment;
2. Preliminary valuation estimates are then documented and discussed with senior management;
3. For all investments for which there are no readily available market quotations, the Valuation Committee engages an independent third-party valuation firm to conduct independent appraisals, review management’s preliminary valuations and make its own independent assessment;
4. The Valuation Committee applies the appropriate valuation methodology to each portfolio asset in a consistent manner, considers the inputs provided by management and the independent third-party valuation firm, discusses the valuations and recommends to the Company’s Board of Directors a fair value for each investment in the portfolio; and
5. The Company’s Board of Directors then discusses the valuations recommended by the Valuation Committee and determines in good faith the fair value of each investment in the portfolio.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

In making a good faith determination of the fair value of investments, the Board of Directors applies valuation methodologies consistent with industry practice. Valuation methods utilized include, but are not limited to, the following: comparisons to prices from secondary market transactions; venture capital financings; public offerings; purchase or sales transactions; analysis of financial ratios and valuation metrics of portfolio companies that issued such private equity securities to peer companies that are public; analysis of the portfolio company's most recent financial statements, forecasts and the markets in which the portfolio company does business, and other relevant factors. The Company assigns a weighting based upon the relevance of each method to assist the Board of Directors in determining the fair value of each investment.

For investments that are not publicly traded or that do not have readily available market quotations, the Valuation Committee generally engages an independent valuation firm to provide an independent valuation, which the Company's Board of Directors considers, among other factors, in making its fair value determinations for these investments. For the current and prior fiscal year, the Valuation Committee engaged an independent valuation firm to perform valuations of 100% of the Company's investments for which there were no readily available market quotations.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may fluctuate from period to period. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been reported had a ready market for the investments existed, and it is reasonably possible that the difference could be material. In addition, changes in the market environment and other events that may occur over the life of the investments may cause the realized gains or losses on investments to be different from the net change in unrealized appreciation or depreciation currently reflected in the consolidated financial statements.

Equity Investments

Equity investments for which market quotations are readily available in an active market are generally valued at the most recently available closing market prices and are classified as Level 1 assets. Equity investments with readily available market quotations that are subject to sales restrictions due to an initial public offering ("IPO") by the portfolio company will be classified as Level 1. Any other equity investments with readily available market quotations that are subject to sales restrictions that would transfer to market participants who would buy the security may be valued at a discount for a lack of marketability ("DLOM"), to the most recently available closing market prices depending upon the nature of the sales restriction. These investments are generally classified as Level 2 assets. The DLOM used is generally based upon the market value of publicly traded put options with similar terms.

The fair values of the Company's equity investments for which market quotations are not readily available are determined based on various factors and are classified as Level 3 assets. To determine the fair value of a portfolio company for which market quotations are not readily available, the Board of Directors applies the appropriate respective valuation methodology for the asset class or portfolio holding, which may involve analyzing the relevant portfolio company's most recently available historical and projected financial results, public market comparables, and other factors. The Board of Directors may also consider other events, including the transaction in which the Company acquired its securities, subsequent equity sales by the portfolio company, and mergers or acquisitions affecting the portfolio company. In addition, the Board of Directors may consider the trends of the portfolio company's basic financial metrics from the time of its original investment until the measurement date, with material improvement of these metrics indicating a possible increase in fair value, while material deterioration of these metrics may indicate a possible reduction in fair value.

In determining the fair value of equity or equity-linked securities (including simple agreement for future equity ("SAFE") notes and warrants to purchase common or preferred stock) in a portfolio company, the Board of Directors considers the rights, preferences and limitations of such securities. In cases where a portfolio company's capital structure includes multiple classes of preferred and common stock and equity-linked securities with different rights and preferences, the Board of Directors may use an option pricing model to allocate value to each equity-linked security, unless it believes a liquidity event such as an acquisition or a dissolution is imminent, or the portfolio company is unlikely to continue as a going concern. When equity-linked securities expire worthless, any cost associated with these positions is recognized as a realized loss on investments in the Consolidated Statements of Operations and Consolidated Statements of Cash Flows. In the event these securities are exercised into common or preferred stock, the cost associated with these securities is reassigned to the cost basis of the new common or preferred stock. These conversions are noted as non-cash operating items on the Consolidated Statements of Cash Flows.

SURO CAPITAL CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

Debt Investments

Given the nature of the Company's current debt investments (excluding U.S. Treasuries), principally convertible and promissory notes issued by venture capital-backed portfolio companies, these investments are classified as Level 3 assets because there is no known or accessible market or market indexes for these investment securities to be traded or exchanged. The Company's debt investments are valued at estimated fair value as determined in good faith by the Company's Board of Directors.

Options

The Company's Board of Directors determines the fair value of options based on methodologies that can include discounted cash flow analyses, option pricing models, comparable analyses and other techniques as deemed appropriate. These investments are classified as Level 3 assets because there is no known or accessible market or market indexes for these investment securities to be traded or exchanged. The Company's options are valued at estimated fair value as determined in good faith by the Company's Board of Directors.

Special Purpose Acquisition Companies

The Company's Board of Directors measures its SPAC sponsor investments at fair value, which is equivalent to cost until a SPAC transaction is announced. After a SPAC transaction is announced, the Company's Board of Directors will determine the fair value of SPAC investments based on fair value analyses that can include option pricing models, probability-weighted expected return method analyses and other techniques as deemed appropriate. Upon completion of the SPAC transaction, the Board of Directors utilizes the public share price of the entity, less a DLOM if there are restrictions on selling. The Company's SPAC investments are valued at estimated fair value as determined in good faith by the Company's Board of Directors.

Venture Investment Funds

In valuing the Company's investments in venture investment funds ("Venture Investment Funds"), the Company applies the practical expedient provided by the ASC Topic 820 relating to investments in certain entities that calculate net asset value ("NAV") per share (or its equivalent). ASC Topic 820 permits an entity holding investments in certain entities that either are investment companies, or have attributes similar to an investment company, and calculate NAV per share or its equivalent for which the fair value is not readily determinable, to measure the fair value of such investments on the basis of that NAV per share, or its equivalent, without adjustment.

Portfolio Company Investment Classification

The Company is a non-diversified company within the meaning of the 1940 Act. The Company classifies its investments by level of control. As defined in the 1940 Act, control investments are those where the investor retains the power to exercise a controlling influence over the management or policies of a company. Control is generally deemed to exist when a company or individual directly or indirectly owns beneficially more than 25% of the voting securities of an investee company. Affiliated investments and affiliated companies are defined by a lesser degree of influence and are deemed to exist when a company or individual directly or indirectly owns, controls or holds the power to vote 5% or more of the outstanding voting securities of a portfolio company. Refer to the Consolidated Schedules of Investments as of December 31, 2023 and December 31, 2022 for details regarding the nature and composition of the Company's investment portfolio.

SURO CAPITAL CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

Levelling Policy

The portfolio companies in which the Company invests may offer their shares in IPOs. The Company's shares in such portfolio companies are typically subject to lock-up agreements for 180 days following the IPO. Upon the IPO date, the Company transfers its investment from Level 3 to Level 1 due to the presence of an active market, or Level 2 if limited by the lock-up agreement. The Company prices the investment at the closing price on a public exchange as of the measurement date. In situations where there are lock-up restrictions, as well as legal or contractual restrictions on the sale or use of such security that under ASC 820-10-35 should be incorporated into the security's fair value measurement as a characteristic of the security that would transfer to market participants who would buy the security, the Company will classify the investment as Level 2 subject to an appropriate DLOM to reflect the restrictions upon sale. The Company transfers investments between levels based on the fair value at the beginning of the measurement period in accordance with FASB ASC 820. For investments transferred out of Level 3 due to an IPO, the Company transfers these investments based on their fair value at the IPO date.

Securities Transactions

Securities transactions are accounted for on the date the transaction for the purchase or sale of the securities is entered into by the Company (*i.e.*, trade date). Securities transactions outside conventional channels, such as private transactions, are recorded as of the date the Company obtains the right to demand the securities purchased or to collect the proceeds from a sale and incurs an obligation to pay for securities purchased or to deliver securities sold, respectively.

Valuation of Other Financial Instruments

The carrying amounts of the Company's other, non-investment financial instruments, consisting of cash, receivables, accounts payable, and accrued expenses, approximate fair value due to their short-term nature.

Cash

The Company custodies its cash with Western Alliance Trust Company, N.A., and may place cash in demand deposit accounts with other high-quality financial institutions. The cash held in these accounts may exceed the Federal Deposit Insurance Corporation insured limit. The Company believes the risk of loss associated with any uninsured balance is remote.

Escrow Proceeds Receivable

A portion of the proceeds from the sale of portfolio investments are held in escrow as a recourse for indemnity claims that may arise under the sale agreement or other related transaction contingencies. Amounts held in escrow are held at estimated realizable value and included in net realized gains (losses) on investments in the Consolidated Statements of Operations for the period in which they occurred and are adjusted as needed. Any remaining escrow proceeds balances from these transactions reasonably expected to be received are reflected on the Consolidated Statement of Assets and Liabilities as escrow proceeds receivable. Escrow proceeds receivable resulting from contingent consideration are to be recognized when the amount of the contingent consideration becomes realized or realizable. As of December 31, 2023 and December 31, 2022, the Company had \$309,293 and \$628,332, respectively, in escrow proceeds receivable.

Deferred Financing Costs

The Company records origination costs related to lines of credit as deferred financing costs. These costs are deferred and amortized as part of interest expense using the straight-line method over the respective life of the line of credit. For modifications to a line of credit, any unamortized origination costs are expensed. Included within deferred financing costs are offering costs incurred relating to the Company's shelf registration statement on Form N-2. The Company defers these offering costs until capital is raised pursuant to the shelf registration statement or until the shelf registration statement expires. For equity capital raised, the offering costs reduce paid-in capital resulting from the offering. For debt capital raised, the associated offering costs are amortized over the life of the debt instrument. As of December 31, 2023 and December 31, 2022, the Company had deferred financing costs of \$594,726 and \$555,761, respectively, on the Consolidated Statement of Assets and Liabilities.

SURO CAPITAL CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

Operating Leases & Related Deposits

The Company accounts for its operating leases as prescribed by ASC 842, *Leases*, which requires lessees to recognize a right-of-use asset on the balance sheet, representing its right to use the underlying asset for the lease term, and a corresponding lease liability for all leases with terms greater than 12 months. The lease expense is presented as a single lease cost that is amortized on a straight-line basis over the life of the lease. Non-lease components (maintenance, property tax, insurance and parking) are not included in the lease cost. On June 3, 2019, the Company entered a 5-year operating lease for office space for which the Company has recorded a right-of-use asset and a corresponding lease liability for the operating lease obligation. These amounts have been discounted using the rate implicit in the lease. Refer to “Note 7—Commitments and Contingencies—*Operating Leases and Related Deposits*” for further detail.

Stock-based Compensation

Using the fair value recognition provisions as prescribed by ASC 718, *Stock Compensation*, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the appropriate service period. Determining the fair value of stock-based awards requires considerable judgment, including estimating the expected term of stock options and the expected volatility of the Company’s stock price. Differences between actual results and these estimates could have a material effect on the Company’s financial results. Forfeitures are accounted for as they occur. Refer to “Note 11—Stock-Based Compensation” for further detail.

Revenue Recognition

The Company recognizes gains or losses on the sale of investments using the specific identification method. The Company recognizes interest income, adjusted for amortization of premium and accretion of discount, on an accrual basis. The Company recognizes dividend income on the ex-dividend date.

Investment Transaction Costs and Escrow Deposits

Commissions and other costs associated with an investment transaction, including legal expenses not reimbursed by the portfolio company, are included in the cost basis of purchases and deducted from the proceeds of sales. The Company makes certain acquisitions on secondary markets, which may involve making deposits to escrow accounts until certain conditions are met, including the underlying private company’s right of first refusal. If the underlying private company does not exercise or assign its right of first refusal and all other conditions are met, then the funds in the escrow account are delivered to the seller and the account is closed. Such transactions would be reflected on the Consolidated Statement of Assets and Liabilities as escrow deposits. As of December 31, 2023 and December 31, 2022, the Company had no escrow deposits.

Unrealized Appreciation or Depreciation of Investments

Unrealized appreciation or depreciation is calculated as the difference between the fair value of the investment and the cost basis of such investment.

U.S. Federal and State Income Taxes

The Company elected to be treated as a RIC under Subchapter M of the Code, beginning with its taxable year ended December 31, 2014, has qualified to be treated as a RIC for subsequent taxable years and intends to continue to operate in a manner so as to qualify for the tax treatment applicable to RICs. To qualify for tax treatment as a RIC, among other things, the Company is required to meet certain source of income and asset diversification requirements and timely distribute to its stockholders at least the sum of 90% of its investment company taxable income (“ICTI”), including payment-in-kind interest income, as defined by the Code, and 90% of its net tax-exempt interest income (which is the excess of its gross tax-exempt interest income over certain disallowed deductions) for each taxable year (the “Annual Distribution Requirement”). Depending on the level of ICTI earned in a tax year, the Company may choose to carry forward into the next tax year ICTI in excess of current year dividend distributions. Any such carryforward ICTI must be distributed on or before December 31 of the subsequent tax year to which it was carried forward.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

If the Company meets the Annual Distribution Requirement, but does not distribute (or is not deemed to have distributed) each calendar year a sum of (1) 98% of its net ordinary income for each calendar year, (2) 98.2% of its capital gain net income for the one-year period ending October 31 in that calendar year and (3) any income recognized, but not distributed, in preceding years (the “Excise Tax Avoidance Requirement”), it generally will be required to pay an excise tax equal to 4% of the amount by which the Excise Tax Avoidance Requirement exceeds the distributions for the year. To the extent that the Company determines that its estimated current year annual taxable income will exceed estimated current year dividend distributions from such taxable income, the Company will accrue excise taxes, if any, on estimated excess taxable income as taxable income is earned using an annual effective excise tax rate. The annual effective excise tax rate is determined by dividing the estimated annual excise tax by the estimated annual taxable income.

So long as the Company qualifies and maintains its tax treatment as a RIC, it generally will not be subject to U.S. federal and state income taxes on any ordinary income or capital gains that it distributes at least annually to its stockholders as dividends. Rather, any tax liability related to income earned by the RIC will represent obligations of the Company’s investors and will not be reflected in the consolidated financial statements of the Company. Included in the Company’s consolidated financial statements, the Taxable Subsidiaries are taxable subsidiaries, regardless of whether the Company is a RIC. These Taxable Subsidiaries are not consolidated for income tax purposes and may generate income tax expenses as a result of their ownership of the portfolio companies. Such income tax expenses and deferred taxes, if any, will be reflected in the Company’s Consolidated Financial Statements.

If it is not treated as a RIC, the Company will be taxed as a regular corporation (a “C Corporation”) under Subchapter C of the Code for such taxable year. If the Company has previously qualified as a RIC but is subsequently unable to qualify for treatment as a RIC, and certain amelioration provisions are not applicable, the Company would be subject to tax on all of its taxable income (including its net capital gains) at regular corporate rates. The Company would not be able to deduct distributions to stockholders, nor would it be required to make distributions. Distributions, including distributions of net long-term capital gain, would generally be taxable to its stockholders as ordinary dividend income to the extent of the Company’s current and accumulated earnings and profits. Subject to certain limitations under the Code, corporate stockholders would be eligible to claim a dividend received deduction with respect to such dividend; non-corporate stockholders would generally be able to treat such dividends as “qualified dividend income,” which is subject to reduced rates of U.S. federal income tax. Distributions in excess of the Company’s current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder’s adjusted tax basis, and any remaining distributions would be treated as a capital gain. In order to requalify as a RIC, in addition to the other requirements discussed above, the Company would be required to distribute all of its previously undistributed earnings attributable to the period it failed to qualify as a RIC by the end of the first year that it intends to requalify for tax treatment as a RIC. If the Company fails to requalify for tax treatment as a RIC for a period greater than two taxable years, it may be subject to regular corporate tax on any net built-in gains with respect to certain of its assets (i.e., the excess of the aggregate gains, including items of income, over aggregate losses that would have been realized with respect to such assets if the Company had been liquidated) that it elects to recognize on requalification or when recognized over the next five years. Refer to “Note 9—Income Taxes” for further details.

Per Share Information

Net change in net assets resulting from operations per basic common share is computed using the weighted-average number of shares outstanding for the period presented. Diluted net change in net assets resulting from operations per common share is computed by dividing net increase/(decrease) in net assets resulting from operations for the period adjusted to include the pre-tax effects of interest incurred on potentially dilutive securities, by the weighted-average number of common shares outstanding plus any potentially dilutive shares outstanding during the period. The Company used the if-converted method in accordance with FASB ASC 260, *Earnings Per Share* (“ASC 260”) to determine the number of potentially dilutive shares outstanding. Refer to “Note 6—Net Increase in Net Assets Resulting from Operations per Common Share—Basic and Diluted” for further detail.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

Recently Issued Accounting Standards

In June 2022, the FASB issued ASU No. 2022-03, “Fair Value Measurements (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions.” This change prohibits entities from taking into account contractual restrictions on the sale of equity securities when estimating fair value and introduces required disclosures for such transactions. The standard is effective for annual periods beginning after December 15, 2023, and should be applied prospectively. Early adoption is permitted. The adoption of ASU 2022-03 is not expected to have a material impact on the Company’s future financial statements.

In December 2023, the FASB issued ASU 2023-09, “Improvements to Income Tax Disclosures.” The amendments in this update require more disaggregated information on income taxes paid. The standard is effective for annual periods beginning after December 15, 2024. Early adoption is permitted; however, the Company has not elected to adopt this provision as of the date of the financial statements contained in this Annual Report on Form 10-K. The Company is still assessing the impact of the new guidance. However, it does not expect ASU 2023-09 to have a material impact on the Consolidated Financial Statements and the notes thereto.

From time to time, new accounting pronouncements are issued by the FASB or other standards setting bodies that are adopted by the Company as of the specified effective date. The Company believes that the impact of recently issued standards and any that are not yet effective will not have a material impact on its consolidated financial statements upon adoption.

NOTE 3—RELATED-PARTY ARRANGEMENTS

The Company’s executive officers and directors serve or may serve as officers, directors, or managers of entities that operate in a line of business similar to the Company’s, including new entities that may be formed in the future. Accordingly, they may have obligations to investors in those entities, the fulfillment of which might not be in the best interests of the Company or the Company’s stockholders.

The 1940 Act prohibits the Company from participating in certain negotiated co-investments with certain affiliates unless it receives an order from the SEC permitting it to do so. As a BDC, the Company is prohibited under the 1940 Act from participating in certain transactions with certain of its affiliates without the prior approval of the Board of Directors, including its independent directors, and, in some cases, the SEC. The affiliates with which the Company may be prohibited from transacting include its officers, directors, and employees and any person controlling or under common control with the Company, subject to certain exceptions.

In the ordinary course of business, the Company may enter into transactions with portfolio companies that may be considered related-party transactions. To ensure that the Company does not engage in any prohibited transactions with any persons affiliated with the Company, the Company has implemented certain written policies and procedures whereby the Company’s executive officers screen each of the Company’s transactions for any possible affiliations between the proposed portfolio investment, the Company, companies controlled by the Company, and the Company’s executive officers and directors.

The Company’s investment in Churchill Sponsor VI LLC, the sponsor of Churchill Capital Corp. VI, a SPAC, constituted a “remote-affiliate” transaction for purposes of the 1940 Act in light of the fact that Mark D. Klein, the Company’s Chairman, Chief Executive Officer and President, has a non-controlling interest in the entity that controlled Churchill Sponsor VI LLC, and was a non-controlling member of the board of directors of Churchill Capital Corp. VI. In addition, Mr. Klein’s brother, Michael Klein, was a control person of such Churchill entities. On November 17, 2023, Churchill Capital Corp. VI announced that it would not consummate an initial business combination within the time period required by its Amended and Restated Certificate of Incorporation, as amended, and the Company realized a loss on the entirety of its Churchill Sponsor VI LLC common share units and warrant units in the amount of \$200,000.

The Company’s investment in Churchill Sponsor VII LLC, the sponsor of Churchill Capital Corp. VII, a SPAC, constituted a “remote-affiliate” transaction for purposes of the 1940 Act in light of the fact that Mark D. Klein, the Company’s Chairman, Chief Executive Officer and President, has a non-controlling interest in the entity that controls Churchill Sponsor VII LLC, and is a non-controlling member of the board of directors of Churchill Capital Corp. VII. In addition, Mr. Klein’s brother, Michael Klein, is a control person of such Churchill entities. As of December 31, 2023, the fair value of the Company’s investment in Churchill Sponsor VII LLC was \$363,026.

The Company’s investment in Skillsoft Corp. (f/k/a Software Luxembourg Holding S.A.) (“Skillsoft”) constituted a “remote-affiliate” transaction for purposes of the 1940 Act in light of the fact that Mr. Klein has a non-controlling interest in the entity that controlled Churchill Sponsor II LLC, the sponsor of Churchill Capital Corp. II, a SPAC, and was a non-controlling member of the board of directors of Churchill Capital Corp. II, through which the Company executed a private investment in public equity transaction in order to acquire common shares of Skillsoft alongside the merger of Skillsoft and Churchill Capital Corp II. In addition, Mr. Klein’s brother, Michael Klein, was a control person of such Churchill entities. As of December 31, 2023, the fair value of the Company’s investment in Skillsoft Corp. was \$863,037.

The Company’s initial investment in Shogun Enterprises, Inc. (d/b/a Hearth) on February 26, 2021 constituted a “remote-affiliate” transaction for purposes of the 1940 Act in light of the fact that Keri Findley, a former senior managing director of the Company until her departure on March 9, 2022, was at the time of investment a non-controlling member of the board of directors of Shogun Enterprises, Inc., and held a minority equity interest in such portfolio company. The Company’s investment in Architect Capital PayJoy SPV, LLC also constituted a “remote-affiliate” transaction for purposes of the 1940 Act in light of the fact that Ms. Findley, at the time of investment, was a non-controlling member of the board of directors of the investment manager to Architect Capital PayJoy SPV, LLC, and held a minority equity interest in such investment manager. As of December 31, 2023, the fair values of the Company’s remote-affiliate investments in Shogun Enterprises, Inc. (d/b/a Hearth) and Architect Capital PayJoy SPV, LLC were \$7,083,557 and \$10,000,000, respectively.

SURO CAPITAL CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

In addition, Ms. Findley and Claire Council, a former investment professional of the Company until her departure on April 15, 2022, were non-controlling members of the board of directors of Colomier Acquisition Corp., a SPAC, which was sponsored by Colomier Sponsor LLC, one of the Company's portfolio companies until its dissolution upon completion of Colomier Acquisition Corp.'s business combination into PSQ Holdings, Inc. (d/b/a PublicSquare). The Company's investment in AltC Sponsor LLC, the sponsor of AltC Acquisition Corp, a SPAC, constituted a "remote-affiliate" transaction for purposes of the 1940 Act in light of the fact that Mr. Klein has a non-controlling interest in one of the entities that controls AltC Sponsor LLC, and Allison Green, the Company's Chief Financial Officer, Chief Compliance Officer, Treasurer and Secretary, is a non-controlling member of the board of directors of AltC Acquisition Corp. As of December 31, 2023, the fair values of the Company's aggregate investments in each of PSQ Holdings, Inc. (d/b/a PublicSquare) and AltC Sponsor LLC were \$10,507,136 and \$935,391, respectively.

NOTE 4—INVESTMENTS AT FAIR VALUE
Investment Portfolio Composition

The Company's investments in portfolio companies consist primarily of equity securities (such as common stock, preferred stock and options to purchase common and preferred stock) and to a lesser extent, debt securities, issued by private and publicly traded companies. The Company may also, from time to time, invest in U.S. Treasury securities. Non-portfolio investments represent investments in U.S. Treasury securities. As of December 31, 2023, the Company had 63 positions in 38 portfolio companies. As of December 31, 2022, the Company had 64 positions in 39 portfolio companies.

The following tables summarize the composition of the Company's investment portfolio by security type at cost and fair value as of December 31, 2023 and December 31, 2022:

	December 31, 2023			December 31, 2022		
	Cost	Fair Value	Percentage of Net Assets	Cost	Fair Value	Percentage of Net Assets
Private Portfolio Companies						
Preferred Stock	\$ 107,209,010	\$ 122,744,564	60.4%	\$ 118,472,118	\$ 117,214,465	55.8%
Common Stock	73,003,835	39,086,792	19.2%	50,601,512	18,692,931	8.9%
Debt Investments	5,146,349	3,098,734	1.5%	6,316,466	4,488,200	2.1%
Options	12,057,878	3,638,161	1.8%	11,415,787	3,469,497	1.7%
Total Private Portfolio Companies	<u>197,417,072</u>	<u>168,568,251</u>	<u>82.9%</u>	<u>186,805,883</u>	<u>143,865,093</u>	<u>68.5%</u>
Publicly Traded Portfolio Companies						
Common Stock	14,095,473	13,548,248	6.7%	29,322,625	13,323,485	6.3%
Options	1,028,653	1,964,750	1.0%	—	—	—%
Total Publicly Traded Portfolio Companies	<u>15,124,126</u>	<u>15,512,998</u>	<u>7.7%</u>	<u>29,322,625</u>	<u>13,323,485</u>	<u>6.3%</u>
Total Portfolio Investments	<u>212,541,198</u>	<u>184,081,249</u>	<u>90.6%</u>	<u>216,128,508</u>	<u>157,188,578</u>	<u>74.8%</u>
Non-Portfolio Investments						
U.S. Treasury Bills	63,792,704	63,810,855	31.4%	84,999,598	85,056,817	40.5%
Total Investments	<u>\$ 276,333,902</u>	<u>\$ 247,892,104</u>	<u>121.9%</u>	<u>\$ 301,128,106</u>	<u>\$ 242,245,395</u>	<u>115.3%</u>

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

The geographic and industrial compositions of the Company's portfolio at fair value as of December 31, 2023 and December 31, 2022 were as follows:

	As of December 31, 2023			As of December 31, 2022		
	Fair Value	Percentage of Portfolio	Percentage of Net Assets	Fair Value	Percentage of Portfolio	Percentage of Net Assets
Geographic Region						
West	\$ 108,500,197	58.9%	53.4%	\$ 94,996,805	60.4%	45.1%
Northeast	41,538,359	22.6%	20.4%	46,944,432	29.9%	22.4%
Southeast	12,107,136	6.6%	6.0%	—	—%	—%
Midwest	17,881,248	9.7%	8.8%	8,183,281	5.2%	3.9%
International	4,054,309	2.2%	2.0%	7,064,060	4.5%	3.4%
Total	\$ 184,081,249	100.0%	90.6%	\$ 157,188,578	100.0%	74.8%

	As of December 31, 2023			As of December 31, 2022		
	Fair Value	Percentage of Portfolio	Percentage of Net Assets	Fair Value	Percentage of Portfolio	Percentage of Net Assets
Industry						
Education Technology	\$ 69,381,463	37.7%	34.2%	\$ 61,841,493	39.4%	29.4%
Marketplaces	36,386,519	19.8%	17.9%	27,291,467	17.4%	13.0%
Financial Technology	32,201,947	17.5%	15.8%	38,096,753	24.2%	18.1%
Big Data/Cloud	31,687,240	17.2%	15.6%	14,927,819	9.5%	7.1%
Social/Mobile	14,041,699	7.6%	6.9%	14,047,018	8.9%	6.7%
Sustainability	382,381	0.2%	0.2%	984,028	0.6%	0.5%
Total	\$ 184,081,249	100.0%	90.6%	\$ 157,188,578	100.0%	74.8%

SURO CAPITAL CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

The table below details the composition of the Company's industrial themes presented in the preceding tables:

Industry Theme	Industry
Education Technology	Business Education Education Software Interactive Learning Online Education
Big Data/Cloud	Contractor Management Software Gaming Licensing Geolocation Technology Retail Technology Supply Chain Technology Warehouse Automation
Marketplaces	E-Commerce Marketplace Global Innovation Platform Knowledge Networks Micromobility Pharmaceutical Technology Real Estate Platform Sports Betting Subscription Fashion Rental
Financial Technology	Cannabis REIT Financial Services Gaming Technology Home Improvement Finance Mobile Finance Technology Online Marketplace Finance Special Purpose Acquisition Company Venture Investment Fund
Social/Mobile	Digital Media Platform Digital Media Technology Fitness Technology Interactive Media & Services Mobile Access Technology Social Data Platform Social Networking
Sustainability	Clean Technology

SURO CAPITAL CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

Investment Valuation Inputs

The fair values of the Company's investments disaggregated into the three levels of the fair value hierarchy based upon the lowest level of significant input used in the valuation as of December 31, 2023 and December 31, 2022 are as follows:

	As of December 31, 2023			Total
	Quoted Prices in Active Markets for Identical Securities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments at Fair Value				
Private Portfolio Companies				
Preferred Stock	\$ —	\$ —	\$ 122,744,564	\$ 122,744,564
Common Stock	—	—	39,086,792	39,086,792
Debt Investments	—	—	3,098,734	3,098,734
Options	—	—	3,638,161	3,638,161
Private Portfolio Companies	—	—	168,568,251	168,568,251
Publicly Traded Portfolio Companies				
Common Stock	5,005,862	8,542,386	—	13,548,248
Options	1,964,750	—	—	1,964,750
Publicly Traded Portfolio Companies	6,970,612	8,542,386	—	15,512,998
Total Portfolio Investments	6,970,612	8,542,386	168,568,251	184,081,249
Non-Portfolio Investments				
U.S. Treasury bills	63,810,855	—	—	63,810,855
Total Investments at Fair Value	\$ 70,781,467	\$ 8,542,386	\$ 168,568,251	\$ 247,892,104

	As of December 31, 2022			Total
	Quoted Prices in Active Markets for Identical Securities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments at Fair Value				
Private Portfolio Companies				
Preferred Stock	\$ —	\$ —	\$ 117,214,465	\$ 117,214,465
Common Stock	—	—	18,692,931	18,692,931
Debt Investments	—	—	4,488,200	4,488,200
Options	—	—	3,469,497	3,469,497
Private Portfolio Companies	—	—	143,865,093	143,865,093
Publicly Traded Portfolio Companies				
Common Stock	13,298,992	24,493	—	13,323,485
Non-Portfolio Investments				
U.S. Treasury bills	85,056,817	—	—	85,056,817
Total Investments at Fair Value	\$ 98,355,809	\$ 24,493	\$ 143,865,093	\$ 242,245,395

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

Significant Unobservable Inputs for Level 3 Assets and Liabilities

In accordance with FASB ASC 820, *Fair Value Measurement*, the tables below provide quantitative information about the fair value measurements of the Company's Level 3 assets as of December 31, 2023 and December 31, 2022. In addition to the techniques and inputs noted in the tables below, according to the Company's valuation policy, the Board of Directors may also use other valuation techniques and methodologies when determining the fair value measurements of the Company's assets. The tables below are not intended to be all-inclusive, but rather provide information on the significant Level 3 inputs as they relate to the fair value measurements of the Company's assets. To the extent an unobservable input is not reflected in the tables below, such input is deemed insignificant with respect to the Company's Level 3 fair value measurements as of December 31, 2023 and December 31, 2022. Significant changes in the inputs in isolation would result in a significant change in the fair value measurement, depending on the input and the materiality of the investment. Refer to "Note 2—Significant Accounting Policies—*Investments at Fair Value*" for more detail.

As of December 31, 2023

Asset	Fair Value	Valuation Approach/ Technique ⁽¹⁾	Unobservable Inputs ⁽²⁾	Range (Weighted Average) (3)
Common stock in private companies	\$39,086,792	Market approach PWERM ⁽⁵⁾	Revenue multiples	0.15x - 11.13x (9.29x)
			DLDM	15.0% - 25.0% (18.5%)
			AFFO ⁽⁴⁾ multiple	10.79x
			Discount Rate	15.0%
Preferred stock in private companies	\$122,744,564	Market approach PWERM ⁽⁵⁾	Revenue multiples	0.15x - 11.41x (2.73x)
			Discount rate	15%
Debt investments	\$3,098,734	Market approach PWERM ⁽⁵⁾	Revenue multiples	1.21x - 1.66x (1.56x)
			DLDM	15.0%
Options	\$3,638,161	PWERM ⁽⁵⁾	Term to expiration (Years)	0.65 - 5.63 (0.79)
			Volatility	70%
			Discount Rate	15.0%
			DLDM	15% - 18% (16.0%)

(1) As of December 31, 2023, the Board of Directors used a hybrid market and income approach to value certain common and preferred stock investments, as the Board of Directors felt this approach better reflected the fair value of these investments. In considering multiple valuation approaches (and consequently, multiple valuation techniques), the valuation approaches and techniques are not likely to change from one period of measurement to the next; however, the weighting of each in determining the final fair value of a Level 3 investment may change based on recent events or transactions. The hybrid approach may also consider certain risk weightings to account for the uncertainty of future events. Refer to "Note 2—Significant Accounting Policies—*Investments at Fair Value*" for more detail.

(2) The Board of Directors considers all relevant information that can reasonably be obtained when determining the fair value of Level 3 investments. Due to any given portfolio company's information rights, changes in capital structure, recent events, transactions, or liquidity events, the type and availability of unobservable inputs may change. Increases/(decreases) in revenue multiples, earnings before interest and taxes ("EBIT") multiples, time to expiration, and stock price/strike price would result in higher (lower) fair values, all else equal. Decreases/(increases) in discount rates, volatility, and annual risk rates, would result in higher (lower) fair values, all else equal. The market approach utilizes market value (revenue and EBIT) multiples of publicly traded comparable companies and available precedent sales transactions of comparable companies. The Board of Directors carefully considers numerous factors when selecting the appropriate companies whose multiples are used to value the Company's portfolio companies. These factors include, but are not limited to, the type of organization, similarity to the business being valued, relevant risk factors, as well as size, profitability and growth expectations. In general, precedent transactions include recent rounds of financing, recent purchases made by the Company, and tender offers. Refer to "Note 2—Significant Accounting Policies—*Investments at Fair Value*" for more detail.

(3) The weighted averages are calculated based on the fair market value of each investment.

(4) Adjusted Funds From Operations, or "AFFO".

(5) Probability-Weighted Expected Return Method, or "PWERM".

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

As of December 31, 2022

Asset	Fair Value	Valuation Approach/ Technique ⁽¹⁾	Unobservable Inputs ⁽²⁾	Range (Weighted Average) ⁽³⁾
Common stock in private companies	\$18,692,931	Market approach	Revenue multiples	1.06x - 4.42x (1.74x)
			Liquidation Value	N/A
		PWERM ⁽⁵⁾	AFFO ⁽⁴⁾ multiple	8.62x - 12.62x (10.94x)
		Market approach	Revenue multiples	0.47x - 5.45x (2.38x)
Preferred stock in private companies	\$117,214,465	Discounted cash flow	Liquidation Value	N/A
			Discount rate	15.0% (15.0%)
		PWERM ⁽⁵⁾	Revenue multiples	1.17x - 1.26x
			DLOM	10.0% (10.0%)
		Financing Risk	10.0% (10.0%)	
Debt investments	\$4,488,200	Market approach	Revenue multiples	0.47x - 5.45x (3.6x)
Options	\$3,469,497	Option pricing model	Term to expiration (Years)	1.00x - 5.29x (1.65x)
		Discounted cash flow	Discount Rate	15.0% (15.0%)

- (1) As of December 31, 2022, the Board of Directors used a hybrid market and income approach to value certain common and preferred stock investments, as the Board of Directors felt this approach better reflected the fair value of these investments. In considering multiple valuation approaches (and consequently, multiple valuation techniques), the valuation approaches and techniques are not likely to change from one period of measurement to the next; however, the weighting of each in determining the final fair value of a Level 3 investment may change based on recent events or transactions. The hybrid approach may also consider certain risk weightings to account for the uncertainty of future events. Refer to “Note 2—Significant Accounting Policies—*Investments at Fair Value*” for more detail.
- (2) The Board of Directors considers all relevant information that can reasonably be obtained when determining the fair value of Level 3 investments. Due to any given portfolio company’s information rights, changes in capital structure, recent events, transactions, or liquidity events, the type and availability of unobservable inputs may change. Increases/(decreases) in revenue multiples, EBIT multiples, time to expiration, and stock price/strike price would result in higher (lower) fair values, all else equal. Decreases/(increases) in discount rates, volatility, and annual risk rates, would result in higher (lower) fair values, all else equal. The market approach utilizes market value (revenue and EBIT) multiples of publicly traded comparable companies and available precedent sales transactions of comparable companies. The Board of Directors carefully considers numerous factors when selecting the appropriate companies whose multiples are used to value the Company’s portfolio companies. These factors include, but are not limited to, the type of organization, similarity to the business being valued, relevant risk factors, as well as size, profitability and growth expectations. In general, precedent transactions include recent rounds of financing, recent purchases made by the Company, and tender offers. Refer to “Note 2—Significant Accounting Policies—*Investments at Fair Value*” for more detail.
- (3) The weighted averages are calculated based on the fair market value of each investment.
- (4) Adjusted Funds From Operations, or “AFFO”.
- (5) Probability-Weighted Expected Return Method, or “PWERM”.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

The aggregate values of Level 3 assets and liabilities changed during the year ended December 31, 2023 as follows:

	Year Ended December 31, 2023				
	Common Stock	Preferred Stock	Debt Investments	Options	Total
Assets:					
Fair Value as of December 31, 2022	\$ 18,692,931	\$ 117,214,465	\$ 4,488,200	\$ 3,469,497	\$ 143,865,093
Transfers out of Level 3	(1,554,355)	—	—	(1,157,487)	(2,711,842)
Purchases, capitalized fees and interest	19,380,910	2,510,363	329,883	2,264,274	24,485,430
Sales/Maturity of investments	(369,222)	—	(1,000,000)	(5,080)	(1,374,302)
Exercises and conversions ⁽¹⁾	3,751,518	(2,859,095)	(500,000)	(361,603)	30,820
Realized gains/(losses)	1,195,703	(10,914,376)	—	(96,350)	(9,815,023)
Net change in unrealized appreciation/(depreciation) included in earnings	(2,010,693)	16,793,207	(219,349)	(475,090)	14,088,075
Fair Value as of December 31, 2023	\$ 39,086,792	\$ 122,744,564	\$ 3,098,734	\$ 3,638,161	\$ 168,568,251
Net change in unrealized appreciation/ (depreciation) of Level 3 investments still held as of December 31, 2023	\$ (2,010,694)	\$ 5,878,830	\$ (219,349)	\$ (512,480)	\$ 3,136,307

(1) During the year ended December 31, 2023, the Company's portfolio investments had the following corporate actions which are reflected above:

Portfolio Company	Conversion from	Conversion to
Orchard Technologies, Inc.	Preferred shares, Series D Simple Agreement for Future Equity	Senior Preferred shares, Series 1 Senior Preferred shares, Series 2 Common Shares, Class A
Shogun Enterprises, Inc. (d/b/a Hearth)	Convertible Note 0.5%	Preferred Shares, Series B-3
Colombier Sponsor LLC	Class B Units Class W Units	PSQ Holdings, Inc. (d/b/a PublicSquare) - Common shares, Class A (Level 2) PSQ Holdings, Inc. (d/b/a PublicSquare) Warrants (Level 1)
AltC Sponsor LLC	Share units	Common shares, Class A Common shares, Class B

The aggregate values of Level 3 assets and liabilities changed during the year ended December 31, 2022 as follows:

	Year Ended December 31, 2022				
	Common Stock	Preferred Stock	Debt Investments	Options	Total
Assets:					
Fair Value as of December 31, 2021	\$ 42,860,156	\$ 163,801,798	\$ 3,011,438	\$ 4,959,112	\$ 214,632,504
Transfers out of Level 3 ⁽¹⁾	(6,918,251)	(1,775,506)	—	(48,639)	(8,742,396)
Purchases, capitalized fees and interest	—	20,767,788	1,509,093	503,183	22,780,064
Sales/Maturity of investments	(874,470)	—	(1,000,000)	—	(1,874,470)
Realized gains/(losses)	160,965	—	—	(70,379)	90,586
Net change in unrealized appreciation/(depreciation) included in earnings	(16,535,469)	(65,579,615)	967,669	(1,873,780)	(83,021,195)
Fair Value as of December 31, 2022	\$ 18,692,931	\$ 117,214,465	\$ 4,488,200	\$ 3,469,497	\$ 143,865,093
Net change in unrealized appreciation/ (depreciation) of Level 3 investments still held as of December 31, 2022	\$ (7,023,165)	\$ (63,138,372)	\$ 967,669	\$ (1,624,324)	\$ (70,818,192)

(1) During the year ended December 31, 2022, the Company's portfolio investments had the following corporate actions which are reflected above:

Portfolio Company	Conversion from	Conversion to
Forge Global, Inc.	Common Shares, Class AA Junior Preferred Shares Junior Preferred Warrants, Strike Price \$12.42, Expiration Date 11/9/2025	Public Common shares (Level 2) Common warrants, Strike Price \$3.98, Expiration Date 11/9/2025 (Level 2)

SURO CAPITAL CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

Schedule of Investments In, and Advances to, Affiliates

Transactions during the year ended December 31, 2023 involving the Company's controlled investments and non-controlled/affiliate investments were as follows:

Type/Industry/Portfolio Company/Investment	Principal/Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2022	Transfer In/ (Out)	Purchases, Capitalized Fees, Interest and Amortization	Sales	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at December 31, 2023	Percentage of Net Assets
CONTROLLED INVESTMENTS*(2)										
Options										
<i>Special Purpose Acquisition Company</i>										
Colombier Sponsor II LLC**–Class W Units	1,600,000	\$ —	\$ —	\$ —	\$ 760,651	—	\$ —	\$ (262,347)	\$ 498,305	0.25%
Colombier Sponsor LLC**(6) –Class W Units	—	—	1,157,487	(1,159,150)	—	—	—	1,663	—	—%
Total Options		—	1,157,487	(1,159,150)	760,651	—	—	(260,684)	498,304	0.25%
Preferred Stock										
<i>Clean Technology</i>										
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)– Preferred shares, Class A	14,300,000	500,000	984,028	—	—	—	—	(601,647)	382,381	0.19%
Total Preferred Stock		500,000	984,028	—	—	—	—	(601,647)	382,381	0.19%
Common Stock										
<i>Clean Technology</i>										
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)– Common shares	100,000	—	—	—	—	—	—	—	—	—%
<i>Mobile Finance Technology</i>										
Architect Capital PayJoy SPV, LLC**– Membership Interest in Lending SPV***	\$ 10,000,000	1,331,258	10,000,000	—	—	—	—	—	10,000,000	4.92%
<i>Special Purpose Acquisition Company</i>										
Colombier Sponsor II LLC**–Class B Units	1,040,000	—	—	—	842,289	—	—	259,406	1,101,695	0.54%
Colombier Sponsor LLC**(6) –Class B Units	—	—	1,554,355	(1,556,587)	—	—	—	2,232	—	—%
Total Common Stock		1,331,258	11,554,355	(1,556,587)	842,289	—	—	261,638	11,101,695	5.46%

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

Type/Industry/Portfolio Company/Investment	Principal/ Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2022	Transfer In/ (Out)	Purchases, Capitalized Fees, Interest and Amortization	Sales	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at December 31, 2023	Percentage of Net Assets
TOTAL CONTROLLED										
INVESTMENTS*(2)		\$ 1,831,258	\$ 13,695,870	\$(2,715,737)	\$ 1,602,940	\$ —	\$ —	\$ (600,693)	\$ 11,982,380	5.89%
NON-CONTROLLED/AFFILIATE										
INVESTMENTS*(1)										
Debt Investments										
<i>Global Innovation Platform</i>										
OneValley, Inc. (f/k/a NestGSV, Inc.) – Convertible Promissory Note 8%, Due 8/23/2024(3)	\$1,010,198	\$ —	\$ 1,988,200	\$ —	\$ —	\$ —	\$ —	\$ (720,805)	\$ 1,267,395	0.62%
Total Debt Investments		—	1,988,200	—	—	—	—	(720,805)	1,267,395	0.62%
Preferred Stock										
<i>Knowledge Networks</i>										
Maven Research, Inc. – Preferred shares, Series C	318,979	—	—	—	—	—	—	—	—	—%
Maven Research, Inc. – Preferred shares, Series B	49,505	—	—	—	—	—	—	—	—	—%
Total Knowledge Networks		—	—	—	—	—	—	—	—	—%
<i>Digital Media Platform</i>										
Ozy Media, Inc.(7) – Preferred shares, Series C- 2 6%	—	—	—	—	—	—	(2,414,178)	2,414,178	—	—%
Ozy Media, Inc.(7) – Preferred shares, Series B 6%	—	—	—	—	—	—	(4,999,999)	4,999,999	—	—%
Ozy Media, Inc.(7) – Preferred shares, Series A 6%	—	—	—	—	—	—	(3,000,200)	3,000,200	—	—%
Ozy Media, Inc.(7) – Preferred shares, Series Seed 6%	—	—	—	—	—	—	(500,000)	500,000	—	—%
Total Digital Media Platform		—	—	—	—	—	(10,914,377)	10,914,377	—	—%
<i>Interactive Learning</i>										
StormWind, LLC(4) – Preferred shares, Series D 8%	329,337	—	533,429	—	—	—	—	120,546	653,975	0.32%
StormWind, LLC(4) – Preferred shares, Series C 8%	2,779,134	—	5,675,081	—	—	—	—	1,129,852	6,804,933	3.35%
StormWind, LLC(4) – Preferred shares, Series B 8%	3,279,629	—	3,550,631	—	—	—	—	1,200,433	4,751,064	2.34%
StormWind, LLC(4) – Preferred shares, Series A 8%	366,666	—	191,694	—	—	—	—	134,209	325,903	0.16%

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

Type/Industry/Portfolio Company/Investment	Principal/Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2022	Transfer In/ (Out)	Purchases, Capitalized Fees, Interest and Amortization	Sales	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at December 31, 2023	Percentage of Net Assets
<i>Total Interactive Learning</i>		—	9,950,835	—	—	—	—	2,585,040	12,535,875	6.16%
Total Preferred Stock		—	9,950,835	—	—	—	(10,914,377)	13,499,417	12,535,875	6.16%
Options										
<i>Digital Media Platform</i>										
Ozy Media, Inc. ⁽⁷⁾ – Common Warrants, Strike Price \$0.01, Expiration Date 4/9/2028	—	—	—	—	—	—	(30,647)	30,647	—	—%
<i>Global Innovation Platform</i>										
OneValley, Inc. (f/k/a NestGSV, Inc.)–Preferred Warrant Series B, Strike Price \$2.31, Expiration Date 12/31/2023	—	—	—	—	—	—	(5,080)	5,080	—	—%
OneValley, Inc. (f/k/a NestGSV, Inc.)–Derivative Security, Expiration Date 8/23/2024 ⁽⁵⁾	1	—	652,127	—	—	—	—	(31,200)	620,927	0.31%
<i>Total Global Innovation Platform</i>		—	652,127	—	—	—	(5,080)	(26,120)	620,927	0.31%
<i>E-Commerce Marketplace</i>										
PSQ Holdings, Inc. (d/b/a PublicSquare)** ⁽⁶⁾ – Warrants	2,396,037	—	—	1,159,150	—	(318,368)	187,872	936,096	1,964,750	0.97%
Total Options		—	652,127	1,159,150	—	(318,368)	152,145	940,623	2,585,677	1.27%
Common Stock										
<i>Online Education</i>										
Curious.com, Inc.– Common shares	1,135,944	—	—	—	—	—	—	—	—	—%
<i>E-Commerce Marketplace</i>										
PSQ Holdings, Inc. (d/b/a PublicSquare)** ⁽⁶⁾ – Class A Common shares	1,976,032	—	—	1,556,587	—	—	—	6,985,799	8,542,386	4.20%
Total Common Stock		—	—	1,556,587	—	—	—	6,985,799	8,542,386	4.20%
TOTAL NON-CONTROLLED/AFFILIATE INVESTMENTS⁽¹⁾		\$ —	\$ 12,591,162	\$ 2,715,737	\$ —	\$ (318,368)	\$ (10,762,233)	\$ 20,705,035	\$ 24,931,333	12.26%

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

* All portfolio investments are non-income-producing, unless otherwise identified. Equity investments are subject to lock-up restrictions upon their IPO. Preferred dividends are generally only payable when declared and paid by the portfolio company's board of directors. The Company's directors, officers, employees and staff, as applicable, may serve on the board of directors of the Company's portfolio investments. (Refer to "Note 3—Related-Party Arrangements"). All portfolio investments are considered Level 3 and valued using significant unobservable inputs, unless otherwise noted. (Refer to "Note 4—Investments at Fair Value"). All portfolio investments are considered Level 3 and valued using unobservable inputs, unless otherwise noted. All of the Company's portfolio investments are restricted as to resale, unless otherwise noted, and were valued at fair value as determined in good faith by the Company's Board of Directors. (Refer to "Note 2—Significant Accounting Policies—Investments at Fair Value").

** Indicates assets that SuRo Capital Corp. believes do not represent "qualifying assets" under Section 55(a) of the 1940 Act. Of the Company's total investments as of December 31, 2023, 14.03% of its total investments are non-qualifying assets.

*** Investment is income-producing.

- (1) "Affiliate Investments" are investments in those companies that are "Affiliated Companies" of SuRo Capital Corp., as defined in the 1940 Act. In general, a company is deemed to be an "Affiliate" of SuRo Capital Corp. if SuRo Capital Corp. beneficially owns, directly or indirectly, between 5% and 25% of the voting securities (*i.e.*, securities with the right to elect directors) of such company.
- (2) "Control Investments" are investments in those companies that are "Controlled Companies" of SuRo Capital Corp., as defined in the 1940 Act. In general, under the 1940 Act, the Company would "Control" a portfolio company if the Company beneficially owns, directly or indirectly, more than 25% of its outstanding voting securities (*i.e.*, securities with the right to elect directors) and/or had the power to exercise control over the management or policies of such portfolio company.
- (3) As of December 31, 2023, the investments noted had been placed on non-accrual status.
- (4) SuRo Capital Corp.'s investments in StormWind, LLC are held through SuRo Capital Corp.'s wholly owned subsidiary, GSVC SW Holdings, Inc.
- (5) On August 23, 2019, SuRo Capital Corp. amended the structure of its investment in OneValley, Inc. (*f/k/a* NestGSV, Inc.). As part of the agreement, SuRo Capital Corp.'s equity holdings (warrants notwithstanding) were restructured into a derivative security. OneValley, Inc. (*f/k/a* NestGSV, Inc.) has the right to call the position at any time over a five year period, ending August 23, 2024, while SuRo Capital Corp. can put the shares to OneValley, Inc. (*f/k/a* NestGSV, Inc.) at the end of the five year period.
- (6) On July 19, 2023, Colombier Acquisition Corp. ("Colombier") stockholders approved a business combination with PSQ Holdings, Inc. (*d/b/a* PublicSquare) and related proposals at a special meeting. Also on July 19, 2023, PSQ Holdings, Inc. announced that it had consummated the business combination with Colombier pursuant to a merger agreement between the parties, creating the resultant combined company PSQ Holdings, Inc. (*d/b/a* PublicSquare). SuRo Capital Corp.'s shares of PSQ Holdings, Inc. (*d/b/a* PublicSquare) Class A Common shares are subject to certain restrictions on transfer, while the Company's PSQ Holdings, Inc. warrants are freely tradable.
- (7) On March 1, 2023, Ozy Media, Inc. suspended operations. On May 4, 2023, SuRo Capital Corp. abandoned its investment in Ozy Media, Inc.

SURO CAPITAL CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

Schedule of Investments In, and Advances to, Affiliates

Transactions during the year ended December 31, 2022 involving the Company's controlled investments and non-controlled/affiliate investments were as follows:

Type/Industry/Portfolio Company/Investment	Principal/Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2021	Transfer In/(Out)	Purchases, Capitalized Fees, Interest and Amortization	Sales	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at December 31, 2022	Percentage of Net Assets
CONTROLLED INVESTMENTS*(2)										
Options										
<i>Special Purpose Acquisition Company</i>										
Colombier Sponsor LLC**–Class W Units ⁽⁷⁾	2,700,000	\$ —	\$ 1,157,487	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,157,487	0.55%
Total Options		—	1,157,487	—	—	—	—	—	1,157,487	0.55%
Preferred Stock										
<i>Clean Technology</i>										
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)–Preferred shares, Class A ⁽⁴⁾	14,300,000	—	1,047,033	—	—	—	—	(63,005)	984,028	0.47%
Total Preferred Stock		—	1,047,033	—	—	—	—	(63,005)	984,028	0.47%
Common Stock										
<i>Clean Technology</i>										
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)–Common shares	100,000	—	—	—	—	—	—	—	—	—%
<i>Mobile Finance Technology</i>										
Architect Capital PayJoy SPV, LLC**–Membership Interest in Lending SPV***	\$ 10,000,000	1,685,000	10,000,000	—	—	—	—	—	10,000,000	4.76%
<i>Special Purpose Acquisition Company</i>										
Colombier Sponsor LLC**–Class B Units ⁽⁷⁾	1,976,033	—	1,554,354	—	—	—	—	1	1,554,355	0.74%
Total Common Stock		1,685,000	11,554,354	—	—	—	—	1	11,554,355	5.50%
TOTAL CONTROLLED INVESTMENTS*(2)		\$ 1,685,000	\$ 13,758,874	\$ —	\$ —	\$ —	\$ —	\$ (63,004)	\$ 13,695,870	6.52%

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

Type/Industry/Portfolio Company/Investment	Principal/ Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2021	Transfer In/ (Out)	Purchases, Capitalized Fees, Interest and Amortization	Sales	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at December 31, 2022	Percentage of Net Assets
NON-CONTROLLED/AFFILIATE INVESTMENTS*(1)										
Debt Investments										
<i>Global Innovation Platform</i>										
OneValley, Inc. (f/k/a NestGSV, Inc.) – Convertible Promissory Note 8%, Due 8/23/2024 ⁽³⁾	\$ 1,010,198	\$ —	\$ 505,099	\$ —	\$ —	\$ —	\$ —	\$ 1,483,101	\$ 1,988,200	0.95%
Total Debt Investments			505,099					1,483,101	1,988,200	0.95%
Preferred Stock										
<i>Knowledge Networks</i>										
Maven Research, Inc.– Preferred shares, Series C	318,979	—	—	—	—	—	—	—	—	—%
Maven Research, Inc.– Preferred shares, Series B	49,505	—	—	—	—	—	—	—	—	—%
<i>Total Knowledge Networks</i>										—%
<i>Digital Media Platform</i>										
Ozy Media, Inc.–Preferred shares, Series C-2 6%	683,482	—	—	—	—	—	—	—	—	—%
Ozy Media, Inc.–Preferred shares, Series B 6%	922,509	—	—	—	—	—	—	—	—	—%
Ozy Media, Inc.–Preferred shares, Series A 6%	1,090,909	—	—	—	—	—	—	—	—	—%
Ozy Media, Inc.–Preferred shares, Series Seed 6%	500,000	—	—	—	—	—	—	—	—	—%
<i>Total Digital Media Platform</i>										—%
<i>Interactive Learning</i>										
StormWind, LLC– Preferred shares, Series D 8% ⁽⁵⁾	329,337	—	621,093	—	—	—	—	(87,664)	533,429	0.25%
StormWind, LLC– Preferred shares, Series C 8% ⁽⁵⁾	2,779,134	—	6,496,729	—	—	—	—	(821,648)	5,675,081	2.70%
StormWind, LLC– Preferred shares, Series B 8% ⁽⁵⁾	3,279,629	—	4,423,607	—	—	—	—	(872,976)	3,550,631	1.69%
StormWind, LLC– Preferred shares, Series A 8% ⁽⁵⁾	366,666	—	289,293	—	—	—	—	(97,599)	191,694	0.09%
<i>Total Interactive Learning</i>			11,830,722					(1,879,887)	9,950,835	4.74%
Total Preferred Stock			11,830,722					(1,879,887)	9,950,835	4.74%

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

Type/Industry/Portfolio Company/Investment	Principal/ Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2021	Transfer In/ (Out)	Purchases, Capitalized Fees, Interest and Amortization	Sales	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at December 31, 2022	Percentage of Net Assets
Options										
<i>Digital Media Platform</i>										
Ozy Media, Inc.—Common Warrants, Strike Price \$0.01, Expiration Date 4/9/2028	295,565	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—%
<i>Global Innovation Platform</i>										
OneValley, Inc. (f/k/a NestGSV, Inc.)—Preferred Warrant Series B, Strike Price \$2.31, Expiration Date 5/29/2022	—	—	—	—	—	—	(70,379)	70,379	—	—%
OneValley, Inc. (f/k/a NestGSV, Inc.)—Preferred Warrant Series B, Strike Price \$2.31, Expiration Date 12/31/2023	250,000	—	5,000	—	—	—	—	(5,000)	—	—%
OneValley, Inc. (f/k/a NestGSV, Inc.)—Derivative Security, Expiration Date 8/23/2024 ⁽⁶⁾	1	—	2,268,268	—	—	—	—	(1,616,141)	652,127	0.31%
<i>Total Global Innovation Platform</i>			2,273,268	—	—	—	(70,379)	(1,550,762)	652,127	0.31%
Total Options			2,273,268	—	—	—	(70,379)	(1,550,762)	652,127	0.31%
Common Stock										
<i>Online Education</i>										
Curious.com, Inc.—Common shares	1,135,944	—	—	—	—	—	—	—	—	—%
Total Common Stock			—	—	—	—	—	—	—	—%
TOTAL NON-CONTROLLED/AFFILIATE INVESTMENTS⁽¹⁾		\$ —	\$ 14,609,089	\$ —	\$ —	\$ —	\$ (70,379)	\$ (1,947,548)	\$ 12,591,162	6.00%

* All portfolio investments are non-income-producing, unless otherwise identified. Equity investments are subject to lock-up restrictions upon their IPO. Preferred dividends are generally only payable when declared and paid by the portfolio company's board of directors. The Company's directors, officers, employees and staff, as applicable, may serve on the board of directors of the Company's portfolio investments. (Refer to "Note 3—Related-Party Arrangements"). All portfolio investments are considered Level 3 and valued using significant unobservable inputs, unless otherwise noted. (Refer to "Note 4—Investments at Fair Value"). All portfolio investments are considered Level 3 and valued using unobservable inputs, unless otherwise noted. All of the Company's portfolio investments are restricted as to resale, unless otherwise noted, and were valued at fair value as determined in good faith by the Company's Board of Directors. (Refer to "Note 2—Significant Accounting Policies—Investments at Fair Value").

** Indicates assets that SuRo Capital Corp. believes do not represent "qualifying assets" under Section 55(a) of the 1940 Act. Of the Company's total investments as of December 31, 2022, 14.47% of its total investments are non-qualifying assets.

*** Investment is income-producing.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

- (1) “Affiliate Investments” are investments in those companies that are “Affiliated Companies” of SuRo Capital Corp., as defined in the 1940 Act. In general, a company is deemed to be an “Affiliate” of SuRo Capital Corp. if SuRo Capital Corp. beneficially owns, directly or indirectly, between 5% and 25% of the voting securities (*i.e.*, securities with the right to elect directors) of such company.
- (2) “Control Investments” are investments in those companies that are “Controlled Companies” of SuRo Capital Corp., as defined in the 1940 Act. In general, under the 1940 Act, the Company would “Control” a portfolio company if the Company beneficially owns, directly or indirectly, more than 25% of its outstanding voting securities (*i.e.*, securities with the right to elect directors) and/or had the power to exercise control over the management or policies of such portfolio company.
- (3) As of December 31, 2022, the investments noted had been placed on non-accrual status.
- (4) The SPBRX, INC. (*f/k/a* GSV Sustainability Partners, Inc.) preferred shares held by SuRo Capital Corp. do not entitle SuRo Capital Corp. to a preferred dividend rate. SuRo Capital Corp. does not anticipate that SPBRX, INC. will pay distributions on a quarterly or regular basis or become a predictable distributor of distributions.
- (5) SuRo Capital Corp.’s investments in StormWind, LLC are held through SuRo Capital Corp.’s wholly owned subsidiary, GSVC SW Holdings, Inc.
- (6) On August 23, 2019, SuRo Capital Corp. amended the structure of its investment in OneValley, Inc. (*f/k/a* NestGSV, Inc.). As part of the agreement, SuRo Capital Corp.’s equity holdings (warrants notwithstanding) were restructured into a derivative security. OneValley, Inc. (*f/k/a* NestGSV, Inc.) has the right to call the position at any time over a five year period, ending August 23, 2024, while SuRo Capital Corp. can put the shares to OneValley, Inc. (*f/k/a* NestGSV, Inc.) at the end of the five year period.
- (7) Colombier Sponsor LLC is the sponsor of Colombier Acquisition Corp., a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses.

SURO CAPITAL CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

NOTE 5—COMMON STOCK

Share Repurchase Program

On August 8, 2017, the Company announced a \$5.0 million discretionary open-market share repurchase program of shares of the Company's common stock, \$0.01 par value per share, of up to \$5.0 million until the earlier of (i) August 6, 2018 or (ii) the repurchase of \$5.0 million in aggregate amount of the Company's common stock (the "Share Repurchase Program"). Following several intervening approvals from the Company's Board of Directors to increase the amount of shares of our common stock that may be repurchased under the discretionary Share Repurchase Program and/or to extend the Share Repurchase Program to later expiration dates, most recently, on August 7, 2023, the Company's Board of Directors authorized an extension of, and an increase in the amount of shares of the Company's common stock that may be repurchased under, the discretionary Share Repurchase Program until the earlier of (i) October 31, 2024 or (ii) the repurchase of \$60.0 million in aggregate amount of the Company's common stock.

The timing and number of shares to be repurchased will depend on a number of factors, including market conditions and alternative investment opportunities. The Share Repurchase Program may be suspended, terminated or modified at any time for any reason and does not obligate the Company to acquire any specific number of shares of its common stock. Under the Share Repurchase Program, the Company may repurchase its outstanding common stock in the open market, provided that it complies with the prohibitions under its insider trading policies and procedures and the applicable provisions of the 1940 Act and the Exchange Act.

During the year ended December 31, 2023, the Company repurchased 186,493 of the Company's common stock under the Share Repurchase Program. During the year ended December 31, 2022, the Company repurchased 1,008,676 shares of the Company's common stock under the Share Repurchase Program. As of December 31, 2023, the dollar value of shares that remained available to be purchased by the Company under the Share Repurchase Program was approximately \$20.7 million.

Modified Dutch Auction Tender Offer

On March 17, 2023, the Company commenced a modified "Dutch Auction" tender offer (the "Modified Dutch Auction Tender Offer") to purchase up to 3,000,000 shares of its common stock from its stockholders, which expired on April 17, 2023. In accordance with the terms of the Modified Dutch Auction Tender Offer, the Company selected the lowest price per share of not less than \$3.00 per share and not greater than \$4.50 per share.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

Pursuant to the Modified Dutch Auction Tender Offer, the Company repurchased 3,000,000 shares, representing 10.6% of its outstanding shares, on or about April 21, 2023 at a price of \$4.50 per share. The Company used available cash to fund the purchase of its shares of common stock in the Modified Dutch Auction Tender Offer and to pay for all related fees and expenses.

Amended and Restated 2019 Equity Incentive Plan

Refer to “Note 11—Stock-Based Compensation” for a description of the Company’s restricted shares of common stock granted under the Amended & Restated 2019 Equity Incentive Plan (as defined therein).

At-the-Market Offering

On July 29, 2020, the Company entered into an At-the-Market Sales Agreement, dated July 29, 2020 (as amended, the “Sales Agreement”), with BTIG, LLC, JMP Securities LLC and Ladenburg Thalmann & Co., Inc. (collectively, the “Agents”). Under the Sales Agreement, the Company may, but has no obligation to, issue and sell up to \$150.0 million in aggregate amount of shares of its common stock (the “Shares”) from time to time through the Agents or to them as principal for their own account (the “ATM Program”). The Company intends to use the net proceeds from the ATM Program to make investments in portfolio companies in accordance with its investment objective and strategy and for general corporate purposes.

Sales of the Shares, if any, will be made by any method that is deemed to be an “at-the-market” offering as defined in Rule 415 under the Securities Act of 1933, as amended, including sales made directly on the Nasdaq Global Select Market or sales made to or through a market maker other than on an exchange, at market prices prevailing at the time of sale, at prices related to prevailing market prices or at other negotiated prices. Actual sales in the ATM Program will depend on a variety of factors to be determined by the Company from time to time.

The Agents will receive a commission from the Company equal to up to 2.0% of the gross sales price of any Shares sold through the Agents under the Sales Agreement and reimbursement of certain expenses. The Sales Agreement contains customary representations, warranties and agreements of the Company, conditions to closing, indemnification rights and obligations of the parties and termination provisions.

During the year ended December 31, 2023, the Company did not issue or sell Shares under the ATM Program. During the year ended December 31, 2022, the Company issued and sold 17,807 Shares under the ATM Program at weighted-average price of \$13.01 per share, for gross proceeds of \$231,677 and net proceeds of \$229,896, after deducting commissions to the Agents on Shares sold. As of December 31, 2023, up to approximately \$98.8 million in aggregate amount of the Shares remain available for sale under the ATM Program.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

NOTE 6—NET CHANGE IN NET ASSETS RESULTING FROM OPERATIONS PER COMMON SHARE—BASIC AND DILUTED

The following information sets forth the computation of basic and diluted net change in net assets resulting from operations per common share, pursuant to ASC 260, for the years ended December 31, 2023, 2022, and 2021.

	Year Ended December 31,		
	2023	2022	2021
Earnings per common share—basic:			
Net change in net assets resulting from operations	\$ 5,066,822	\$ (132,177,053)	\$ 147,071,721
Weighted-average common shares—basic	26,222,667	30,023,202	25,861,642
Earnings per common share—basic	\$ 0.19	\$ (4.40)	\$ 5.69
Earnings per common share—diluted:			
Net change in net assets resulting from operations	\$ 5,066,822	\$ (132,177,053)	\$ 147,071,721
Adjustment for interest and amortization on 4.75% Convertible Senior Notes due 2023 ⁽¹⁾			501,065
Net change in net assets resulting from operations, as adjusted	\$ 5,066,822	\$ (132,177,053)	\$ 147,572,786
Adjustment for dilutive effect of 4.75% Convertible Senior Notes due 2023 ⁽¹⁾	—	—	896,725
Weighted-average common shares outstanding—diluted ⁽¹⁾	26,222,667	30,023,202	26,758,367
Earnings per common share—diluted	\$ 0.19	\$ (4.40)	\$ 5.52

(1) As of December 31, 2023, 2022, and 2021, there were no potentially dilutive securities outstanding.

NOTE 7—COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company may enter into investment agreements under which it commits to make an investment in a portfolio company at some future date or over a specified period of time.

From time to time, the Company may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of its rights under contracts with its portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, the Company does not expect that these proceedings will have a material effect upon its business, financial condition or results of operations. The Company is not currently a party to any material legal proceedings.

Operating Leases and Related Deposits

The Company currently has one operating lease for office space for which the Company has recorded a right-of-use asset and lease liability for the operating lease obligation. The lease commenced June 3, 2019 and expires July 31, 2024. The lease expense is presented as a single lease cost that is amortized on a straight-line basis over the life of the lease.

As of December 31, 2023 and December 31, 2022, the Company booked a right-of-use asset and operating lease liability of \$112,485 and \$288,268, respectively, on the Consolidated Statement of Assets and Liabilities. As of December 31, 2023 and December 31, 2022, the Company recorded a security deposit of \$16,574 and \$16,574, respectively, on the Consolidated Statement of Assets and Liabilities. For the years ended December 31, 2023 and 2022, the Company incurred \$204,109 and \$192,176, respectively, of operating lease expense. The amounts reflected on the Consolidated Statement of Assets and Liabilities have been discounted using the rate implicit in the lease. As of December 31, 2023, the remaining lease term was 0.6 years and the discount rate was 3.00%.

The following table shows future minimum payments under the Company’s operating lease as of December 31, 2023:

For the Year Ended December 31,	Amount
2024	113,603
	<u>\$ 113,603</u>

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

NOTE 8—FINANCIAL HIGHLIGHTS

	Year Ended December 31,				
	2023	2022	2021	2020	2019
Per Basic Share Data					
Net asset value at beginning of the year	\$ 7.39	\$ 11.72	\$ 15.14	\$ 11.38	\$ 9.89
Net investment loss ⁽¹⁾	(0.51)	(0.49)	(0.38)	(0.81)	(0.49)
Net realized gain/(loss) on investments ⁽¹⁾	(0.46)	(0.20)	8.46	0.92	0.99
Net change in unrealized appreciation/(depreciation) of investments ⁽¹⁾	1.16	(3.72)	(2.39)	3.78	0.69
Benefit from taxes on unrealized depreciation of investments ⁽¹⁾	—	—	—	—	0.05
Dividends declared	—	(0.11)	(8.00)	(0.87)	(0.32)
Issuance of common stock from stock dividend	—	—	0.74	—	—
Issuance of common stock from public offering ⁽¹⁾	—	0.01	0.01	0.30	—
Issuance of common stock from conversion of 4.75% Convertible Notes due 2023 ⁽¹⁾	—	—	(1.91)	(0.11)	—
Repurchase of common stock ⁽¹⁾	0.32	0.11	—	0.43	0.52
Stock-based compensation ⁽¹⁾	0.09	0.07	0.05	0.12	0.05
Net asset value at end of year	\$ 7.99	\$ 7.39	\$ 11.72	\$ 15.14	\$ 11.38
Per share market value at end of year	\$ 3.94	\$ 3.80	\$ 12.95	\$ 13.09	\$ 6.55
Total return based on market value ⁽²⁾	3.68%	(69.45)%	60.05%	99.85%	31.61%
Total return based on net asset value ⁽²⁾	8.12%	(36.01)%	30.25%	33.04%	15.08%
Shares outstanding at end of year	25,445,805	28,429,499	31,118,556	19,914,023	17,564,244
Ratios/Supplemental Data:					
Net assets at end of year	\$ 203,357,646	\$ 210,020,702	\$ 364,846,624	\$ 301,583,073	\$ 199,917,289
Average net assets	\$ 207,608,591	\$ 310,086,061	\$ 396,209,139	\$ 205,430,809	\$ 209,261,190
Ratio of gross operating expenses to average net assets ⁽³⁾	9.70%	5.87%	2.88%	7.95%	6.08%
Ratio of income tax provision to average net assets	—%	—%	—%	—%	(0.42)%
Ratio of net operating expenses to average net assets ⁽³⁾	9.70%	5.87%	2.88%	7.95%	5.66%
Ratio of net investment loss to average net assets ⁽³⁾	(6.51)%	(4.76)%	(2.51)%	(7.07)%	(4.52)%
Portfolio Turnover Ratio	9.34%	4.31%	28.34%	14.87%	12.95%

(1) Based on weighted-average number of shares outstanding for the relevant period.

(2) Total return based on market value is based upon the change in market price per share between the opening and ending market values per share in the period, adjusted for dividends and equity issuances. Total return based on net asset value is based upon the change in net asset value per share between the opening and ending net asset values per share in the period, adjusted for dividends and equity issuances.

(3) For the year ended December 31, 2021, the Company excluded \$100,274 of non-recurring expenses. For the year ended December 31, 2020, the Company excluded \$1,962,431 of non-recurring expenses. For the year ended December 31, 2019, the Company excluded \$1,769,820 of non-recurring expenses. Because the ratios are calculated for the Company's common stock taken as a whole, an individual investor's ratios may vary from these ratios.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

NOTE 9—INCOME TAXES

The Company elected to be treated as a RIC under Subchapter M of the Code beginning with its taxable year ended December 31, 2014 and has qualified to be treated as a RIC for subsequent taxable years. The Company intends to continue to operate so as to qualify to be subject to tax treatment as a RIC under Subchapter M of the Code and, as such, will not be subject to U.S. federal income tax on the portion of taxable income (including gains) distributed as dividends for U.S. federal income tax purposes to stockholders. Taxable income includes the Company's taxable interest, dividend and fee income, reduced by certain deductions, as well as taxable net realized investment gains. Taxable income generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized appreciation or depreciation, as such gains or losses are not included in taxable income until they are realized.

To qualify and be subject to tax as a RIC, the Company is required to meet certain income and asset diversification tests in addition to distributing dividends of an amount generally at least equal to 90% of its investment company taxable income, as defined by the Code and determined without regard to any deduction for distributions paid, to its stockholders. The amount to be paid out as a distribution is determined by the Board of Directors each quarter and is based upon the annual earnings estimated by the management of the Company. To the extent that the Company's earnings fall below the amount of dividend distributions declared, however, a portion of the total amount of the Company's distributions for the fiscal year may be deemed a return of capital for tax purposes to the Company's stockholders.

As a RIC, the Company will be subject to a 4% nondeductible U.S. federal excise tax on certain undistributed income unless the Company makes distributions treated as dividends for U.S. federal income tax purposes in a timely manner to its stockholders in respect of each calendar year of an amount at least equal to the sum of (1) 98% of its ordinary income (taking into account certain deferrals and elections) for each calendar year, (2) 98.2% of its capital gain net income (adjusted for certain ordinary losses) for the 1-year period ending October 31 of each such calendar year and (3) any ordinary income and net capital gains for preceding years, but not distributed during such years and on which the Company paid no U.S. federal income tax. The Company will not be subject to this excise tax on any amount on which the Company incurred U.S. federal corporate income tax (such as the tax imposed on a RIC's retained net capital gains).

Depending on the level of taxable income earned in a taxable year, the Company may choose to carry over taxable income in excess of current taxable year distributions from such taxable income into the next taxable year and incur a 4% excise tax on such taxable income, as required. The maximum amount of excess taxable income that may be carried over for distribution in the next taxable year under the Code is the total amount of distributions paid in the following taxable year, subject to certain declaration and payment guidelines. To the extent the Company chooses to carry over taxable income into the next taxable year, distributions declared and paid by the Company in a taxable year may differ from the Company's taxable income for that taxable year as such distributions may include the distribution of current taxable year taxable income, the distribution of prior taxable year taxable income carried over into and distributed in the current taxable year, or returns of capital.

The Company has taxable subsidiaries which hold certain portfolio investments in an effort to limit potential legal liability and/or comply with source-income type requirements contained in the RIC tax provisions of the Code. These taxable subsidiaries are consolidated for GAAP and the portfolio investments held by the taxable subsidiaries are included in the Company's consolidated financial statements and are recorded at fair value. These taxable subsidiaries are not consolidated with the Company for income tax purposes and may generate income tax expense, or benefit, and tax assets and liabilities as a result of their ownership of certain portfolio investments. Any income generated by these taxable subsidiaries generally would be subject to tax at normal corporate tax rates based on its taxable income.

The Company intends to timely distribute to its stockholders substantially all of its annual taxable income for each year, except that it may retain certain net capital gains for reinvestment and, depending upon the level of taxable income earned in a year, may choose to carry forward taxable income for distribution in the following year and pay any applicable U.S. federal excise tax.

As of December 31, 2023 and December 31, 2022, the Company recorded a deferred tax liability of \$0. The Company is required to include net deferred tax provision/benefit in calculating its total expenses even though these net deferred taxes are not currently payable/receivable. Taxable income generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized appreciation or depreciation, as such gains or losses are not included in taxable income until they are realized.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

For U.S. federal and state income tax purposes, a portion of the Taxable Subsidiaries' net operating loss carryforwards and basis differences may be subject to limitations on annual utilization in case of a change in ownership, as defined by federal and state law. The amount of such limitations, if any, has not been determined. Accordingly, the amount of such tax attributes available to offset future profits may be significantly less than the actual amounts of the tax attributes.

The Company and the Taxable Subsidiaries identified their major tax jurisdictions as U.S. federal, New York, and California and may be subject to the taxing authorities' examination for the tax years 2020–2023 in New York and 2019–2023 in California, respectively. Further, the Company and the Taxable Subsidiaries accrue all interest and penalties related to uncertain tax positions as incurred. As of December 31, 2023, there were no material interest or penalties incurred related to uncertain tax positions.

Permanent differences between ICTI and net investment income for financial reporting purposes are reclassified among capital accounts in the consolidated financial statements to reflect their tax character. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes. During the years ended December 31, 2023 and 2022, the Company reclassified for book purposes amounts arising from permanent book/tax differences related as follows:

	Year Ended December 31,	
	2023	2022
Capital in excess of par value	\$ (70,745,103)	\$ (14,709,928)
Accumulated undistributed net investment loss	73,968,102	14,709,928
Accumulated net realized gains from investments	(2,953,733)	—

In general, we make certain adjustments to the classification of net assets as a result of permanent book-to-tax differences, which may include nondeductible federal excise taxes and net operating losses, among other items. Certain prior period amounts have been reclassified to conform with the tax-based components of capital at the period end.

For income tax purposes, distributions paid to stockholders are reported as ordinary income, return of capital, long term capital gains or a combination thereof. The tax character of distributions declared in the years ended December 31, 2023, 2022, and 2021 was as follows:

	Year Ended December 31,		
	2023	2022	2021
Ordinary income	\$ —	\$ —	\$ —
Long-term capital gain	—	3,441,824	212,197,026
Return of capital	—	—	—
Distributions on a tax basis	—	—	—

For federal income tax purposes, the tax cost of investments owned at December 31, 2023 and 2022, was \$268,353,952 and \$294,674,345, respectively. The gross unrealized appreciation and gross unrealized depreciation on investments owned at December 31, 2023 was \$73,341,574 and \$93,803,419, respectively, and on investments owned at December 31, 2022 was \$56,250,562 and \$108,679,513, respectively. The net unrealized appreciation/(depreciation) on investments owned at December 31, 2023 and 2022, was \$(20,461,845) and \$(52,428,951), respectively.

At December 31, 2023 and 2022, the components of distributable earnings on a tax basis detailed below differ from the amounts reflected in the Company's Consolidated Statements of Assets and Liabilities by temporary and other book/tax differences, primarily relating to the tax treatment of certain investments in partnerships and wholly-owned subsidiary corporations, and organizational expenses, as follows:

	Year Ended December 31,	
	2023	2022
Undistributed ordinary loss	\$ —	\$ (45,822,672)
Accumulated net realized losses on investments	(20,584,963)	(3,901,291)
Unrealized appreciation/(depreciation) on investments	(20,461,845)	(52,428,951)
Components of distributable earnings at year-end	\$ (41,046,808)	\$ (102,152,914)

NOTE 10—DEBT CAPITAL ACTIVITIES

6.00% Notes due 2026

On December 17, 2021, the Company issued \$70.0 million aggregate principal amount of its 6.00% Notes due 2026, pursuant to an Indenture, dated as of March 28, 2018 (the "Base Indenture"), between the Company and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee (the "Trustee"), as supplemented by a second supplemental indenture, dated as of December 17, 2021 (together with the Base Indenture, the "Indenture"), between the Company and the Trustee. On December 21, 2021, the Company issued an additional \$5.0 million aggregate principal amount of 6.00% Notes due 2026 pursuant to an overallotment option. The 6.00% Notes due 2026 bear interest at a fixed rate of 6.00% per year, payable quarterly in arrears on March 30, June 30, September 30, and December 30 of each year, commencing on March 30, 2022. The 6.00% Notes due 2026 have a maturity date of December 30, 2026, unless previously repurchased in accordance with their terms. The Company has the right to redeem the 6.00% Notes due 2026, in whole or in part, at any time or from time to time, on or after December 30, 2024 at a redemption price of 100% of the outstanding principal amount of the 6.00% Notes due 2026 plus accrued and unpaid interest.

The 6.00% Notes due 2026 are direct unsecured obligations of the Company and rank *pari passu*, or equal in right of payment, with all outstanding and future unsecured, unsubordinated indebtedness of the Company; senior to any of the Company's future indebtedness that expressly provides it is subordinated to the 6.00% Notes due 2026; effectively subordinated to any of the Company's future secured indebtedness (including indebtedness that is initially unsecured in respect of which the Company subsequently grants a security interest), to the extent of the value of the assets securing such indebtedness (provided, however, that the Company has agreed under the Indenture to not incur any secured or unsecured indebtedness that would be senior to the 6.00% Notes due 2026 while the 6.00% Notes due 2026 are outstanding, subject to certain exceptions); and structurally subordinated to all existing and future indebtedness and other obligations of any of the Company's subsidiaries.

The 6.00% Notes due 2026 are listed for trading on the Nasdaq Global Select Market under the symbol "SSSSL". The reported closing market price of SSSSL on December 31, 2023 and December 31, 2022 was \$23.80 and \$23.51 per note, respectively. As of December 31, 2023 and December 31, 2022, the fair value of the 6.00% Notes due 2026 was \$71.4 million and \$70.5 million, respectively. The 6.00% Notes due 2026 are classified as Level 1 of the fair value hierarchy (Refer to "Note 2 — Significant Accounting Policies"). As of December 31, 2023 and December 31, 2022, the Company was in compliance with the terms of the Indenture.

SURO CAPITAL CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

NOTE 11—STOCK-BASED COMPENSATION**Amended and Restated 2019 Equity Incentive Plan**

On June 19, 2020, the Company's Board of Directors adopted, and the Company's stockholders approved, an amendment and restatement of the Company's 2019 Equity Incentive Plan (the "Amended & Restated 2019 Equity Incentive Plan") under which the Company is authorized to grant equity awards for up to 1,627,967 shares of its common stock. In accordance with the exemptive relief granted to the Company by the SEC on June 16, 2020 with respect to the Amended & Restated 2019 Equity Incentive Plan, the Company is generally authorized to (i) issue restricted shares as part of the compensation package for certain of its employees, officers and all directors, including non-employee directors (collectively, the "Participants"), (ii) issue options to acquire shares of its common stock ("Options") to certain employees, officers and employee directors as a part of such compensation packages, (iii) withhold shares of the Company's common stock or purchase shares of common stock from the Participants to satisfy tax withholding obligations relating to the vesting of restricted shares or the exercise of Options granted to the certain Participants pursuant to the Amended & Restated 2019 Equity Incentive Plan, and (iv) permit the Participants to pay the exercise price of Options granted to them with shares of the Company's common stock.

Under the Amended & Restated 2019 Equity Incentive Plan, each non-employee director will receive an annual grant of \$50,000 worth of restricted shares of common stock (based on the closing stock price of the common stock on the grant date). Each grant of \$50,000 in restricted shares will vest, in full, if the non-employee director is in continuous service as a director of the Company through the anniversary of such grant (or, if earlier, the annual meeting of the Company's stockholders that is closest to the anniversary of such grant). During the year ended December 31, 2023, the Company granted 60,060 restricted shares to the Company's non-employee directors pursuant to the Amended & Restated 2019 Equity Incentive Plan. Additionally, on May 31, 2023, 26,736 restricted shares related to the 2022 non-employee director grants vested. Compensation expense associated with the restricted shares is recognized on a quarterly basis over the respective vesting periods.

Other than such restricted shares granted to non-employee directors, the Compensation Committee of the Company's Board of Directors may determine the time or times at which Options and restricted shares granted to other Participants will vest or become payable or exercisable, as applicable. The exercise price of each Option will not be less than 100% of the fair market value of the Company's common stock on the date the option is granted. However, any optionee who owns more than 10% of the combined voting power of all classes of the Company's outstanding common stock (a "10% Stockholder"), will not be eligible for the grant of an incentive stock option unless the exercise price of the incentive stock option is at least 110% of the fair market value of the Company's common stock on the date of grant. Generally, no Option will be exercisable after the expiration of ten years from the date of grant. In the case of an Option granted to a 10% Stockholder, the term of an incentive stock option will be for no more than five years from the date of grant.

During the year ended December 31, 2023, the Company granted 125,000 restricted shares to the Company's officers pursuant to the Amended & Restated 2019 Equity Incentive Plan. The restricted shares have a vesting period of 3 years. The Company determined that the fair values, based on the grant date close price of such restricted shares granted to the Company's officers under the Amended & Restated 2019 Equity Incentive Plan during the year ended December 31, 2023 and 2022 were approximately \$532,500 and \$2,885,000, respectively, in the aggregate.

For the years ended December 31, 2023 and 2022, the Company recognized stock-based compensation expense of \$2,920,526 and \$2,606,147, respectively, not including executive and employee forfeits. As of December 31, 2023 and December 31, 2022, there were approximately \$4,849,887 and \$6,451,610 of total unrecognized compensation costs related to the restricted share grants. Compensation expense associated with the restricted shares is recognized on a quarterly basis over the respective vesting periods.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

The following table summarizes the activities for the Company’s restricted share grants for the year ended December 31, 2023 under the Amended & Restated 2019 Equity Incentive Plan:

	Number of Restricted Shares
Outstanding as of December 31, 2022	606,620
Granted	361,115
Vested ⁽¹⁾	(342,772)
Forfeited	—
Outstanding as of December 31, 2023	624,963
Vested as of December 31, 2023	513,572

(1) The balance of vested shares reflects the total shares vested during the period and has not been reduced for those vested shares forfeited at time of vest related to net share settlement.

The Amended & Restated 2019 Equity Incentive Plan provides for the concept of “net share settlement.” Specifically, it provides that the Company is authorized to withhold the Common Stock at the time the restricted shares are vested and taxed in satisfaction of the Participant’s tax obligations. On June 16, 2020, the Company received exemptive relief from the SEC to permit such withholding of shares.

NOTE 12—SUBSEQUENT EVENTS

Portfolio Activity

From January 1, 2024 through March 13, 2024, the Company made the following investments (not including capitalized transaction costs or investments in short-term U.S. Treasury bills).

Portfolio Company	Investment	Transaction Date	Amount
Supplying Demand, Inc. (d/b/a Liquid Death)	Preferred shares, Series F-1	1/18/2024	\$ 9,999,996
Total			\$ 9,999,996

From January 1, 2024 through March 13, 2024, the Company exited or received proceeds from the following investments (excluding short-term U.S. Treasury bills):

Portfolio Company	Transaction Date	Quantity	Average Net Share Price ⁽¹⁾	Net Proceeds	Realized Gain ⁽²⁾
Nextdoor Holdings, Inc. ⁽³⁾	Various	112,420	\$ 1.92	\$ 215,318	\$ (411,151)
PSQ Holdings, Inc. (d/b/a PublicSquare) - Warrants ⁽⁴⁾	Various	100,000	1.03	102,998	60,067
Total				\$ 318,316	\$ (351,084)

(1) The average net share price is the net share price realized after deducting all commissions and fees on the sale(s), if applicable.

(2) Realized gain does not include adjustments to amounts held in escrow receivable.

(3) As of February 23, 2024, SuRo Capital had sold its remaining Nextdoor Holdings, Inc. public common shares.

(4) As of March 13, 2024, SuRo Capital held 2,296,037 PSQ Holdings, Inc. (d/b/a PublicSquare) public warrants.

The Company is frequently in negotiations with various private companies with respect to investments in such companies. Investments in private companies are generally subject to satisfaction of applicable closing conditions. In the case of secondary market transactions, such closing conditions may include approval of the issuer, waiver or failure to exercise rights of first refusal by the issuer and/or its stockholders and termination rights by the seller or the Company. Equity investments made through the secondary market may involve making deposits in escrow accounts until the applicable closing conditions are satisfied, at which time the escrow accounts will close and such equity investments will be effectuated.

Modified Dutch Auction Tender Offer

On February 14, 2024, the Company’s Board of Directors authorized a modified Dutch Auction tender offer (the “Tender Offer”) to purchase up to 2,000,000 shares of its common stock at a price per share of not less than \$4.00 and not greater than \$5.00 in \$0.10 increments, using available cash. The Tender Offer commenced on February 20, 2024 and will expire at 5:00 P.M. Eastern Time on April 1, 2024, unless extended. If the Tender Offer is fully subscribed, the Company will purchase 2,000,000 shares, or approximately 7.9%, of the Company’s outstanding shares of its common stock. Any shares tendered may be withdrawn prior to expiration of the Tender Offer.

Based on the number of shares tendered and the prices specified by the tendering stockholders, the Company will determine the lowest per-share price that will enable it to acquire up to 2,000,000 shares of its common stock. All shares accepted in the Tender Offer will be purchase at the same price even if tendered at a lower price.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

NOTE 13—SELECTED QUARTERLY FINANCIAL DATA

	Quarter Ended			
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Total Investment Income	\$ 2,459,734	\$ 1,465,746	\$ 1,372,218	\$ 1,299,082
Total Operating Expenses	5,203,812	4,134,172	5,177,558	5,520,847
Net Investment Loss	(2,744,078)	(2,668,426)	(3,805,340)	(4,221,765)
Net Realized Gain/(Loss) on Investments	2,594,633	(1,461,281)	(13,270,199)	189,343
Net Change in Unrealized Appreciation/(Depreciation) of Investments	(8,973,578)	29,323,067	1,455,515	8,648,931
Net Increase/(Decrease) in Net Assets Resulting from Operations	\$ (9,123,023)	\$ 25,193,360	\$ (15,620,024)	\$ 4,616,509
Net Increase/(Decrease) in Net Assets from Operations per Common Share:				
Basic	\$ (0.36)	\$ 0.99	\$ (0.60)	\$ 0.16
Diluted	\$ (0.36)	\$ 0.99	\$ (0.60)	\$ 0.16
Weighted Average Common Shares Outstanding—Basic	25,251,921	25,351,306	25,952,447	28,378,529
Weighted Average Common Shares Outstanding—Diluted	25,251,921	25,351,306	25,952,447	28,378,529

	Quarter Ended			
	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Total Investment Income	\$ 1,462,951	\$ 519,511	\$ 890,631	\$ 583,100
Total Operating Expenses	4,326,133	4,328,744	4,701,519	4,807,805
Net Investment Loss	(2,863,182)	(3,809,233)	(3,810,888)	(4,224,705)
Net Realized Gain/(Loss) on Investments	(1,894,406)	(5,141,097)	(1,966,225)	3,096,275
Net Change in Unrealized Appreciation/(Depreciation) of Investments	(7,633,982)	(36,951,920)	(88,562,575)	21,584,885
Net Increase/(Decrease) in Net Assets Resulting from Operations	\$ (12,391,570)	\$ (45,902,250)	\$ (94,339,688)	\$ 20,456,455
Net Increase/(Decrease) in Net Assets from Operations per Common Share:				
Basic	\$ (0.44)	\$ (1.54)	\$ (3.08)	\$ 0.66
Diluted	\$ (0.44)	\$ (1.54)	\$ (3.08)	\$ 0.66
Weighted Average Common Shares Outstanding—Basic	28,349,822	29,781,801	30,633,878	31,228,046
Weighted Average Common Shares Outstanding—Diluted	28,349,822	29,781,801	30,633,878	31,228,046

	Quarter Ended			
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Total Investment Income	\$ 380,754	\$ 523,916	\$ 274,820	\$ 291,352
Total Operating Expenses	3,210,777	2,747,394	2,317,820	3,125,670
Net Investment Loss	(2,830,023)	(2,223,478)	(2,043,000)	(2,834,318)
Net Realized Gain on Investments	46,428,514	32,495,660	27,658,812	112,152,518
Net Change in Unrealized Appreciation/(Depreciation) of Investments	(53,134,601)	(15,023,778)	7,741,252	(1,315,837)
Net Increase/(Decrease) in Net Assets Resulting from Operations	\$ (9,536,110)	\$ 15,248,404	\$ 33,357,064	\$ 108,002,363
Net Increase/(Decrease) in Net Assets from Operations per Common Share:				
Basic	\$ (0.32)	\$ 0.55	\$ 1.32	\$ 5.27
Diluted	\$ (0.32)	\$ 0.55	\$ 1.32	\$ 4.50
Weighted Average Common Shares Outstanding—Basic	29,883,824	27,619,062	25,334,482	20,486,621
Weighted Average Common Shares Outstanding—Diluted	29,883,824	27,619,062	25,334,482	24,123,339

SURO CAPITAL CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

NOTE 14—SUPPLEMENTAL FINANCIAL DATA

Summarized Financial Information of Unconsolidated Subsidiaries

In accordance with the SEC’s Regulation S-X and GAAP, the Company is not permitted to consolidate any subsidiary or other entity that is not an investment company, including those in which the Company has a controlling interest; however, the Company must disclose certain financial information related to any subsidiaries or other entities that are considered to be “significant subsidiaries” under the applicable rules of Regulation S-X.

In May 2020, the SEC adopted rule amendments that impacted the requirement of investment companies, including BDCs, to disclose the financial statements of certain of their portfolio companies or acquired funds (the “Final Rules”). The Final Rules adopted a new definition of “significant subsidiary” set forth in Rule 1-02(w)(2) of Regulation S-X under the Securities Act. Rules 3-09 and 4-08(g) of Regulation S-X require investment companies to include separate financial statements or summary financial information, respectively, in such investment company’s periodic reports for any portfolio company that meets the definition of “significant subsidiary.” The Final Rules amended the definition of “significant subsidiary” in a manner that was intended to more accurately capture those portfolio companies that were more likely to materially impact the financial condition of an investment company.

The Company’s three controlled portfolio companies as of December 31, 2023, SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.), Architect Capital PayJoy SPV, LLC, and Colombier Sponsor II LLC, did not meet the definition of a “significant subsidiary” as set forth in Rule 1-02(w)(2). For comparability purposes, the Company has omitted the previously disclosed summarized financial information of the Company’s significant subsidiaries for the year ended December 31, 2022 as the Company’s significant subsidiaries would not have been considered significant subsidiaries under the Final Rules.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of December 31, 2023, our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified by the SEC and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

(b) Management’s Report on Internal Controls Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act, and for performing an assessment of the effectiveness of internal control over financial reporting as of December 31, 2023. Internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors, as applicable; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management performed an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2023 based upon criteria in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Based on this assessment, management determined that our internal control over financial reporting was effective as of December 31, 2023.

This annual report does not include an attestation report of our registered public accounting firm pursuant to the rules of the SEC.

(c) Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal year ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Fees and Expenses

The following table is intended to assist you in understanding the costs and expenses that an investor will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. The following table should not be considered a representation of our future expenses. Actual expenses may be greater or less than shown. Except where the context suggests otherwise, whenever this Annual Report on Form 10-K contains a reference to fees or expenses paid by “us” or “SuRo Capital,” or that “we” will pay fees or expenses, you will indirectly bear such fees or expenses as an investor in SuRo Capital Corp., however, your responsibility for such fees or expenses is limited to your investment in SuRo Capital Corp. The fee table and example below include all fees and expenses of our consolidated subsidiaries.

Stockholder transaction expenses:	
Sales load (as a percentage of offering price)	—%(1)
Offering expenses (as a percentage of offering price)	—%(2)
Dividend reinvestment plan expenses	—%(3)
Total stockholder transaction expenses (as a percentage of offering price)	—%(4)
Annual expenses (as a percentage of net assets attributable to common stock)(8):	
Operating expenses	6.58%(5)
Interest payments on borrowed funds	2.37%(6)
Other expenses	0.90%(7)
Total annual expenses	9.85%

- (1) In the event that our securities are sold to or through underwriters, a corresponding prospectus or prospectus supplement will disclose the applicable sales load.
- (2) In the event that we conduct an offering of our securities, a corresponding prospectus or prospectus supplement will disclose the estimated offering expenses. Our common stockholders will bear, directly or indirectly, the expenses of any offering of our securities, including debt securities.
- (3) Under our DRIP, the plan administrator’s fees will be paid by us. There will be no brokerage charges or other charges to stockholders who participate in the plan except that, if a participant elects by his or its written or telephonic notice to the plan administrator in advance of termination to have the plan administrator sell part or all of his or its shares and remit the proceeds to the participant, the plan administrator is authorized to deduct a \$15 transaction fee plus brokerage commission from the proceeds. The expenses of our DRIP are included in “Other expenses.”
- (4) The total stockholder transaction expenses may include sales load and will be disclosed in a future prospectus or prospectus supplement, if any.
- (5) Operating expenses in this table represent estimated annual operating expenses based upon the actual annual operating expenses of the Company and its consolidated subsidiaries for the year ended December 31, 2023. We do not have an investment adviser and are internally managed by our executive officers under the supervision of our Board of Directors. As a result, we do not pay investment advisory fees, but instead we pay the operating costs associated with employing investment management professionals including, without limitation, compensation expenses related to salaries, discretionary bonuses and restricted stock grants.
- (6) We are exposed to the risks of leverage, which may be considered a speculative investment technique. The use of leverage magnifies the potential for gain and loss on amounts invested and, therefore, increases the risks associated with an investment in us. Interest payments on borrowed funds represents our estimated annual interest payments based on actual interest rate terms under our outstanding 6.00% Notes due 2026 as of December 31, 2023.
- (7) “Other expenses,” which we calculate to equal approximately \$1.8 million, are estimated based upon actual “Other expenses” for the year ended December 31, 2023.
- (8) “Net assets attributable to common stock,” which we calculate to equal approximately \$203.4 million, reflect our net assets for the year ended December 31, 2023.

Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed that our annual operating expenses would remain at the levels set forth in the table above. See footnote 6 above for additional information regarding certain assumptions regarding our level of leverage.

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a \$1,000 investment, assuming a 5% annual return	\$ 96	\$ 275	\$ 418	\$ 699

The example and the expenses in the tables above should not be considered a representation of our future expenses, and actual expenses may be greater or less than those shown. While the example assumes, as required by the SEC, a 5.0% annual return, our performance will vary and may result in a return greater or less than 5.0%. In addition, while the example assumes reinvestment of all dividends at net asset value participants in our DRIP will receive a number of shares of our common stock, determined by dividing the total dollar amount of the dividend payable to a participant by the market price per share of our common stock at the close of trading on the dividend payment date, which may be at, above or below net asset value. See “Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities - Distributions” for additional information regarding our DRIP.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by Item 10 will be contained in the 2024 Proxy Statement, to be filed with the SEC within 120 days after December 31, 2023, and is incorporated herein by reference. There have been no material changes to the procedures by which stockholders may recommend nominees to our Board of Directors.

We have adopted a Code of Business Conduct and Ethics for our employees and directors, including, specifically, our Chief Executive Officer, our Chief Financial Officer, and our other executive officers. Our Code of Business Conduct and Ethics satisfies the requirements for a “code of ethics” within the meaning of SEC rules. A copy of the Code of Business Conduct and Ethics is posted on our website at <https://investors.surocap.com/corporate-governance>. We intend to disclose any changes in, or waivers from, the Code of Business Conduct and Ethics by posting such information on the same website or by filing a Form 8-K, in each case to the extent such disclosure is required by rules of the SEC or NASDAQ.

Item 11. Executive Compensation

The information required by Item 11 will be contained in the 2024 Proxy Statement, to be filed with the SEC within 120 days after December 31, 2023, and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by Item 12 will be contained in the 2024 Proxy Statement, to be filed with the SEC within 120 days after December 31, 2023, and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 will be contained in the 2024 Proxy Statement, to be filed with the SEC within 120 days after December 31, 2023, and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by Item 14 will be contained in the 2024 Proxy Statement, to be filed with the SEC within 120 days after December 31, 2023, and is incorporated herein by reference.

Item 15. Exhibits and Financial Statement Schedules

The following documents are filed or incorporated by reference as part of this annual report on Form 10-K:

- (1) Financial Statements—Refer to Part II, Item 8 of this Form 10-K, which are incorporated herein by reference.

	Page
Report of Independent Registered Public Accounting Firm	67
Consolidated Statements of Assets and Liabilities as of December 31, 2023 and 2022	68
Consolidated Statements of Operations for the years ended December 31, 2023, 2022 and 2021	69
Consolidated Statements of Changes in Net Assets for the years ended December 31, 2023, 2022 and 2021	70
Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021	71
Consolidated Schedule of Investments as of December 31, 2023	72
Consolidated Schedule of Investments as of December 31, 2022	76
Notes to Consolidated Financial Statements	80

- (2) Financial Statement Schedules—None. We have omitted financial statement schedules because they are not required or are not applicable, or the required information is shown in the financial statements or notes to the financial statements.

- (3) Exhibits

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the SEC:

- 3.1 [Articles of Amendment and Restatement](#)⁽¹⁾
- 3.2 [Articles of Amendment](#)⁽²⁾
- 3.3 [Articles of Amendment](#)⁽³⁾
- 3.4 [Articles of Amendment](#)⁽⁴⁾
- 3.5 [Second Amended and Restated Bylaws](#)⁽⁴⁾
- 4.1 [Form of Common Stock Certificate](#)⁽⁵⁾
- 4.2 [Base Indenture, dated March 28, 2018, by and between the Registrant and U.S. Bank National Association, as trustee](#)⁽⁶⁾
- 4.3 [Second Supplemental Indenture, dated December 17, 2021, relating to the 6.00% Notes due 2026, by and between the Company and U.S. Bank National Association, as trustee](#)⁽⁷⁾
- 4.4 [Form of 6.00% Notes due 2026 \(incorporated by reference to Exhibit 4.3\)](#)⁽⁷⁾
- 4.5 [Description of Securities](#)⁽⁸⁾
- 10.1 [Dividend Reinvestment Plan](#)⁽¹⁾
- 10.2 [SuRo Capital Corp. Amended and Restated 2019 Equity Incentive Plan](#)⁽²⁾
- 10.3 [Form of SuRo Capital Corp. Restricted Stock Agreement \(Non-Employee Directors\)](#)⁽⁹⁾
- 10.4 [Form of SuRo Capital Corp. Restricted Stock Agreement \(Employees and Officers\)](#)⁽⁹⁾
- 10.5 [Form of SuRo Capital Corp. Non-Qualified Stock Option Award](#)⁽⁹⁾
- 10.6 [Custody Agreement dated April 14, 2011 by and between the Registrant and U.S. Bank National Association](#)⁽¹⁰⁾
- 10.7 [Custody Agreement, dated October 28, 2022, by and between the Registrant and U.S. Bank Trust Company, National Association, as Custodian](#)⁽¹¹⁾
- 10.8 [Document Custody Agreement, dated October 28, 2022, by and between the Registrant and U.S. Bank Trust Company, National Association, as Document Custodian](#)⁽¹¹⁾
- 10.9 [Custody Agreement, dated April 19, 2023, by and between the Registrant and Western Alliance Trust Company, N.A., as Custodian](#)⁽¹⁵⁾
- 10.10 [Form of Indemnification Agreement by and between the Company and each of its directors](#)⁽¹⁾
- 10.11 [Second Amended and Restated Employment Agreement, dated April 26, 2021, by and between Sutter Rock Capital Corp. and Mark D. Klein](#)⁽¹²⁾
- 10.12 [Second Amended and Restated Employment Agreement, dated April 26, 2021, by and between Sutter Rock Capital Corp. and Allison Green](#)⁽¹²⁾

TABLE OF CONTENTS

10.13	Amendment No. 1 to Second Amended and Restated Employment Agreement, dated March 10, 2022, by and between SuRo Capital Corp. and Allison Green⁽⁸⁾
10.14	Amendment No. 1 to Second Amended and Restated Employment Agreement, dated November 28, 2023, by and between SuRo Capital Corp. and Mark D. Klein*
10.15	Amendment No. 2 to Second Amended and Restated Employment Agreement, dated November 28, 2023, by and between SuRo Capital Corp. and Allison Green*
10.16	At-the-Market Sales Agreement dated as of July 29, 2020, by and among SuRo Capital Corp., BTIG LLC, JMP Securities LLC, and Ladenburg Thalmann & Co., Inc.⁽¹³⁾
10.17	Amendment No.1 to the At-the-Market Sales Agreement, dated as of September 23, 2020, by and among SuRo Capital Corp., BTIG LLC, JMP Securities LLC, and Ladenburg Thalmann & Co., Inc.⁽¹⁴⁾
14.1	Code of Ethics⁽¹⁶⁾
14.2	Code of Business Conduct and Ethics⁽¹⁷⁾
21.1	List of Subsidiaries (Included in the notes to the consolidated financial statements contained in this report)*
23.1	Consent of Marcum LLP*
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended*
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
97.1	SuRo Capital Corp. Dodd-Frank Compensation Recoupment Policy*
99.1	Report of Marcum LLP regarding the Senior Securities table*
99.2	Report of Deloitte & Touche LLP regarding the Senior Securities table⁽⁶⁾
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

- (1) Previously filed in connection with Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form N-2 (File No. 333-171578), filed on March 30, 2011, and incorporated by reference herein.
- (2) Previously filed in connection with the Registrant's Current Report on Form 8-K (File No. 814-00852), filed on June 1, 2011, and incorporated by reference herein.
- (3) Previously filed in connection with the Registrant's Current Report on Form 8-K (File No. 814-00852) filed on August 1, 2019, and incorporated by reference herein.
- (4) Previously filed in connection with the Registrant's Current Report on Form 8-K (File No. 814-00852) filed on June 16, 2020, and incorporated by reference herein.
- (5) Previously filed in connection with Pre-Effective Amendment No. 3 to the Registrant's Registration Statement on Form N-2 (File No. 333-175655), filed on September 20, 2011, and incorporated by reference herein.
- (6) Previously filed in connection with the Registrant's Registration Statement on Form N-2 (File No. 333-239681), filed on July 2, 2020 and incorporated by reference herein.
- (7) Previously filed in connection with the Registrant's Current Report on Form 8-K (File No. 814-00852) filed on December 17, 2021 and incorporated by reference herein.
- (8) Previously filed in connection with the Registrant's Annual Report on Form 10-K (File No. 814-00852) filed on March 11, 2022 and incorporated by reference herein.
- (9) Previously filed in connection with the Registrant's Registration Statement on Form S-8 (File No. 333-239662) filed on July 2, 2020, and incorporated by reference herein.
- (10) Previously filed in connection with Pre-Effective Amendment No. 3 to the Registrant's Registration Statement on Form N-2 (File No. 333-171578), filed on April 15, 2011, and incorporated by reference herein.
- (11) Previously filed in connection with the Registrant's Current Report on Form 8-K (File No. 814-00852) filed on November 1, 2022, and incorporated by reference herein.
- (12) Previously filed in connection with the Registrant's Quarterly Report on Form 10-Q (File No. 814-00852), filed on May 6, 2021 and incorporated by reference herein.
- (13) Previously filed in connection with the Registrant's Current Report on Form 8-K (File No. 814-00852) filed on August 3, 2020 and incorporated by reference herein.
- (14) Previously filed in connection with the Registrant's Current Report on Form 8-K (File No. 814-00852) filed on September 23, 2020 and incorporated by reference herein.
- (15) Previously filed in connection with the Registrant's Current Report on Form 8-K (File No. 814-00852), filed on April 20, 2023 and incorporated by reference herein.
- (16) Previously filed in connection with the Registrant's Annual Report on Form 10-K (File No. 814-00852), filed on March 16, 2023 and incorporated by reference herein.
- (17) Previously filed in connection with the Registrant's Annual Report on Form 10-K (File No. 814-00852), filed on March 13, 2020 and incorporated by reference herein.

* Filed herewith.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SURO CAPITAL CORP.

Date: March 14, 2024

By: /s/ Mark D. Klein
Mark D. Klein
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Date: March 14, 2024

By: /s/ Allison Green
Allison Green
Chief Financial Officer, Chief Compliance Officer, Treasurer, and Corporate Secretary
(Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: March 14, 2024

By: /s/ Mark D. Klein
Mark D. Klein
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Date: March 14, 2024

By: /s/ Allison Green
Allison Green
Chief Financial Officer, Chief Compliance Officer, Treasurer, and Corporate Secretary
(Principal Financial and Accounting Officer)

Date: March 14, 2024

By: /s/ Leonard A. Potter
Leonard A. Potter
Director

Date: March 14, 2024

By: /s/ Ronald M. Lott
Ronald M. Lott
Director

Date: March 14, 2024

By: /s/ Marc Mazur
Marc Mazur
Director

Date: March 14, 2024

By: /s/ Lisa Westley
Lisa Westley
Director

AMENDMENT NO. 1 TO
SECOND AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

This Amendment No. 1 to the Second Amended and Restated Employment Agreement (this “**Amendment**”) is effective as of November 28, 2023, by and between SuRo Capital Corp., a Maryland corporation (the “**Company**”), and Mark D. Klein (the “**Executive**”).

WHEREAS, the Company is an internally managed, closed-end management investment company that has elected to be treated as a business development company under the Investment Company Act of 1940, as amended;

WHEREAS, the Company and the Executive previously entered into an employment agreement, dated April 23, 2019, which was amended and restated as of April 28, 2020 and again amended and restated as of April 26, 2021 (the “**Second Amended and Restated Employment Agreement**”); and

WHEREAS, the parties desire to amend the Second Amended and Restated Employment Agreement as set forth herein to secure the Executive’s employment during the Term (as hereinafter defined) on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. AMENDMENT TO SECTION 2. The first and second sentences of Section 2 of the Second Amended and Restated Employment Agreement are hereby amended to read as follows:

“Subject to the provisions of Section 8, the Executive’s employment by the Company under this Agreement commenced on March 12, 2019 (the “Effective Date”), and shall end on December 31, 2026 (the “Term”). Unless terminated earlier pursuant to Section 8, the Term shall be automatically extended for one year on December 31, 2026, and then on each succeeding anniversary of December 31, 2026, unless either party elects, in writing, to terminate this Agreement at least thirty (30) days prior to the expiration of the then current Term.”

2. MISCELLANEOUS. Except as otherwise expressly provided herein, the terms of the Second Amended and Restated Employment Agreement shall remain in full force and effect. The Second Amended and Restated Employment Agreement, as amended hereby, constitute the entire agreement between the parties hereto relating to the subject matter hereof, and supersedes all prior agreements and understandings, whether oral or written, with respect to the same. No modification, alteration, amendment or revision of or supplement to the Second Amended and Restated Employment Agreement, as amended hereby, shall be valid or effective unless the same is in writing and signed by both parties hereto.
-

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to the Second Amended and Restated Employment Agreement as of the day and year first above written.

EXECUTIVE:

SURO CAPITAL CORP.:

/s/ Mark D. Klein

Mark D. Klein

By: */s/ Allison Green*

Name: Allison Green

Title: Chief Financial Officer, Chief Compliance Officer, Treasurer and Corporate Secretary

AMENDMENT NO. 2 TO
SECOND AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

This Amendment No. 2 to the Second Amended and Restated Employment Agreement (this “**Amendment**”) is effective as of November 28, 2023, by and between SuRo Capital Corp., a Maryland corporation (the “**Company**”), and Allison Green (the “**Executive**”).

WHEREAS, the Company is an internally managed, closed-end management investment company that has elected to be treated as a business development company under the Investment Company Act of 1940, as amended;

WHEREAS, the Company and the Executive previously entered into an employment agreement, dated April 23, 2019, which was amended and restated as of April 28, 2020 and again amended and restated as of April 26, 2021 (the “**Second Amended and Restated Employment Agreement**”), which Second Amended and Restated Employment Agreement was amended as of March 10, 2022 (“**Amendment No. 1**”); and

WHEREAS, the parties desire to amend the Second Amended and Restated Employment Agreement as set forth herein to secure the Executive’s employment during the Term (as hereinafter defined) on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. AMENDMENT TO SECTION 2. The first and second sentences of Section 2 of the Second Amended and Restated Employment Agreement are hereby amended to read as follows:

“Subject to the provisions of Section 8, the Executive’s employment by the Company under this Agreement commenced on March 12, 2019 (the “Effective Date”), and shall end on December 31, 2026 (the “Term”). Unless terminated earlier pursuant to Section 8, the Term shall be automatically extended for one year on December 31, 2026, and then on each succeeding anniversary of December 31, 2026, unless either party elects, in writing, to terminate this Agreement at least thirty (30) days prior to the expiration of the then current Term.”

2. MISCELLANEOUS. Except as otherwise expressly provided herein and in Amendment No. 1, the terms of the Second Amended and Restated Employment Agreement shall remain in full force and effect. The Second Amended and Restated Employment Agreement, as amended hereby and together with Amendment No. 1, constitute the entire agreement between the parties hereto relating to the subject matter hereof, and supersedes all prior agreements and understandings, whether oral or written, with respect to the same. No modification, alteration, amendment or revision of or supplement to the Second Amended and Restated Employment Agreement, as amended hereby and together with Amendment No. 1, shall be valid or effective unless the same is in writing and signed by both parties hereto.
-

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to the Second Amended and Restated Employment Agreement as of the day and year first above written.

EXECUTIVE:

SURO CAPITAL CORP.:

/s/ Allison Green

Allison Green

By: */s/ Mark D. Klein*

Name: Mark D. Klein

Title: President and Chief Executive Officer

**CODE OF ETHICS
FOR
SURO CAPITAL CORP.**

Section I. Statement of General Fiduciary Principles

This Code of Ethics (the “*Code*”) has been adopted by SuRo Capital Corp. (the “*Corporation*” or “*SuRo Capital*”) in compliance with Rule 17j-1 under the Investment Company Act of 1940, as amended (the “*Act*”). The purpose of the Code is to establish standards and procedures for the detection and prevention of activities by which persons having knowledge of the investments and investment intentions of the Corporation may abuse their fiduciary duty to the Corporation, and otherwise to deal with the types of conflict of interest situations to which Rule 17j-1 under the Act (“*Rule 17j-1*”) are appropriately to be addressed.

The Code is based on the principle that the directors, officers and employees of the Corporation who provide services to the Corporation owe a fiduciary duty to the Corporation to conduct their personal securities transactions in a manner that does not interfere with the Corporation’s transactions or otherwise take unfair advantage of their relationship with the Corporation. All directors, officers and employees of the Corporation (“*Covered Persons*”) are expected to adhere to this general principle as well as to comply with all of the specific provisions of this Code applicable to them. In addition, all Covered Persons must comply with applicable federal securities laws and must report violations of the Code to the Corporation’s Chief Compliance Officer (“*CCO*”).

Technical compliance with the Code will not automatically insulate any Covered Person from scrutiny of transactions that show a pattern of compromise or abuse of the individual’s fiduciary duty to the Corporation. Accordingly, all Covered Persons must seek to avoid any actual or potential conflicts between their personal interests and the interests of the Corporation and its stockholders. In sum, all Covered Persons shall place the interests of the Corporation and its investors before their own personal interests.

All Covered Persons must read and retain this Code.

Section II. Definitions

- (A) “*Access Person*” means any director, employee, officer or Advisory Person (as defined below) of the Corporation.
- (B) An “*Advisory Person*” of the Corporation means: (i) any director, officer or employee of the Corporation or any company in a Control (as defined below) relationship to the Corporation who, in connection with his or her regular functions or duties makes, participates in, or obtains information regarding the purchase or sale of any Covered Security (as defined below) by the Corporation, or whose functions relate to the making of any recommendation with respect to such purchases or sales; and (ii) any natural person in a Control relationship to the Corporation who obtains information concerning recommendations made to the Corporation with regard to the purchase or sale of any Covered Security by the Corporation.
- (C) “*Beneficial Ownership*” is interpreted in the same manner as it would be under Rule 16a-1(a)(2) under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), in determining whether a person is a beneficial owner of a security for purposes of Section 16 of the Exchange Act and the rules and regulations thereunder.

Last Approved and Ratified: October 19, 2022

- (D) “**CCO**” means the Chief Compliance Officer of the Corporation.
- (E) “**Control**” shall have the same meaning as that set forth in Section 2(a)(9) of the Act, and generally means the power to exercise a controlling influence over the management or policies of a company, unless such power is solely the result of an official position with such company.
- (F) “**Covered Person**” means any director, officer or employee (including a temporary employee) of the Corporation, or of any of the Corporation’s affiliates or subsidiaries, and any other persons so designated by the CCO.
- (G) “**Covered Security**” means a security as defined in Section 2(a)(36) of the Act, including: any note, stock, treasury stock, security future, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a “security,” or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.
- “**Covered Security**” does not include: (i) direct obligations of the Government of the United States; (ii) bankers’ acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements; and (iii) shares issued by open-end investment companies registered under the Act. References to a Covered Security in this Code (e.g., a prohibition or requirement applicable to the purchase or sale of a Covered Security) shall be deemed to refer to and to include any warrant for, option in, or security immediately convertible into that Covered Security, and shall also include any instrument that has an investment return or value that is based, in whole or in part, on that Covered Security (collectively, “**Derivatives**”). Therefore, except as otherwise specifically provided by this Code: (i) any prohibition or requirement of this Code applicable to the purchase or sale of a Covered Security shall also be applicable to the purchase or sale of a Derivative relating to that Covered Security; and (ii) any prohibition or requirement of this Code applicable to the purchase or sale of a Derivative shall also be applicable to the purchase or sale of a Covered Security relating to that Derivative.
- (H) “**Independent Director**” means a director of the Corporation who is not an “interested person” of the Corporation within the meaning of Section 2(a)(19) of the Act.
- (I) “**Initial Public Offering**” means an offering of securities registered under the Securities Act of 1933, as amended (the “**1933 Act**”), the issuer of which, immediately before the registration, was not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act.
- (J) “**Investment Persons**” of the Corporation means: (i) any employee of the Corporation (or of any company in a Control relationship to the Corporation) who, in connection with his or her regular functions or duties, makes or participates in making recommendations regarding the purchase or sale of securities by the Corporation; and (ii) any natural person who controls the Corporation and who obtains information concerning recommendations made to the Corporation regarding the purchase or sale of securities by the Corporation.

Last Approved and Ratified: October 19, 2022

(K) “**Limited Offering**” means an offering that is exempt from registration under the 1933 Act pursuant to Section 4(2) or Section 4(6) thereof or pursuant to Rule 504, Rule 505, or Rule 506 thereunder.

(L) “**Security Held or to be Acquired**” by the Corporation means: (i) any Covered Security which, within the most recent 15 days: (A) is or has been held by the Corporation; or (B) is being or has been considered by the Corporation for purchase by the Corporation; and (ii) any option to purchase or sell, and any security convertible into or exchangeable for, a Covered Security described in Section II(L)(i) above.

(M) “**Restricted List**” means the list promulgated and periodically updated by the CCO, in consultation with the Corporation’s Chief Investment Officer or his/her designee, which lists all of the Covered Securities that (1) the Corporation has purchased or sold within the last 15 calendar days, or is purchasing or selling or intends to purchase or sell within the next 15 calendar days; or that (2) the Corporation has within the last 15 calendar days considered purchasing or selling, or within the next 15 calendar days intends to consider purchasing or selling.

Section III. Objective and General Prohibitions

Covered Persons may not engage in any investment transaction under circumstances in which the Covered Person benefits from or interferes with the purchase or sale of investments by the Corporation. In addition, Covered Persons may not use information concerning the investments or investment intentions of the Corporation, or their ability to influence such investment intentions, for personal gain or in a manner detrimental to the interests of the Corporation.

Covered Persons may not engage in conduct that is deceitful, fraudulent or manipulative, or that involves false or misleading statements, in connection with the purchase or sale of investments by the Corporation. In this regard, Covered Persons should recognize that Rule 17j-1 makes it unlawful for any affiliated person of the Corporation in connection with the purchase or sale, directly or indirectly, by the person of a Security Held or to be Acquired by the Corporation to:

- (i) employ any device, scheme or artifice to defraud the Corporation or its investors;
- (ii) make any untrue statement of a material fact to the Corporation or its investors or omit to state to the Corporation or its investors a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;
- (iii) engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon the Corporation or its investors; or
- (iv) engage in any manipulative practice with respect to the Corporation or its investors.

Covered Persons should also recognize that a violation of this Code or of Rule 17j-1 may result in the imposition of: (1) sanctions as provided by Section VIII below; or (2) administrative, civil and, in certain cases, criminal fines, sanctions or penalties.

Covered Persons are required to comply with applicable federal securities laws.

Last Approved and Ratified: October 19, 2022

Section IV. Prohibited Transactions

- (A) An Access Person may not, without first obtaining pre-clearance approval, either from the CCO directly in writing (using the “Pre-Clearance Request” form attached as Schedule A, or such similar form as the CCO may hereafter approve (hereinafter, the “Pre-Clearance Request Form”)) or through the online reporting system, which is monitored and overseen by the CCO or his/her designees (the “*System*”):
- (1) purchase or otherwise acquire direct or indirect Beneficial Ownership of any security on the Restricted List, or of any Covered Security concerning which he or she has material non-public information, regardless of whether that security is on the Restricted List; or
 - (2) sell or otherwise dispose of direct or indirect Beneficial Ownership, of any security on the Restricted List, or of any Covered Security concerning which he or she has material non-public information, regardless of whether that security is on the Restricted List.
- (B) An Access Person may not purchase or otherwise acquire or sell or otherwise dispose of any direct or indirect Beneficial Ownership of the Corporation’s securities without similarly first obtaining pre-clearance approval by the CCO directly in writing using the Pre-Clearance Request Form or online via the System.
- (C) Investment Persons of the Corporation must obtain pre-approval from the CCO before directly or indirectly acquiring Beneficial Ownership in any Covered Securities in an Initial Public Offering or in a Limited Offering. Such approval must be obtained from the CCO, either directly in writing using the Pre-Clearance Request Form, unless the person seeking such approval is the CCO, in which case pre-approval must be obtained from the Corporation’s Chief Executive Officer using the Pre-Clearance Request Form.
- (D) No Access Person shall recommend any transaction in any Covered Securities by the Corporation without having disclosed to the CCO his or her interest, if any, in such Covered Securities or the issuer thereof, including: the Access Person’s Beneficial Ownership of any Covered Securities of such issuer; any contemplated transaction by the Access Person in such Covered Securities; any position the Access Person (or any person to whom the Access Person is related, by blood or marriage, and is known) has with such issuer; and any present or proposed business relationship between such issuer and the Access Person (or a party in which the Access Person has a significant interest).

Section V. Reports by Access Persons

- (A) *Initial and Annual Personal Securities Accounts and Holdings Reports.*

All Access Persons shall within 10 days of the date on which they become Access Persons, and thereafter, within 30 days after the end of each calendar year, disclose the title and type of security, and as applicable the exchange ticker symbol or CUSIP number, number of shares, and principal amount of all Covered Securities in which they have a Beneficial Ownership as of the date the person became an Access Person, in the case of such person’s initial report, and as of the last day of the year, as to annual reports. A form of such report, which is hereinafter called an “*Initial and Annual Personal Securities Accounts and Holdings Report*,” is attached as Schedule B. Each Initial and Annual Personal Securities Accounts and Holdings Report must also disclose the name of any broker, dealer, or bank with whom the Access Person maintained an account in which any securities were held for the direct or indirect benefit of the Access Person as of the date the person became an Access Person or as of the last day of the year, as the case may be. Each Initial and Annual Personal Securities Accounts and Holdings Report shall state the date it is being submitted. In all cases, the information must be current as of a date no more than 45 days prior to the date the person becomes an Access Person, or the date the report was submitted, as applicable.

Last Approved and Ratified: October 19, 2022

(B) *Quarterly Transaction Reports.*

Within 30 days after the end of each calendar quarter, each Access Person shall make a written report to the CCO (or designee) of all transactions occurring in the quarter in a Covered Security in which he or she had any Beneficial Ownership. A form of such report, which is hereinafter called a “*Quarterly Securities Transaction Report*,” is attached as Schedule C.

A Quarterly Securities Transaction Report shall be in the form of Schedule C or such other form approved by the CCO (or designee) and must contain the following information with respect to each reportable transaction:

- (1) Date and nature of the transaction (purchase, sale or any other type of acquisition or disposition);
- (2) Title, interest rate and maturity date (if applicable), number of shares and principal amount of each Covered Security involved and the price of the Covered Security at which the transaction was effected;
- (3) Name of the broker, dealer or bank with or through whom the transaction was effected; and
- (4) The date the report is submitted by the Access Person.

(C) *Independent Directors.*

Notwithstanding the reporting requirements set forth in this Section V, an Independent Director who would be required to make a report under this Section V solely by reason of being a director of the Corporation is not required to file an Initial and Annual Personal Securities Accounts and Holdings Report upon becoming a director of the Corporation or an annual Initial and Annual Personal Securities Accounts and Holdings Report.

Such an Independent Director also need not file a Quarterly Securities Transaction Report *unless* such director knew or, in the ordinary course of fulfilling his or her official duties as a director of the Corporation, should have known that during the 15-day period immediately preceding or after the date of the transaction in a Covered Security by the director, such Covered Security is or was purchased or sold by the Corporation or the Corporation considered purchasing or selling such Covered Security.

(D) *Brokerage Accounts and Statements.*

Access Persons, except Independent Directors, shall:

- (1) within 30 days after the end of each calendar quarter, identify the name of the broker, dealer or bank with whom the Access Person established an account in which any securities were held during the quarter for the direct or indirect benefit of the Access Person and identify any new account(s) and the date the account(s) were established. This information shall be included on the appropriate Quarterly Securities Transaction Report;
- (2) instruct the brokers, dealers or banks with whom they maintain such an account to provide duplicate account statements to the CCO (or designee); and
- (3) on an annual basis, certify that they have complied with the requirements of (1) and (2) above.

Last Approved and Ratified: October 19, 2022

(E) Form of Reports.

A Quarterly Securities Transaction Report may consist of broker statements or other statements that provide a list of all personal Covered Securities holdings and transactions in the time period covered by the report and contain the information required in a Quarterly Securities Transaction Report.

(F) Responsibility to Report.

It is the responsibility of each Access Person to take the initiative to comply with the requirements of this Section V. Any effort by the Corporation to facilitate the reporting process does not change or alter that responsibility. A person need not make a report hereunder with respect to transactions effected for, and Covered Securities held in, any account over which the person has no direct or indirect influence or control.

(G) Where to File Reports.

All Quarterly Securities Transaction Reports and Initial and Annual Personal Securities Accounts and Holdings Reports must be filed with the CCO, either (1) directly in writing using Schedules C or B, respectively (or such other forms as the CCO may prescribe for this purpose), or (2) online, via the System.

(H) Disclaimers.

Any report required by this Section V may contain a statement that the report will not be construed as an admission that the person making the report has any direct or indirect Beneficial Ownership in the Covered Security to which the report relates.

Section VI. Additional Prohibitions

(A) Confidentiality of the Corporation's Transactions.

Until disclosed in a public report to stockholders or to the U.S. Securities and Exchange Commission in the normal course, all information concerning the securities "being considered for purchase or sale" by the Corporation shall be kept confidential by all Covered Persons and disclosed by them only on a "need to know" basis. It shall be the responsibility of the CCO to report to the directors of the Corporation any known violations found in this regard.

(B) Gifts and Entertainment Policy.

Covered Persons and their immediate families should not solicit, accept, retain or provide any gifts or favors which might influence decisions of the Covered Person or the recipient in making business transactions involving the Corporation, or which others might reasonably believe could influence those decisions. Even a nominal gift should not be accepted if, to a reasonable observer, it might appear that the gift would influence a business decision. No Covered Person may give or accept gifts of cash or cash equivalents.

Last Approved and Ratified: October 19, 2022

The policy does not apply to gifts of de minimis value (e.g., pens, notepads, doughnuts, pizza, modest desk ornaments, etc.) or to promotional items of nominal value that display a firm logo (e.g., umbrellas, tote bags, shirts, etc.) and “personal” gifts received because of kinship, marriage or social relationships entirely beyond and apart from an organization in which membership or an official position is held. De minimis gifts and promotional items must be less than the \$250 limit to fall within the exclusion.

These prohibitions do not apply to ordinary and usual business entertainment, so long as such entertainment is neither so frequent nor so lavish as to raise any questions of impropriety. For an item to be considered “business entertainment,” the vendor must be present at the event/meal and there must be an opportunity to discuss matters relating to Corporation business. For example, if a Covered Person receives theater tickets from a vendor, the tickets are “business entertainment” only if the vendor attends the event and there is an opportunity to discuss business matters. If not, the tickets should be treated as a “gift” for purposes of this policy and subject to the limitations.

All Covered Persons must report the receipt or giving of any SuRo Capital Entity business-related gift with an apparent value that exceeds \$250 (other than personal gifts and gifts of de minimis or nominal value, as defined above) and the acceptance or furnishing of all similarly related business entertainment with an apparent value that exceeds \$250. Both of these thresholds are on a “per individual” basis.

In addition, the extension by Covered Persons, on behalf of a SuRo Capital Entity, of all invitations for business entertainment that can reasonably be expected to be valued in excess of \$500 must be pre-approved by the CCO prior to any such extension. This threshold is on a “per individual” basis.

Regardless of the dollar value, Covered Persons may not give a gift or provide entertainment that is inappropriate under the circumstances, or inconsistent with applicable law or regulations, to persons associated with securities or financial organizations, exchanges, member firms, commodity firms, news media or ERISA fiduciaries. In addition, Covered Persons must confer with the CCO, who may consult legal counsel, before making contact with state or local government plans, and comply with all applicable state or local laws regarding such communications.

The CCO shall maintain a log of all business-related gifts given or received by all Covered Persons in excess of \$250, and of all similarly related business entertainment accepted by a Covered Person or furnished by a Covered Person on behalf of the Corporation, the value of either which exceeds \$250. These thresholds are on a “per individual” basis.

Section VII. Annual Acknowledgement, Affirmation and Certification

(A) Access Persons.

Access Persons shall be required to acknowledge annually that they have read this Code, that they understand and recognize that they are subject to the Code, and affirm that they will fully comply with the Code on a going-forward basis. Further, Access Persons who have been subject to the Code at any time during the previous year shall be required to certify annually that they have complied with the requirements of this Code. A form of such acknowledgement, affirmation and certification is attached as Schedule D.

Last Approved and Ratified: October 19, 2022

(B) *Board Review.*

No less frequently than annually, the SuRo Capital Entities must furnish to the Corporation's board of directors, and the board must consider, a written report that: (A) describes any issues arising under this Code or procedures since the last report to the board, including, but not limited to, information about material violations of the Code or procedures and sanctions imposed in response to material violations; and (B) certifies that the Corporation has adopted procedures reasonably necessary to prevent Access Persons from violating the Code.

Section VIII. Sanctions

Any violation of this Code shall be subject to the imposition of such sanctions as may be deemed appropriate under the circumstances to achieve the purposes of Rule 17j-1 and this Code. Sanctions for employees for minor violations, such as a short delay in reporting, shall be determined by the Chief Compliance Officer. Sanctions for any violation or failure to comply by the requisite deadline will be included in the Chief Compliance Officer's quarterly report to the Board, and may be subject to heightened sanctions, including, but not limited to, mandatory compliance training, a notation in the employee's personnel file, suspension or termination of employment, a letter of censure in the employee's personnel file, and/or reversal of any noncompliant trades with surrender of profits in a manner to be determined by the Chief Executive Officer, such as, for example, in a gift to charity. Sanctions for senior executives and members of the board shall be determined by the independent directors, with the advice of the Chief Compliance Officer.

Section IX. Administration and Construction

(A) The administration of this Code shall be the responsibility of the CCO.

(B) The duties of the CCO are as follows:

- (1) Maintain continuously a current list of the names of all Access Persons with an appropriate description of their title or employment, including a notation of any directorships held by Access Persons, and inform all Access Persons of their reporting obligations hereunder;
- (2) On an annual basis, provide all Covered Persons a copy of this Code and inform such persons of their duties and obligations hereunder including making available any supplemental training that may be required from time to time. In addition, provide to all Covered Persons updated copies of the Code each time it is amended;
- (3) Collect from all Covered Persons a signed "Acknowledgement, Affirmation and Certification of Compliance with SuRo Capital Compliance Program Documents" form (which is attached as Schedule D) annually and each time the Code is amended;
- (4) Maintain or supervise the maintenance of all records (including pre-clearance and other approvals granted) and reports required by this Code;

Last Approved and Ratified: October 19, 2022

- (5) Review the contents of holdings reports submitted by Access Persons;¹
 - (6) Review reports of all transactions effected by Access Persons who are subject to the requirement to file Quarterly Securities Transaction Reports and review such transactions against a listing of all transactions effected by the Corporation and securities of any companies included on the Restricted List during the reporting period;
 - (7) Issue, either personally or with the assistance of counsel, as may be appropriate, any interpretation of this Code that may appear consistent with the objectives of Rule 17j-1 and this Code;
 - (8) Conduct such inspections or investigations as shall reasonably be required to detect and report, with recommendations, any apparent violations of this Code to the board of directors of the Corporation; and
 - (9) Submit a written report to the board of directors of the Corporation, no less frequently than annually, that describes any issues arising under the Code since the last such report, including but not limited to the information described in Section VII(B).
- (C) The CCO shall maintain and cause to be maintained in an easily accessible place at the principal place of business of the Corporation the following records:
- (1) A copy of all codes of ethics adopted by the Corporation pursuant to Rule 17j-1 that have been in effect at any time during the past five (5) years;
 - (2) A copy of all signed “Acknowledgement, Affirmation and Certification of Compliance with SuRo Capital Compliance Program Documents” forms (see Schedule D) for at least five (5) years after the end of the fiscal year in which the Acknowledgement, etc. is submitted;
 - (3) A record of each violation of such code of ethics and of any action taken as a result of such violation for at least five (5) years after the end of the fiscal year in which the violation occurs;
 - (4) A copy of each report made by an Access Person for at least two (2) years after the end of the fiscal year in which the report is made, and for an additional three (3) years in a place that need not be easily accessible;
 - (5) A copy of each report made by the CCO to the board of directors for two (2) years from the end of the fiscal year of the Corporation in which such report is made or issued and for an additional three (3) years in a place that need not be easily accessible;
 - (6) A list of all persons who are, or within the past five (5) years have been, required to make reports pursuant to Rule 17j-1 and this Code, or who are or were responsible for reviewing such reports;
 - (7) A copy of each report required by Section VII(B) for at least two (2) years after the end of the fiscal year in which it is made, and for an additional three (3) years in a place that need not be easily accessible; and
 - (8) A record of any decision, and the reasons supporting the decision, to approve the acquisition by Investment Persons of securities in an Initial Public Offering or Limited Offering for at least five (5) years after the end of the fiscal year in which the approval is granted.
- (D) This Code may not be amended or modified except in a written form that is specifically approved by majority vote of the Independent Directors.

¹ The reportable holdings and transaction reports of the CCO shall be reviewed by the Chief Financial Officer.

SCHEDULE A

SuRo Capital Corp.

Pre-Clearance Request

As described in Section IV of the SuRo Capital Corp. Code of Ethics, this form must be submitted prior to an "Access Person" executing any transaction in SuRo Capital Corp. securities, securities of any issuer included on the Restricted List, or effecting purchasing in a private placement or initial public offering of securities of any issuer.

Upon completion of this form, please submit to the CCO at: Compliance@surocap.com.

Date of Request: _____ Intended Trade Date: _____

Name: _____

Buy Sell Sell Short Cover Short

Issuer name / Security description & CUSIP #: _____

Quantity: Market order: Limit Order:

Reason for trade:

Last trade in security (direction and date):

Broker: _____

Authorized by: _____ Date: _____
(Chief Compliance Officer or Designee)

The Chief Compliance Officer or his designee has reviewed the proposed trade, contract, instruction or plan and confirms that SuRo Capital Corp. does not intend to buy or sell the above security for any client accounts within the next fifteen (15) days and/or has completed all client transactions in this security at this time. Exceptions to this statement should be noted on this form and any exception must be authorized by the Chief Compliance Officer.

Upon completion of the transaction, you must notify SuRo Capital Compliance at Compliance@surocap.com of the final execution price and trade volume.

SCHEDULE B

**INITIAL AND ANNUAL PERSONAL
SECURITIES ACCOUNTS AND HOLDINGS REPORT**

I certify that the following bank or broker-dealer accounts are the only accounts holding securities of any kind or nature whatsoever in which I have or share a “Beneficial Ownership” interest as such term is defined in the SuRo Capital Corp. Code of Ethics.

Name of bank or broker custodian	Account Number	Name of beneficial owner of record with the account custodian
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I further certify that the following is a listing of all “Covered Securities” in which I had or shared a “Beneficial Ownership” interest as of the following date:

- For an Initial Personal Securities Holdings Report: _____
 - (the date indicated may not be more than 45 days prior to the date of submission, as indicated below, of this report)
- For an Annual Personal Securities Holdings Report: December 31, 20 _____

Note: For holdings report purposes, the term “Covered Securities” should be understood as including securities of all sorts, but not the following: (i) shares of open-end mutual funds; (ii) U.S. government or agency issued securities; and (iii) short-term debt instruments, bank CDs, bankers acceptances or repurchase agreements. Shares of exchange-traded funds (“*ETFs*”) are Covered Securities.

In lieu of indicating the following required information within this form, you may submit—under cover of a signed and dated copy of this form—legible copies of statements of accounts issued by the account custodian(s) wherein Covered Securities are held as of the date indicated above. Such statements should be either emailed or sent, by U.S. mail or courier service, to:

Compliance@surocap.com

Suro Capital Corp.
Attn: Compliance Dept.
One Sansome Street, Suite 730
San Francisco, California 94104

<u>Account Custodian and Number</u>	<u>Issuer</u>	<u>Security Type</u>	<u>Exchange Ticker Symbol or CUSIP Number</u>	<u>Total number of equity security shares</u>	<u>Aggregate principal amount of debt securities</u>
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(Use a continuation sheet if necessary.)

Signature: _____ Print Name: _____

Date Submitted: _____

- For Initial Holdings Reports – Must be within 10 days of initial date of association with SuRo Capital Corp.
- For Annual Holdings Reports – Must be on or before January 30 of the current year.

SCHEDULE C

QUARTERLY SECURITIES TRANSACTION REPORT

The following lists all transactions in Covered Securities, in which I had any direct or indirect Beneficial Ownership interest, that were effected during the last calendar quarter and required to be reported by Section V(B) of the SuRo Capital Corp. Code of Ethics. (If no such transactions took place write "NONE.") Please sign and date this report and return it to the Chief Compliance Officer no later than the 30th day following the end of the quarter. Use reverse side if additional space is needed.

PURCHASES AND ACQUISITIONS

<u>Trade Date</u>	<u>No. of Shares or Principal Amount</u>	<u>Interest Rate and Maturity Date</u>	<u>Name of Security</u>	<u>Unit Price</u>	<u>Total Price</u>	<u>Broker, Dealer, or Bank</u>
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SALES AND OTHER DISPOSITIONS

<u>Trade Date</u>	<u>No. of Shares or Principal Amount</u>	<u>Interest Rate and Maturity Date</u>	<u>Name of Security</u>	<u>Unit Price</u>	<u>Total Price</u>	<u>Broker, Dealer, or Bank</u>
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NEW ACCOUNTS ESTABLISHED DURING THE QUARTER

<u>Name of Broker, Dealer or Bank</u>	<u>Name of Account and Account Number</u>	<u>Date Established</u>
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SCHEDULE D

**ACKNOWLEDGEMENT, AFFIRMATION AND CERTIFICATION
OF COMPLIANCE WITH SURO CAPITAL COMPLIANCE PROGRAM DOCUMENTS**

The undersigned, as a Covered Person of SuRo Capital Corp, hereby acknowledges, affirms and/or certifies as follows:

(1) I have received, read and understand the

- SuRo Capital Corp. Code of Ethics;
- Code of Business Conduct and Ethics; and
- Insider Trading Policy and Procedures

(collectively, the “SuRo Capital Compliance Program Documents”) and agree to comply in all respects with the policies and procedures stated therein.

(2) If at any time during the past calendar year I was subject to any one, some or all of the SuRo Capital Compliance Program Documents, I further certify that I have complied in all respects with the requirements of each such Document as was then in effect or, in the event that I have not so complied, I have previously fully disclosed all such non-compliance to the Chief Compliance Officer.

Signature: _____

Print Name: _____

Date Submitted: _____

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statement of SuRo Capital Corp. and subsidiaries ("the Company") on Form N-2 (File No. 333-272578) and in the Registration Statement on Form S-8 (File No. 814-00852) of the Company (collectively, the "Registration Statements") of our report dated March 14, 2024, with respect to our audits of the consolidated financial statements of the Company as of December 31, 2023 and 2022, and for each of the years ended December 31, 2023, 2022 and 2021, which report is included in this Annual Report on Form 10-K of the Company for the year ended December 31, 2023 (the "Form 10-K"). We also consent to the reference to us under the heading "Senior Securities" in Part II, Item 5 of the Form 10-K.

We consent to the incorporation by reference in the Registration Statements of our report dated March 14, 2024, relating to the financial information set forth under the heading "Senior Securities" in Part II, Item 5 of the Form 10-K, which report is included as an exhibit to the Form 10-K.

/s/ Marcum LLP

Marcum LLP
San Francisco
March 14, 2024

**Certification of Chief Executive Officer of SuRo Capital Corp.
pursuant to Rule 13a-14(a) under the Exchange Act,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Mark D. Klein, certify that:

1. I have reviewed this annual report on Form 10-K of SuRo Capital Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 14th day of March, 2024.

By: */s/ Mark Klein*

Mark D. Klein
Chief Executive Officer

**Certification of Chief Financial Officer of SuRo Capital Corp.
pursuant to Rule 13a-14(a) under the Exchange Act,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Allison Green, certify that:

1. I have reviewed this annual report on Form 10-K of SuRo Capital Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 14th day of March, 2024.

By: /s/ Allison Green

Allison Green
Chief Financial Officer

**Certification of Chief Executive Officer
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)**

In connection with the annual report on Form 10-K for the year ended December 31, 2023 (the "Report") of SuRo Capital Corp. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Mark D. Klein, the Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Mark D. Klein

Name: Mark D. Klein

Date: March 14, 2024

**Certification of Chief Financial Officer
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)**

In connection with the annual report on Form 10-K for the year ended December 31, 2023 (the "Report") of SuRo Capital Corp. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Allison Green, the Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Allison Green

Name: Allison Green

Date: March 14, 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON SUPPLEMENTAL FINANCIAL INFORMATION

To the Board of Directors and Shareholders of
SuRo Capital Corp. (f/k/a Sutter Rock Capital Corp.)

We have audited the consolidated statements of assets and liabilities of SuRo Capital Corp. and subsidiaries (the “Company”), including the consolidated schedule of investments as of December 31, 2023 and 2022, and the related consolidated statements of operations, changes in net assets and of cash flows for each of the three years in the period ended December 31, 2023 and the financial highlights (presented in Note 8) for each of the five years in the period ended December 31, 2023 and the related notes, and have issued our report thereon dated March 14, 2024, which contained an unqualified opinion on those consolidated financial statements. The supplemental financial information set forth under the heading “Senior Securities” as of December 31, 2023, 2022, 2021, 2020 and 2019 included in Part II, Item 5 of the Company’s Annual Report on Form 10-K has been subjected to audit procedures performed in conjunction with the audit of the Company’s consolidated financial statements. The supplemental financial information is the responsibility of the Company’s management. Our audit procedures included determining whether the supplemental financial information reconciles to the consolidated financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental financial information. In our opinion, such financial information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

/s/ Marcum llp

San Francisco, CA
March 14, 2024



SuRo Capital Corp.
DODD-FRANK COMPENSATION RECOUPMENT POLICY

The Board of Directors of SuRo Capital Corp. has adopted the following Dodd-Frank Compensation Recoupment Policy effective as of October 2, 2023. It is the intention of the Board that this Dodd-Frank Compensation Recoupment Policy be interpreted and administered in a manner consistent with applicable laws and regulations and Securities Exchange listing requirements, including Section 304 of the Sarbanes-Oxley Act of 2002, Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (and Rule 10D-1 promulgated thereunder), and Nasdaq Listing Rules 5608 and 5810(c)(2)(A)(iii). This Dodd-Frank Compensation Recoupment Policy applies to awards of Incentive-Based Compensation received on or after the Effective Date by Executive Officers of the Company.

Definitions

“Board” means the Board of Directors of the Company.

“Committee” means the Compensation Committee of the Board of Directors of the Company.

“Company” means SuRo Capital Corp.

“Effective Date” means October 2, 2023.

“Executive Officer” means the Company’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policymaking functions for the Company. Executive officers of the Company’s subsidiaries are deemed Executive Officers of the Company if they perform such policymaking functions for the Company.

“Excess Incentive-Based Compensation” means the amount of Incentive-Based Compensation received by a current or former Executive Officer that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had the amount of such Incentive-Based Compensation been determined based on the accounting restatement, computed without regard to taxes paid by the Executive Officer. With regards to Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Excess Incentive-Based Compensation is not subject to mathematical recalculation directly from the information in an accounting restatement, Excess Incentive-Based Compensation means a reasonable estimate of the effect of the accounting restatement on the applicable Financial Reporting Measure.

“Financial Reporting Measure” means any measure that is determined and presented in accordance with the accounting principles used to prepare the Company’s financial statements, and any measures that are derived wholly or in part from such measures. “Stock price” and “total shareholder return” metrics are also Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company’s financial statements or included in a filing with the U.S. Securities and Exchange Commission.

“Incentive-Based Compensation” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

“Lookback Period” means the three completed fiscal years preceding the date on which the Company is required to prepare an accounting restatement, and if the Company changes its fiscal year, any transition period of less than nine months within or immediately following those three completed fiscal years. For purposes of this definition, the date on which the Company is required to prepare an accounting restatement shall be deemed to be the earlier of (i) the date the Company’s Board, a committee of the Board, or the officer(s) of the Company authorized to take such action (if Board action is not required) concludes, or reasonably should have concluded, that the Company is required to prepare an accounting restatement; and (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare an accounting restatement.

“Securities Exchange” means the securities exchange upon which the Company’s common stock, par value \$0.01 per share, trades.

Recoupment for an Accounting Restatement

The Company shall recover reasonably promptly any Excess Incentive-Based Compensation in the event that the Company is required to restate its financial statements due to the material noncompliance of the Company with any financial reporting requirement under the federal securities laws, including any required accounting restatement to correct an error (i) in previously issued financial statements that is material to the previously issued financial statements or (ii) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. The preceding sentence shall apply to Excess Incentive-Based Compensation received by any current or former Executive Officer: (a) after beginning service as an Executive Officer; (b) who served as an Executive Officer at any time during the performance period for the applicable Incentive-Based Compensation; (c) while the Company has a class of securities listed on a national securities exchange or a national securities association; and (d) during the Lookback Period. For purposes of this paragraph, Incentive-Based Compensation is deemed “received” in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.

If the Company is required to recoup Excess Incentive-Based Compensation following an accounting restatement based on adjustments to stock price or total shareholder return, the Company shall determine the amount of such Excess Incentive-Based Compensation subject to recoupment, which amount shall be a reasonable estimate of the effect of the accounting restatement on the applicable Financial Reporting Measure.

Notwithstanding the foregoing, if the Committee makes a determination that recovery would be impracticable, and one of the following enumerated conditions is satisfied, the Company need not recover such Excess Incentive-Based Compensation.

- Expenses Exceed Recovery Amount: The Company need not recover the Excess Incentive-Based Compensation at issue if the direct expense to be paid to a third party to assist in enforcing this Dodd-Frank Compensation Recoupment Policy would exceed the amount to be recovered; provided, however, that the Company must make a reasonable attempt to recover the Excess Incentive-Based Compensation and document such attempt(s) prior to the Committee's determination that recovery would be impracticable. The Company must provide the documentation evidencing the attempt(s) to the Securities Exchange consistent with the listing standards of the Securities Exchange.
- Recovery Would Violate Home Country Law: The Company need not recover the Excess Incentive-Based Compensation at issue if recovery would violate home country law where that law was adopted prior to November 28, 2022; provided, however, that the Company must obtain an opinion of home country counsel, in a form acceptable to the Securities Exchange, that recovery would result in such violation. The Company must provide the opinion to the Securities Exchange consistent with the listing standards of the Securities Exchange.
- Recovery Would Violate ERISA Anti-Alienation Provisions: The Company need not recover the Excess Incentive-Based Compensation at issue if recovery would violate the anti-alienation provisions of the Employee Retirement Income Security Act of 1974, as amended, contained in 26 U.S.C. § 401(a)(13) or 26 U.S.C. § 411(a), or regulations promulgated thereunder.

Method of Recoupment

The Committee shall have the sole discretion and authority to determine the means, timing (which shall in all circumstances be reasonably prompt) and any other requirements by which any recoupment required by this Dodd-Frank Compensation Recoupment Policy shall occur and impose any other terms, conditions or procedures (e.g., the imposition of interest charges on un-repaid amounts) to govern the current or former Executive Officer's repayment of Excess Incentive-Based Compensation.

Other Policy Terms

Any applicable award agreement, plan or other document setting forth the terms and conditions of any Incentive-Based Compensation or other compensation covered by this Dodd-Frank Compensation Recoupment Policy received on or after the Effective Date shall be deemed to (i) include the restrictions imposed herein; (ii) incorporate the Dodd-Frank Compensation Recoupment Policy by reference; and (iii) govern the terms of such award agreement, plan or other document in the event of any inconsistency. Eligibility for participation in and for payment under any such award agreement, plan or other document is contingent upon acceptance of the terms of this Dodd-Frank Compensation Recoupment Policy.

Any recoupment under this Dodd-Frank Compensation Recoupment Policy is in addition to, and not in lieu of, any other remedies or rights that may be available to the Company or its affiliates under applicable law, including, without limitation: (i) dismissing the current or former Executive Officer; (ii) adjusting the future compensation of the current or former Executive Officer; or (iii) authorizing legal action or taking such other action to enforce the current or former Executive Officer's obligations to the Company or its affiliates as it may deem appropriate in view of all of the facts and circumstances surrounding the particular case.

Incentive-Based Compensation and other compensation paid to employees of the Company and its affiliates may also be subject to other recoupment or similar policies, and this policy does not supersede any such other policies. However, in the event of any conflict between any such policy and this Dodd-Frank Compensation Recoupment Policy, this policy shall govern. In addition, no Executive Officer shall be subject to recoupment more than one time with respect to the same compensation.

Current or former Executive Officers shall not be entitled to any indemnification by or from the Company or its affiliates with respect to any amounts subject to recoupment pursuant to this Dodd-Frank Compensation Recoupment Policy, including through the payment of insurance premiums or gross-up payments.

Administration

The Board has delegated the administration of this policy to the Committee. The Committee is responsible for monitoring the application of this policy with respect to all Executive Officers. The Committee shall have the sole authority to review, interpret, construe and implement, the provisions of this Dodd-Frank Compensation Recoupment Policy and to delegate to one or more executive officers and/or employees certain administrative and record-keeping responsibilities, as appropriate, with respect to the implementation of this Dodd-Frank Compensation Recoupment Policy; provided, however, that no such action shall contravene the federal securities laws. Any determinations of the Board or Committee under this Dodd-Frank Compensation Recoupment Policy shall be binding on the applicable individual.

This Policy shall be binding and enforceable against all current and former Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.

The Board may amend, modify or change this Dodd-Frank Compensation Recoupment Policy, as well as any related rules and procedures, at any time and from time to time as it may determine, in its sole discretion, is necessary or appropriate. Notwithstanding anything in this section to the contrary, no amendment or termination of this Dodd-Frank Compensation Recoupment Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any federal securities laws, SEC rule or Securities Exchange rule.

*Approved by the Board of Directors of
the Company on November 1, 2023.*

Exhibit A

**ATTESTATION AND ACKNOWLEDGEMENT OF
DODD-FRANK COMPENSATION RECOUPMENT POLICY**

By my signature below, I acknowledge and agree that:

- I have received and read the attached Dodd-Frank Compensation Recoupment Policy (the "Policy").
- I hereby agree to abide by all of the terms of the Policy both during and after my employment with the Company, including, without limitation, by promptly repaying or returning any Excess Incentive-Based Compensation to the Company as determined in accordance with the Policy.

Signature: _____

Printed Name: _____

Date: _____