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

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED September 30, 2020

☐ **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	**27-4443543**
(State of incorporation)	(I.R.S. Employer Identification No.)
One Sansome Street, Suite 730, San Francisco, CA	**94104**
(Address of principal executive offices)	(Zip Code)

(650) 235-4769
(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 Capital Market

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 periods as the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES x 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, 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 ☐	Accelerated filer x
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐
Emerging growth 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 is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO x

The issuer had 19,914,023 shares of common stock, $0.01 par value per share, outstanding as of November 6, 2020.

SURO CAPITAL CORP.

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PART I

FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

SURO CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES (UNAUDITED)

	September 30, 2020	December 31, 2019
ASSETS		
Investments at fair value:		
Non-controlled/non-affiliate investments (cost of $99,438,709 and $90,567,041, respectively)	$ 186,045,176	$ 152,866,112
Non-controlled/affiliate investments (cost of $52,857,243 and $52,857,243, respectively)	28,440,826	37,944,268
Controlled investments (cost of $7,161,412 and $7,161,412, respectively)	960,198	775,198
Total Portfolio Investments	215,446,200	191,585,578
Investments in U.S. Treasury bills (cost of $149,999,917 and $49,996,667, respectively)	150,000,000	50,000,000
Total Investments (cost of $309,457,281 and $200,582,363, respectively)	365,446,200	241,585,578
Cash	60,595,499	44,861,263
Proceeds receivable	4,094,909	—
Escrow proceeds receivable	116,679	265,303
Interest and dividends receivable	422,004	84,630
Deferred financing costs	296,198	11,382
Prepaid expenses and other assets[(1)]	1,161,669	1,755,933
Total Assets	432,133,158	288,564,089
LIABILITIES		
Accounts payable and accrued expenses[(1)]	2,754,423	1,143,923
Payable to executive officers	—	1,369,873
Accrued interest payable	—	475,000
Dividends payable	5,074,591	2,107,709
Payable for securities purchased	134,249,917	44,746,660
Income tax payable	35,850	—
4.75% Convertible Senior Notes due March 28, 2023[(2)]	37,305,608	38,803,635
Total Liabilities	179,420,389	88,646,800
Commitments and contingencies (Notes 7 and 10)		
Net Assets	$ 252,712,769	$ 199,917,289
NET ASSETS		
Common stock, par value $0.01 per share (100,000,000 authorized; 20,284,811 and 17,564,244 issued and outstanding, respectively)	$ 202,848	$ 175,642
Paid-in capital in excess of par	225,047,913	178,550,374
Unearned deferred compensation	(200,000)	—
Accumulated net investment loss	(35,939,194)	(25,679,362)
Accumulated net realized gain on investments, net of distributions	7,612,281	5,867,417
Accumulated net unrealized appreciation/(depreciation) of investments	55,988,921	41,003,218
Net Assets	$ 252,712,769	$ 199,917,289
Net Asset Value Per Share	$ 12.46	$ 11.38

See accompanying notes to condensed 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 September 30, 2020 and December 31, 2019, the 4.75% Convertible Senior Notes due March 28, 2023 had a face value of $38,220,000 and $40,000,000, respectively. Refer to "Note 10—Debt Capital Activities" for a reconciliation of the carrying value to the face value.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
INVESTMENT INCOME				
Non-controlled/non-affiliate investments:				
Interest income	$ 284,357	$ 298,515	$ 500,568	$ 635,187
Dividend income	—	—	50,000	—
Non-controlled/affiliate investments:				
Interest income/(reversal of interest income accrual)	—	81,711	(29,184)	201,304
Dividend income	123,750	—	180,000	—
Controlled investments:				
Interest income	—	—	—	58,937
Dividend income	—	—	200,000	200,000
Total Investment Income	408,107	380,226	901,384	1,095,428
OPERATING EXPENSES				
Management fees(1)	—	—	—	848,723
Reversal of incentive fee accrual(1)	—	—	—	(4,660,472)
Costs incurred under Administration Agreement(1)	—	—	—	306,084
Compensation expense(2)	1,030,239	3,070,409	4,960,679	3,702,517
Directors' fees	111,250	99,620	333,750	272,120
Professional fees	714,345	807,143	2,532,183	4,179,093
Interest expense	555,935	591,512	1,697,962	1,795,885
Income tax expense	(1,657)	954	46,598	34,666
Other expenses	585,886	512,792	1,590,044	1,504,545
Total Operating Expenses	2,995,998	5,082,430	11,161,216	7,983,161
Net Investment Loss	(2,587,891)	(4,702,204)	(10,259,832)	(6,887,733)
Realized Gains/(Losses) on Investments:				
Non-controlled/non-affiliated investments	2,378,390	1,772,961	9,332,643	23,632,332
Non-controlled/affiliate investments	—	—	—	(12,334,831)
Net Realized Gain on Investments	2,378,390	1,772,961	9,332,643	11,297,501
Change in Unrealized Appreciation/(Depreciation) of Investments:				
Non-controlled/non-affiliated investments	17,027,314	(7,998,030)	24,304,146	2,279,117
Non-controlled/affiliate investments	(997,872)	11,264,416	(9,503,443)	19,067,052
Controlled investments	100,000	4,924,309	185,000	(4,896,043)
Net Change in Unrealized Appreciation/(Depreciation) of Investments	16,129,442	8,190,695	14,985,703	16,450,126
Benefit from taxes on unrealized depreciation of investments	—	—	—	885,566
Net Change in Net Assets Resulting from Operations	**$ 15,919,941**	**$ 5,261,452**	**$ 14,058,514**	**$ 21,745,460**
Net Change in Net Assets Resulting from Operations per Common Share:				
Basic	$ 0.89	$ 0.27	$ 0.82	$ 1.11
Diluted(3)	$ 0.76	$ 0.25	$ 0.75	$ 1.00
Weighted-Average Common Shares Outstanding				
Basic	17,795,538	19,472,785	17,208,723	19,650,651
Diluted(3)	21,598,403	23,204,129	21,087,926	23,381,995

See accompanying notes to condensed consolidated financial statements.

(1) This balance references a related-party transaction. Refer to "Note 3—Related-Party Arrangements" for more detail.
(2) For the nine months ended September 30, 2020, this balance includes $1,962,431 of accelerated recognition of compensation cost related to the cancellation of unvested options on April 28, 2020. Refer to "Note 11— Stock-Based Compensation" for more detail.
(3) For the three and nine months ended September 30, 2020 and the three and nine months ended September 30, 2019, 0 potentially dilutive common shares were excluded from the weighted-average common shares outstanding for diluted net increase in net assets resulting from operations per common share because the effect of these shares would have been anti-dilutive. Refer to "Note 6—Net Change in Net Assets Resulting from Operations per Common Share—Basic and Diluted".

SURO CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Net Assets at Beginning of Year	$ 199,917,289	$ 195,378,159
Change in Net Assets Resulting from Operations		
Net investment income/(loss)	(3,004,553)	619,702
Net realized gain/(loss) on investments	6,978,240	(4,065,693)
Net change in unrealized appreciation/(depreciation) of investments	(27,665,934)	20,699,751
Provision for taxes on unrealized appreciation of investments	—	(94,147)
Net Change in Net Assets Resulting from Operations	(23,692,247)	17,159,613
Change in Net Assets Resulting from Capital Transactions		
Repurchases of common stock	(3,709,244)	—
Net Change in Net Assets Resulting from Capital Transactions	(3,709,244)	—
Total Change in Net Assets	(27,401,491)	17,159,613
Net Assets at March 31	$ 172,515,798	$ 212,537,772
Change in Net Assets Resulting from Operations		
Net investment loss	$ (4,667,388)	$ (2,805,231)
Net realized gain/(loss) on investments	(23,987)	13,590,233
Net change in unrealized appreciation/(depreciation) of investments	26,522,195	(12,440,320)
Benefit from taxes on unrealized depreciation of investments	—	979,713
Net Change in Net Assets Resulting from Operations	21,830,820	(675,605)
Change in Net Assets Resulting from Capital Transactions		
Stock-based compensation	1,962,431	—
Repurchases of common stock	(3,616,608)	(737,119)
Net Decrease in Net Assets Resulting from Capital Transactions	(1,654,177)	(737,119)
Total Change in Net Assets	20,176,643	(1,412,724)
Net Assets at June 30	$ 192,692,441	$ 211,125,048
Change in Net Assets Resulting from Operations		
Net investment loss	$ (2,587,891)	$ (4,702,204)
Net realized gain on investments	2,378,390	1,772,961
Net change in unrealized appreciation/(depreciation) of investments	16,129,442	8,190,695
Net Change in Net Assets Resulting from Operations	15,919,941	5,261,452
Distributions		
Dividends declared	(7,587,779)	—
Total Distributions	(7,587,779)	—
Change in Net Assets Resulting from Capital Transactions		
Issuance of common stock	49,882,319	—
Conversion of 4.75% Convertible Senior Notes due March 28, 2023	1,805,847	—
Stock-based compensation	—	1,449,121
Repurchases of common stock	—	(3,886,591)
Net Change in Net Assets Resulting from Capital Transactions	51,688,166	(2,437,470)
Total Change in Net Assets	60,020,328	2,823,982
Net Assets at September 30	$ 252,712,769	$ 213,949,030
Capital Share Activity		
Shares outstanding at beginning of year	17,564,244	19,762,647
Issuance of common stock from public offering	3,808,979	—
Issuance of common stock under restricted stock plan	21,760	—
Issuance of common stock from conversion of 4.75% Convertible Notes due 2023	174,393	—
Shares repurchased	(1,284,565)	(721,128)
Shares Outstanding at End of Period	20,284,811	19,041,519

See accompanying notes to condensed consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Cash Flows from Operating Activities		
Net change in net assets resulting from operations	$ 14,058,514	$ 21,745,460
Adjustments to reconcile net change in net assets resulting from operations to net cash provided by/(used in) operating activities:		
Net realized gain on investments	(9,332,643)	(11,297,501)
Net change in unrealized (appreciation)/depreciation of investments	(14,985,703)	(16,450,126)
Change in deferred tax liability	—	(885,566)
Amortization of discount on 4.75% Convertible Senior Notes due 2023	281,973	276,084
Amortization of fixed income security premiums and discounts	—	(3,729)
Write-off of deferred offering costs	—	267,541
Stock-based compensation(1)	1,962,431	1,449,121
Paid-in-kind interest	—	(383,980)
Forfeited interest on 4.75% Convertible Senior Notes due 2023	25,880	—
Adjustments to escrow proceeds receivable	75,844	26,221
Purchases of investments in:		
Portfolio investments	(15,397,511)	(25,309,145)
U.S. Treasury bills	(300,000,084)	(249,933,583)
Proceeds from sales or maturity of investments in:		
Portfolio investments	15,779,482	52,322,735
U.S. Treasury bills	200,000,000	300,000,000
Change in operating assets and liabilities:		
Prepaid expenses and other assets	594,264	(2,124,641)
Interest and dividends receivable	(337,374)	130,322
Deferred financing costs	—	(5,502)
Escrow proceeds receivable	148,624	408,437
Receivable from unsettled trades	(4,094,909)	—
Payable for securities purchased	89,503,257	(44,737,654)
Accounts payable and accrued expenses	1,610,500	1,651,365
Payable to executive officers	(1,369,873)	—
Income tax payable	35,850	—
Accrued incentive fees(2)	—	(4,660,472)
Accrued management fees(2)	—	(415,056)
Accrued interest payable	(475,000)	(475,000)
Net Cash Provided by/(Used in) Operating Activities	(21,916,478)	21,595,331
Cash Flows from Financing Activities		
Proceeds from the issuance of common stock, net	49,882,319	—
Repurchases of common stock	(7,325,852)	(4,623,710)
Dividends paid	(4,620,898)	—
Deferred offering costs	(284,816)	—
Cash paid for fractional shares	(40)	—
Net Cash Provided by/(Used in) Financing Activities	$ 37,650,714	$ (4,623,710)
Total Increase in Cash Balance	$ 15,734,236	$ 16,971,621
Cash Balances at Beginning of Year	44,861,263	28,184,163
Cash Balances at End of Period	$ 60,595,499	$ 45,155,784
Supplemental Information:		
Interest paid	$ 1,870,453	$ 2,007,872
Conversion of 4.75% Convertible Senior Notes due 2023	$ 1,780,000	$ —
Taxes paid	$ 10,735	$ 34,666

See accompanying notes to condensed consolidated financial statements.

(1) For the nine months ended September 30, 2020, this balance includes $1,962,431 of accelerated recognition of compensation cost related to the cancellation of unvested options on April 28, 2020. Refer to "Note 11—Stock-Based Compensation" for more detail.
(2) This balance references a related-party transaction. Refer to “Note 3—Related-Party Arrangements” for more detail.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED)
September 30, 2020

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
NON-CONTROLLED/NON-AFFILIATE						
Coursera, Inc.	Mountain View, CA					
Preferred shares, Series F 8%	Online Education	7/15/2020	166,962	$ 2,840,017	$ 2,812,510	1.11 %
Preferred shares, Series B 8%		6/9/2013	2,961,399	14,519,519	49,885,383	19.74 %
Total				17,359,536	52,697,893	20.85 %
Palantir Technologies, Inc.**	Palo Alto, CA					
Common shares, Class A(3)(13)	Data Analysis	5/7/2012	5,373,690	15,101,477	46,662,051	18.46 %
Course Hero, Inc.	Redwood City, CA					
Preferred shares, Series A 8%	Online Education	9/18/2014	2,145,509	5,000,001	31,818,831	12.59 %
Nextdoor.com, Inc.	San Francisco, CA					
Common shares	Social Networking	9/27/2018	580,360	10,002,666	10,603,177	4.20 %
SharesPost, Inc.	San Francisco, CA					
Preferred shares, Series B 6%	Online Marketplace Finance	7/19/2011	1,771,653	2,259,716	8,258,137	3.27 %
Common shares		7/20/2011	770,934	123,987	1,188,410	0.47 %
Total				2,383,703	9,446,547	3.74 %
Palantir Lending Trust SPV I **(10)	Palo Alto, CA					
Collateralized Loan 15%, Due 6/19/2022***	Data Analysis	6/19/2020	$ 6,900,000	6,900,601	6,900,000	2.73 %
Equity Participation in Underlying Collateral		6/19/2020		—	1,684,657	0.67 %
Total				6,900,601	8,584,657	3.40 %
Enjoy Technology, Inc.	Menlo Park, CA					
Preferred shares, Series B 6%	On-Demand Commerce	7/29/2015	1,681,520	4,000,280	4,000,000	1.58 %
Preferred shares, Series A 6%		10/16/2014	879,198	1,002,440	1,939,143	0.77 %
Total				5,002,720	5,939,143	2.35 %
Rent the Runway, Inc.	New York, NY					
Preferred shares	Subscription Fashion Rental	6/17/2020	339,191	5,153,945	4,891,051	1.94 %
Neutron Holdings, Inc. (d/b/a/ Lime)	San Francisco, CA					
Junior Preferred shares, Series 1-D(11)	Micromobility	1/25/2019	41,237,113	10,007,322	3,485,014	1.38 %
Junior Preferred Convertible Note 4% Due 5/11/2027***		5/11/2020	$ 506,339	506,339	506,339	0.20 %
Common Warrants, Strike Price $0.01, Expiration Date 5/11/2027(11)		5/11/2020	2,032,967	—	—	— %
Total				10,513,661	3,991,353	1.58 %
Treehouse Real Estate Investment Trust, Inc.	Chicago, IL					
Common shares***(8)	Cannabis REIT	9/11/2019	312,500	7,500,000	3,883,296	1.54 %
Aspiration Partners, Inc.	Marina Del Rey, CA					
Preferred shares, Series A	Financial Services	8/11/2015	540,270	1,001,815	3,288,548	1.30 %
Preferred shares, Series C-3 (12)		8/12/2019	24,912	281,190	169,600	0.07 %
Total				1,283,005	3,458,148	1.37 %
Clever, Inc.	San Francisco, CA					
Preferred shares, Series B 8%	Education Software	12/5/2014	1,799,047	2,000,601	2,000,001	0.79 %
A Place for Rover Inc. (f/k/a DogVacay, Inc.)	Seattle, WA					
Common shares	Peer-to-Peer Pet Services	11/3/2014	707,991	2,506,119	1,277,667	0.51 %
Tynker (f/k/a Neuron Fuel, Inc.)	Mountain View, CA					
Preferred shares, Series A 8%	Computer Software	8/8/2012	534,162	309,310	791,361	0.31 %
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)		3/3/2016	$ 2,270,458	2,270,858	—	— %
Total				8,421,364	—	— %

See accompanying notes to condensed consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED) - continued
September 30, 2020

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
Kinetiq Holdings, LLC[14]	Philadelphia, PA					
Common shares, Class A	Social Data Platform	3/30/2012	112,374	—	—	— %
Total Non-controlled/Non-affiliate				**$ 99,438,709**	**$ 186,045,176**	**73.62 %**
NON-CONTROLLED/AFFILIATE[1]						
Ozy Media, Inc.	Mountain View, CA					
Preferred shares, Series C-2 6%	Digital Media Platform	9/11/2019	683,482	$ 2,414,178	$ 1,990,069	0.79 %
Common Warrants, Strike Price $0.01, Expiration Date 4/9/2028		4/9/2018	295,565	30,647	700,489	0.28 %
Preferred shares, Series B 6%		10/3/2014	922,509	4,999,999	3,350,952	1.33 %
Preferred shares, Series A 6%		12/11/2013	1,090,909	3,000,200	3,033,832	1.20 %
Preferred shares, Series Seed 6%		11/2/2012	500,000	500,000	1,243,944	0.49 %
Total				10,945,024	10,319,286	4.08 %
StormWind, LLC[5]	Scottsdale, AZ					
Preferred shares, Series D 8%	Interactive Learning	11/26/2019	329,337	257,267	446,142	0.18 %
Preferred shares, Series C 8%		1/7/2014	2,779,134	4,000,787	4,856,959	1.92 %
Preferred shares, Series B 8%		12/16/2011	3,279,629	2,019,687	2,681,401	1.06 %
Preferred shares, Series A 8%		2/25/2014	366,666	110,000	94,513	0.04 %
Total				6,387,741	8,079,015	3.20 %
GreenAcreage Real Estate Corp.	New York, NY					
Common shares***[9]	Cannabis REIT	8/12/2019	375,000	7,501,530	6,918,750	2.74 %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)	San Mateo, CA					
Derivative Security, Expiration Date 8/23/2024[7]	Global Innovation Platform	8/23/2019	1	8,555,124	2,112,442	0.84 %
Convertible Promissory Note 8% Due 8/23/2024[4][7]		2/17/2016	$ 1,010,198	1,030,176	505,099	0.20 %
Preferred Warrants Series A-3, Strike Price $1.33, Expiration Date 4/4/2021		4/4/2014	187,500	—	8,438	— %
Preferred Warrants Series A-4, Strike Price $1.33, Expiration Date 10/6/2021		10/6/2014	500,000	—	72,500	0.03 %
Preferred Warrants Series A-4, Strike Price $1.33, Expiration Date 7/18/2021		7/8/2016	250,000	74,380	32,500	0.01 %
Preferred Warrants Series B, Strike Price $2.31, Expiration Date 11/29/2021		11/29/2016	100,000	29,275	—	— %
Preferred Warrant Series B, Strike Price $2.31, Expiration Date 5/29/2022		5/29/2017	125,000	70,379	—	— %
Preferred Warrant Series B, Strike Price $2.31, Expiration Date 12/31/2023		12/31/2018	250,000	5,080	6,125	0.00 %
Total				9,764,414	2,737,104	1.08 %
CUX, Inc. (d/b/a CorpU)	Philadelphia, PA					
Senior Subordinated Convertible Promissory Note 4% Due 2/14/2023[4]	Corporate Education	11/26/2014	$ 1,251,158	1,256,191	312,789	0.12 %
Convertible preferred shares, Series D 6%		5/31/2013	169,033	778,607	73,882	0.03 %
Convertible preferred shares, Series C 8%		3/29/2012	615,763	2,006,077	—	— %
Total				4,040,875	386,671	0.15 %
Maven Research, Inc.	San Francisco, CA					
Preferred shares, Series C 8%	Knowledge Networks	7/2/2012	318,979	2,000,447	—	— %
Preferred shares, Series B 5%		2/28/2012	49,505	217,206	—	— %
Total				2,217,653	—	— %
Curious.com, Inc.	Menlo Park, CA					
Common shares	Online Education	11/22/2013	1,135,944	12,000,006	—	— %
Total Non-controlled/Affiliate				**$ 52,857,243**	**$ 28,440,826**	**11.25 %**

See accompanying notes to condensed consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED) - continued
September 30, 2020

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
CONTROLLED[(2)]						
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)	Cupertino, CA					
Preferred shares, Class A***[(6)]	Clean Technology	4/15/2014	14,300,000	$ 7,151,412	$ 960,198	0.38 %
Common shares		4/15/2014	100,000	10,000	—	— %
Total				7,161,412	960,198	0.38 %
Total Controlled				**$ 7,161,412**	**$ 960,198**	**0.38 %**
Total Portfolio Investments				**$ 159,457,364**	**$ 215,446,200**	**85.25 %**
U.S. Treasury						
U.S. Treasury bill, 0%, due 10/1/2020***[(3)]		9/30/2020	$ 150,000,000	149,999,917	150,000,000	59.36 %
TOTAL INVESTMENTS				**$ 309,457,281**	**$ 365,446,200**	**144.61 %**

See accompanying notes to condensed consolidated financial statements.

* 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 September 30, 2020, 15.12% 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. owns 5% or more 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 owned 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. As of September 30, 2020, 1 investment held by SuRo Capital Corp. was considered Level 1 or Level 2. Refer to "Note 4—Investments at Fair Value".

(4) As of September 30, 2020, 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) 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. During the nine months ended September 30, 2020, SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.) declared, and SuRo Capital Corp. received, an aggregate of $200,000 in dividend distributions. 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.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED) - continued
September 30, 2020

(7) On August 23, 2019, SuRo Capital Corp. amended the structure of its investment in NestGSV, Inc. (d/b/a GSV Labs, Inc.). As part of the agreement, SuRo Capital Corp.’s equity holdings (warrants notwithstanding) were restructured into a derivative security. NestGSV, Inc. (d/b/a GSV Labs,Inc.) has the right to call the position at any time over a five year period, while SuRo Capital Corp. can put the shares to NestGSV, Inc. (d/b/a GSV Labs, Inc.) at the end of the five year period.

(8) During the nine months ended September 30, 2020, Treehouse Real Estate Investment Trust Inc. declared, and SuRo Capital Corp. received, an aggregate of $50,000 in dividend distributions. SuRo Capital Corp. does not anticipate that Treehouse Real Estate Investment Trust Inc. will pay distributions on a recurring or regular basis or become a predictable distributor of distributions.

(9) During the nine months ended September 30, 2020, GreenAcreage Real Estate Corp. declared an aggregate of $180,000 in dividend distributions. SuRo Capital Corp. does not anticipate that GreenAcreage Real Estate Corp. will pay distributions on a recurring or regular basis or become a predictable distributor of distributions.

(10) On June 19, 2020, SuRo Capital Corp. extended a $6.9 million, non-recourse, collateralized loan to Palantir Lending Trust SPV I. The collateralized loan to Palantir Lending Trust SPV I matures on June 19, 2022 and includes a 15% interest rate. Through the collateralized loan, SuRo Capital Corp. participates in additional upside in a future Palantir Technologies, Inc. liquidity event by receiving a percentage of the share price appreciation as captured in the Equity Participation in Underlying Collateral security. On September 30, 2020 SuRo Capital Corp. approved a request by Palantir Lending Trust SPV I to sell approximately 784,491 shares of Palantir Technologies, Inc. that comprise the underlying collateral and Equity Participation upon the direct listing of Palantir Technologies, Inc. on the same date. The sale resulted in approximately $6.0 million in proceeds expected to be received by SuRo Capital Corp subsequent to quarter-end to be applied to the Equity Participation in Underlying Collateral, the guaranteed interest accrual to date, and the loan principal, in that order.

(11) On May 11, 2020, SuRo Capital Corp. made a follow-on investment in a junior preferred convertible note to Neutron Holdings, Inc. (d/b/a Lime) as part of a recapitalization of Neutron Holdings, Inc. (d/b/a Lime), led by Uber Technologies, Inc. On May 11, 2020, SuRo Capital Corp.'s existing Series D Preferred shares were converted to Series 1-D Junior Preferred shares. As part of the transaction, SuRo Capital Corp. was issued, and received on August 24, 2020, 2,032,967 common warrants with a strike price of $0.01 and an expiration date of May 11, 2027.

(12) On June 6, 2020, the convertible note SuRo Capital Corp. had extended to Aspiration Partners, Inc. converted into Series C-3 Preferred shares at a 15% discount to Aspiration Partners, Inc.'s most recent financing round. SuRo Capital Corp. received 24,912 Series C-3 Preferred shares as a result of the conversion.

(13) On September 30, 2020, Palantir Technologies, Inc. went public via a modified direct listing on the New York Stock Exchange. Under the terms of the modified direct listing, as disclosed in Palantir Technologies, Inc.'s Amendment No. 1 to Form S-1 Registration Statement, 20% of SuRo Capital Corp.'s Class A common shares in Palantir Technoloiges, Inc. held at the time of the direct public listing were considered unrestricted, while the remaining 80% were subject to sales restrictions and are not eligible for sale until the third business day following the filing of Palantir Technologies, Inc.'s fiscal year 2020 Form 10-K filing in 2021. On September 30, 2020, SuRo Capital Corp. sold 400,000 Class A common shares of Palantir Technologies, Inc. Of the Class A common shares held at September 30, 2020, 754,738 are unrestricted and 4,618,952 are restricted.

(14) On July 29, 2020 SuRo Capital Corp. exited its investment in 4C Insights (f/k/a The Echo Systems Corp.). In connection with this exit, SuRo Capital Corp. received 112,374 Class A common shares in Kinetiq Holdings, LLC in addition to cash proceeds and amounts currently held in escrow.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2019

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
NON-CONTROLLED/NON-AFFILIATE						
Coursera, Inc.	Mountain View, CA					
Preferred shares, Series B 8%	Online Education	6/9/2013	2,961,399	$ 14,519,519	$ 33,569,902	16.79 %
Palantir Technologies, Inc.	Palo Alto, CA					
Common shares, Class A	Data Analysis	5/7/2012	5,773,690	16,189,935	31,582,084	15.80 %
Course Hero, Inc.	Redwood City, CA					
Preferred shares, Series A 8%	Online Education	9/18/2014	2,145,509	5,000,001	25,674,019	12.84 %
Parchment, Inc.	Scottsdale, AZ					
Preferred shares, Series D 8%	E-Transcript Exchange	10/1/2012	3,200,512	4,000,982	10,896,585	5.45 %
Nextdoor.com, Inc.	San Francisco, CA					
Common shares	Social Networking	9/27/2018	580,360	10,006,578	10,867,365	5.43 %
Neutron Holdings, Inc. (d/b/a/ Lime)	San Francisco, CA					
Preferred shares, Series D 6%	Micromobility	1/25/2019	41,237,113	10,006,800	10,000,000	5.00 %
Treehouse Real Estate Investment Trust, Inc.	Chicago, IL					
Common shares***(11)	Cannabis REIT	9/11/2019	312,500	7,500,000	7,384,738	3.69 %
Enjoy Technology, Inc.	Menlo Park, CA					
Preferred shares, Series B 6%	On-Demand Commerce	7/29/2015	1,681,520	4,000,280	4,758,702	2.38 %
Preferred shares, Series A 6%		10/16/2014	879,198	1,002,440	2,488,130	1.24 %
Total				5,002,720	7,246,832	3.62 %
SharesPost, Inc.	San Francisco, CA					
Preferred shares, Series B 6%	Online Marketplace Finance	7/19/2011	1,771,653	2,259,716	6,186,877	3.09 %
Common shares		7/20/2011	770,934	123,987	890,340	0.45 %
Total				2,383,703	7,077,217	3.54 %
Aspiration Partners, Inc.	Marina Del Rey, CA					
Preferred shares, Series A	Financial Services	8/11/2015	540,270	1,001,815	4,471,678	2.24 %
Convertible Promissory Note 5%, Due 1/31/2021***		8/12/2019	$ 280,000	281,190	321,168	0.16 %
Total				1,283,005	4,792,846	2.40 %
Clever, Inc.	San Francisco, CA					
Preferred shares, Series B 8%	Education Software	12/5/2014	1,799,047	2,000,601	2,000,001	1.00 %
A Place for Rover Inc. (f/k/a DogVacay, Inc.)	Seattle, WA					
Common shares	Peer-to-Peer Pet Services	11/3/2014	707,991	2,506,119	963,533	0.48 %
Tynker (f/k/a Neuron Fuel, Inc.)	Mountain View, CA					
Preferred shares, Series A 8%	Computer Software	8/8/2012	534,162	309,310	789,491	0.39 %
4C Insights (f/k/a The Echo Systems Corp.)	Chicago, IL					
Common shares	Social Data Platform	3/30/2012	436,219	1,436,404	21,499	0.01 %
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)		3/3/2016	$ 2,270,458	2,270,858	—	— %
Total				8,421,364	—	— %
Total Non-controlled/Non-affiliate				**$ 90,567,041**	**$ 152,866,112**	**76.46 %**

See accompanying notes to condensed consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS - continued
December 31, 2019

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
NON-CONTROLLED/AFFILIATE [1]						
Ozy Media, Inc.	Mountain View, CA					
Preferred shares, Series C-2 6% [7]	Digital Media Platform	9/11/2019	683,482	$ 2,414,178	$ 2,970,252	1.49 %
Common Warrants, Strike Price $0.01, Expiration Date 4/9/2028		4/9/2018	295,565	30,647	1,182,260	0.59 %
Preferred shares, Series B 6%		10/3/2014	922,509	4,999,999	5,001,420	2.50 %
Preferred shares, Series A 6%		12/11/2013	1,090,909	3,000,200	4,528,107	2.27 %
Preferred shares, Series Seed 6%		11/2/2012	500,000	500,000	2,002,143	1.00 %
Total				10,945,024	15,684,182	7.85 %
StormWind, LLC [5]	Scottsdale, AZ					
Preferred shares, Series D 8% [10]	Interactive Learning	11/26/2019	329,337	257,267	503,120	0.25 %
Preferred shares, Series C 8%		1/7/2014	2,779,134	4,000,787	5,391,000	2.70 %
Preferred shares, Series B 8%		12/16/2011	3,279,629	2,019,687	3,248,804	1.62 %
Preferred shares, Series A 8%		2/25/2014	366,666	110,000	157,949	0.08 %
Total				6,387,741	9,300,873	4.65 %
GreenAcreage Real Estate Corp.	New York, NY					
Common shares	Cannabis REIT	8/12/2019	375,000	7,501,530	7,500,000	3.75 %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)	San Mateo, CA					
Derivative Security, Expiration Date 8/23/2024 [9]	Global Innovation Platform	8/23/2019	1	8,555,124	3,880,621	1.94 %
Convertible Promissory Note 8% Due 8/23/2024*** [9]		2/17/2016	$ 1,010,198	1,030,176	1,010,198	0.51 %
Preferred Warrants Series A-3, Strike Price $1.33, Expiration Date 4/4/2021		4/4/2014	187,500	—	20,625	0.01 %
Preferred Warrants Series A-4, Strike Price $1.33, Expiration Date 10/6/2021		10/6/2014	500,000	—	135,000	0.07 %
Preferred Warrants Series A-4, Strike Price $1.33, Expiration Date 7/18/2021		7/8/2016	250,000	74,380	62,500	0.03 %
Preferred Warrants Series B, Strike Price $2.31, Expiration Date 11/29/2021		11/29/2016	100,000	29,275	—	— %
Preferred Warrant Series B, Strike Price $2.31, Expiration Date 5/29/2022		5/29/2017	125,000	70,379	—	— %
Preferred Warrant Series B, Strike Price $2.31, Expiration Date 12/31/2023		12/31/2018	250,000	5,080	2,500	0.00 %
Total				9,764,414	5,111,444	2.56 %
CUX, Inc. (d/b/a CorpU)	Philadelphia, PA					
Senior Subordinated Convertible Promissory Note 4% Due 2/14/2023 [4][6]	Corporate Education	11/26/2014	$ 1,251,158	1,256,191	312,789	0.15 %
Convertible preferred shares, Series D 6%		5/31/2013	169,033	778,607	34,980	0.02 %
Convertible preferred shares, Series C 8%		3/29/2012	615,763	2,006,077	—	— %
Preferred Warrants Series D, Strike Price $4.59, Expiration Date 2/14/2020		5/31/2013	16,903	—	—	— %
Total				4,040,875	347,769	0.17 %
Maven Research, Inc.	San Francisco, CA					
Preferred shares, Series C 8%	Knowledge Networks	7/2/2012	318,979	2,000,447	—	— %
Preferred shares, Series B 5%		2/28/2012	49,505	217,206	—	— %
Total				2,217,653	—	— %
Curious.com, Inc.	Menlo Park, CA					
Common shares	Online Education	11/22/2013	1,135,944	12,000,006	—	— %
Total Non-controlled/Affiliate				**$ 52,857,243**	**$ 37,944,268**	**18.98 %**

See accompanying notes to condensed consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS - continued
December 31, 2019

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
CONTROLLED(2)						
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)	Cupertino, CA					
Preferred shares, Class A***(8)	Clean Technology	4/15/2014	14,300,000	$ 7,151,412	$ 775,198	0.39 %
Common shares		4/15/2014	100,000	10,000	—	— %
Total				7,161,412	775,198	0.39 %
Total Controlled				**$ 7,161,412**	**$ 775,198**	**0.39 %**
Total Portfolio Investments				**$ 150,585,696**	**$ 191,585,578**	**95.83 %**
U.S. Treasury						
U.S. Treasury bill, 0%, due 1/2/2020***(3)		12/30/2019	$ 50,000,000	49,996,667	50,000,000	25.01 %
TOTAL INVESTMENTS				**$ 200,582,363**	**$ 241,585,578**	**120.84 %**

See accompanying notes to condensed consolidated financial statements.

* 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, 2019, 0.00% 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. owns 5% or more 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 owned 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. As of December 31, 2019, no investments held by SuRo Capital Corp. were considered Level 1 or Level 2. Refer to "Note 4—Investments at Fair Value".

(4) As of December 31, 2019, 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) On October 24, 2019, CUX, Inc. (d/b/a CorpU) completed a recapitalization, which amended SuRo Capital Corp.'s investment in the Senior Subordinated Convertible Promissory Note. As a result of the recapitalization, the principal amount of SuRo Capital Corp.'s Senior Subordinated Convertible Promissory Note was reduced by $109,331, the interest rate was reduced to 4%, and the maturity was extended to February 14, 2023.

(7) On September 11, 2019, SuRo Capital Corp. agreed to convert its 5% Convertible Promissory Note due 12/31/2018 to Ozy Media, Inc. and all related accrued interest, into 683,482 shares of Ozy Media, Inc.'s Series C-2 preferred shares.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS - continued
December 31, 2019

(8) During the year ended December 31, 2019, SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.) declared, and SuRo Capital Corp. received, an aggregate of $400,000 in dividend distributions.

(9) On August 23, 2019, SuRo Capital Corp. amended the structure of its investment in NestGSV, Inc. (d/b/a GSV Labs, Inc.). As part of the agreement, SuRo Capital Corp's equity holdings (warrants notwithstanding) were restructured into a derivative security. NestGSV, Inc. (d/b/a GSV Labs,Inc.) has the right to call the position at any time over a five year period, while SuRo Capital Corp. can put the shares to NestGSV, Inc. (d/b/a GSV Labs, Inc.) at the end of the five year period. As part of the agreement, previously accrued interest under SuRo Capital Corp's 12% Convertible Promissory Note due 12/31/2019 will be capitalized into the principal of the extended Convertible Promissory Note, and the interest on the Convertible Promissory Note is reduced from 12% to 8%. The Convertible Promissory Note's maturity was extended to August 23, 2024. Under the amended structure, SuRo Capital Corp.'s fully diluted ownership of voting securities in the company decreased from 50.0% to 8.5%. As such, SuRo Capital Corp.'s investments in NestGSV, Inc. (d/b/a GSV Labs, Inc.) have been recategorized from controlled investments to non-controlled/affiliated investments.

(10) On November 26, 2019, SuRo Capital Corp. invested $250,000 in StormWind, LLC's Series D financing round. As part of the round, SuRo Capital Corp.'s fully diluted ownership of voting securities decreased from 25.6% to 23.4%. As such, SuRo Capital Corp.'s investments in StormWind, LLC have been recategorized from controlled investments to non-controlled/affiliated investments.

(11) During year ended December 31, 2019, Treehouse Real Estate Investment Trust Inc. declared, and SuRo Capital Corp. received an aggregate of $100,000 in dividend distributions.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
September 30, 2020

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”).

On and effective March 12, 2019, our 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. Prior to March 12, 2019, we were externally managed by our former investment adviser, GSV Asset Management, LLC (“GSV Asset Management”), pursuant to an investment advisory agreement (the “Investment Advisory Agreement”), and our former administrator, GSV Capital Service Company, LLC (“GSV Capital Service Company”), provided the administrative services necessary for our operations pursuant to an administration agreement (the “Administration Agreement”). Refer to "Note 3 — Related-Party Arrangements" for further detail.

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

The table below displays the Company’s subsidiaries as of September 30, 2020, which, other than GSV Capital Lending, LLC (“GCL”), are collectively referred to as the “Taxable Subsidiaries.” The Taxable Subsidiaries were formed to hold 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%
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 NG Holdings, Inc. (“GNG”)(1)	Delaware	November 28, 2012	100%
GSVC SW Holdings, Inc. (“GSW”)	Delaware	November 28, 2012	100%
GSVC WS Holdings, Inc. (“GWS”)(1)	Delaware	November 28, 2012	100%
GSVC SVDS Holdings, Inc. (“SVDS”)	Delaware	August 13, 2013	100%

(1) This Taxable Subsidiary was dissolved on April 16, 2020.

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 acquire its investments in these portfolio companies through: offerings of the prospective portfolio companies, transactions on secondary marketplaces for private companies, or negotiations with selling stockholders. 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
September 30, 2020

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The interim unaudited condensed 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-Q 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, considered necessary for the fair presentation of consolidated financial statements for the interim period have been included.

The results of operations for the current interim period are not necessarily indicative of results that ultimately may be achieved for any other interim period or for the year ending December 31, 2020. The interim unaudited condensed consolidated financial statements and notes hereto should be read in conjunction with the audited consolidated financial statements and notes thereto contained in the Company's annual report on Form 10-K for the year ended December 31, 2019.

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 condensed consolidated financial statements include its accounts and the accounts of the Taxable Subsidiaries and GCL, its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of condensed 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 condensed 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. 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-Q 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.

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, our 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 investment professionals responsible for the portfolio investment;

2. Preliminary valuation conclusions are then documented and discussed with senior management;

3. An independent third-party valuation firm is engaged by the Valuation Committee to conduct independent appraisals and review management's preliminary valuations and make its own independent assessment, for all investments for which there are no readily available market quotations;

4. The Valuation Committee discusses the valuations and recommends to the Company's Board of Directors a fair value for each investment in the portfolio based on the input of management and the independent third-party valuation firm; 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.

In making a good faith determination of the fair value of investments, the Company considers 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; as well as analysis of financial ratios and valuation metrics of the portfolio companies that issued such private equity securities to peer companies that are public, analysis of the portfolio companies' most recent financial statements and 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 determine 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 quarter 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 Company may analyze the relevant portfolio company's most recently available historical and projected financial results, public market comparables, and other factors. The Company 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 Company 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 value of equity or equity-linked securities (including warrants to purchase common or preferred stock) in a portfolio company, the Company 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 Company 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

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recognized as a realized loss on investments in the Condensed Consolidated Statements of Operations and Condensed 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 Condensed Consolidated Statements of Cash Flows.

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 by the Company's Board of Directors.

Options

The Company's Board of Directors will ascribe value to options based on fair value analyses 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 by the Company's Board of Directors.

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 there is 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 Condensed Consolidated Schedules of Investments as of September 30, 2020 and December 31, 2019, for details regarding the nature and composition of the Company's investment portfolio.

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.

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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 places its cash with U.S. Bank, N.A., Bridge Bank (a subsidiary of Western Alliance Bank), and Silicon Valley Bank, and at times, cash held in these accounts may exceed the Federal Deposit Insurance Corporation insured limit. The Company believes that U.S. Bank, N.A., Western Alliance Bank, and Silicon Valley Bank are high-quality financial institutions and that 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 and sold are held in escrow as a recourse for indemnity claims that may arise under the sale agreement. Amounts held in escrow are held at estimated realizable value and included in net realized gains (losses) on investments in the Condensed 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 Condensed Consolidated Statement of Assets and Liabilities as escrow proceeds receivable. As of September 30, 2020 and December 31, 2019, the Company had $116,679 and $265,303, 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 September 30, 2020 and December 31, 2019, the Company had deferred financing costs of $296,198 and $11,382, respectively, on the Condensed Consolidated Statement of Assets and Liabilities.

	September 30, 2020	December 31, 2019
Deferred credit facility costs	$ 11,382	$ 11,382
Deferred offering costs	284,816	—
Deferred Financing Costs	$ 296,198	$ 11,382

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 primary 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.

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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 estimated 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 our stock price. Differences between actual results and these estimates could have a material effect on our 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 Condensed Consolidated Statement of Assets and Liabilities as escrow deposits. As of September 30, 2020 and December 31, 2019, the Company had no material 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 regulated investment company (a "RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (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 90% of the sum of investment company taxable income ("ICTI") including payment-in-kind interest income, as defined by the Code, and 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.

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.

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So long as the Company qualifies and maintains its tax treatment as a RIC, it generally will not pay corporate-level 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 condensed 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 condensed 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 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. The Company was taxed as a C Corporation for its 2012 and 2013 taxable years. Refer to "Note 9—Income Taxes" for further details.

The Company elected to be treated as a RIC for the taxable year ended December 31, 2014 in connection with the filing of its 2014 tax return. As a result, the Company was required to pay a corporate-level U.S. federal income tax on the amount of the net built-in gains in its assets (the amount by which the net fair market value of the Company's assets exceeds the net adjusted basis in its assets) either (1) as of the date it converted to a RIC (i.e., the beginning of the first taxable year that the Company qualifies as a RIC, which would be January 1, 2014), or (2) to the extent that the Company recognized such net built-in gains during the five-year recognition period beginning on the date of conversion. As of January 1, 2014, the Company had net unrealized built-in gains, but did not incur a built-in-gains tax for the 2014 tax year due to the fact that there were sufficient net capital loss carryforwards to completely offset recognized built-in gains as well as available net operating losses. The five-year recognition period ended on December 31, 2018.

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.

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Recently Issued or Adopted Accounting Standards

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820)*, which is intended to improve fair value and defined benefit disclosure requirements by removing disclosures that are not cost beneficial, clarifying disclosures' specific requirements, and adding relevant disclosure requirements. The amendments took effect for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company adopted the eliminated and modified disclosure requirements during the three and nine months ended September 30, 2020. No significant changes to the fair value disclosures were necessary in the notes to the condensed consolidated financial statements in order to comply with ASU 2018-13.

In August 2018, the SEC issued Final Rule Release No. 33-10532, *Disclosure Update and Simplification,* amending certain disclosure requirements intended to eliminate redundant, duplicative, overlapping, outdated or superseded, in light of other SEC disclosure requirements, U.S. GAAP requirements, or changes in the information environment. In part, this final rule requires an investment company to present distributable earnings in total on the consolidated balance sheet, rather than showing the three components of distributable earnings as previously required. The Company decided not to adopt this change as the current, more detailed and expanded disclosure presentation was deemed to be most helpful, useful, and transparent for users of our condensed consolidated financial statements. The impact of the adoption of this amendment on the Company's consolidated financial statements would not be material. Additionally, the final rule requires disclosure of changes in net assets within a registrant's Form 10-Q filing on a quarter-to-date and year-to-date basis for both the current year and prior year comparative periods. The Company adopted the new requirement to present changes in net assets in interim financial statements within Form 10-Q filings during the year ended December 31, 2019. The adoption of this rule did not have a material impact on the consolidated financial statements.

In March 2020, the SEC adopted a final rule under SEC Release No. 34-88365 ("SEC Rule 12b-2 Update"), amending the accelerated filer and large accelerated filer definitions in Exchange Act Rule 12b-2. The amendments include a provision under which a BDC will be excluded from the “accelerated filer” and “large accelerated filer” definitions if the BDC has (1) a public float of $75.0 million or more, but less than $700.0 million, and (2) has annual investment income of less than $100.0 million. In addition, BDCs are subject to the same transition provisions for accelerated filer and large accelerated filer status as other issuers, but instead substituting investment income for revenue. The amendments will reduce the number of issuers required to comply with the auditor attestation on the internal control over financial reporting requirement provided under Section 404(b) of the Sarbanes-Oxley Act of 2002. SEC Rule 12b-2 Update applies to annual report filings due on or after April 27, 2020. The Company is currently assessing SEC Rule 12b-2 Update and believes it will no longer be an accelerated filer, but may continue filing under the accelerated filer timeline.

In May 2020, the SEC adopted rule amendments that will impact 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 amend the definition of “significant subsidiary” in a manner that is intended to more accurately capture those portfolio companies that are more likely to materially impact the financial condition of an investment company. The Final Rules will be effective on January 1, 2021, but voluntary compliance is permitted in advance of the effective date. The Company has elected to comply in advance of the effective date for the quarter ended September 30, 2020. The adoption of this rule will have a moderate impact on the consolidated condensed financial statements in that far fewer subsidiaries will require disclosure under the Final Rules as compared to the previous rules.

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.

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NOTE 3—RELATED-PARTY ARRANGEMENTS

Internalization of Company's Operating Structure

On and effective March 12, 2019 (the "Effective Date"), our Board of Directors approved internalizing our operating structure 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. Prior to the Effective Date, we were externally managed by our former investment adviser, GSV Asset Management, pursuant to the Investment Advisory Agreement, and our former administrator, GSV Capital Service Company, provided the administrative services necessary for our operations pursuant to the Administration Agreement.

The accounting implications and related controls associated with the Internalization were analyzed and updated for fiscal year 2019.

Termination of Investment Advisory Agreement

On and effective March 12, 2019, the Investment Advisory Agreement was terminated by mutual agreement of GSV Asset Management and us in connection with our Internalization.

Prior to our Internalization, GSV Asset Management served as our external investment adviser pursuant to the Investment Advisory Agreement. Pursuant to the terms of the Investment Advisory Agreement, we paid GSV Asset Management a fee for its services consisting of two components - a base management fee and an incentive fee. The base management fee was calculated at an annual rate of 2.00% of our gross assets (our total assets as reflected on our balance sheet with no deduction for liabilities). The incentive fee was determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), and equaled the lesser of (i) 20% of our realized capital gains during such calendar year, if any, calculated on an investment-by-investment basis, subject to a non-compounded preferred return, or "hurdle" of 8.00% per year, and a "catch-up" feature, and (ii) 20% of our realized capital gains, if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid incentive fees. See "—Investment Advisory Agreement" below.

As the Investment Advisory Agreement has been terminated, there will be no base management fees or incentives fees payable to GSV Asset Management going forward.

Termination of Administration Agreement

On and effective March 12, 2019, the Administration Agreement was terminated by mutual agreement of GSV Capital Service Company and us in connection with our Internalization.

Prior to our Internalization, GSV Capital Service Company served as our external administrator and provided administrative services necessary for our operations, including but not limited to, furnishing us with office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities, as well as providing us with certain other administrative services, including, but not limited to, assisting us with determining and publishing our net asset value, overseeing the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders.

Under the Administration Agreement, we did not pay any fees to GSV Capital Service Company but reimbursed GSV Capital Service Company for our allocable portion of overhead and other expenses incurred by GSV Capital Service Company in performing its services under the Administration Agreement, including, but not limited to, fees and expenses associated with performing compliance functions and our allocable portion of rent and compensation of our President, Chief Financial Officer, Chief Compliance Officer and other staff providing administrative services. See "—Administration Agreement" below.

As the Administration Agreement has been terminated, there will be no costs incurred by GSV Capital Service Company going forward.

Departure of Director and Reduction of Number of Directors

On and effective March 12, 2019, Michael T. Moe resigned from our Board of Directors in connection with our Internalization. As a result of Mr. Moe's resignation, our Board of Directors reduced the number of directors that constitute our full Board of Directors to five directors from six directors in accordance with our bylaws. Mr. Moe will continue to provide services to us pursuant to the Consulting Agreement (as defined below). See "—Consulting Agreement."

Consulting Agreement

On and effective March 12, 2019, we entered into a Consulting Agreement (the "Consulting Agreement") with Michael T. Moe, the former Chairman of our Board of Directors and the Chief Executive Officer and Chief Investment Officer of GSV Asset Management, for the purpose of assisting us with certain transition services following the termination of the Investment Advisory Agreement and our Internalization. Pursuant to the Consulting Agreement, Mr. Moe will provide certain transition services to us related to our existing portfolio investments for which Mr. Moe previously had oversight in his role as the Chief Executive Officer and Chief Investment Officer of GSV Asset Management. Such transition services will include providing information to us regarding such portfolio companies, including as a member of a portfolio company's board of directors, assisting with the transition of portfolio company board seats as requested by us, making appropriate introductions to representatives of portfolio companies, and providing other similar types of services that we may reasonably request.

The term of the Consulting Agreement commenced on March 12, 2019 and will continue for eighteen months, unless the parties thereto mutually agree to extend the Consulting Agreement for an additional period. Pursuant to the Consulting Agreement, we will pay Mr. Moe a total amount equal to $1,250,000. On September 12, 2020, the Consulting Agreement expired in accordance with its terms and was not renewed or extended.

For the three months ended September 30, 2020 and 2019 the Company incurred $165,771 and $208,333, respectively, of consulting expense related to the Consulting Agreement, as included in "professional fees" on the Condensed Consolidated Statements of Operations. For the nine months ended September 30, 2020 and 2019 the Company incurred $582,437 and $459,229, respectively, of consulting expense related to the Consulting Agreement, as included in "professional fees" on the Condensed Consolidated Statements of Operations. As of September 30, 2020 and December 31, 2019, the Company recorded $0 and $332,437, respectively, of prepaid expense related to the Consulting Agreement on the Condensed Consolidated Statement of Assets and Liabilities.

Amended and Restated Trademark License Agreement

On and effective March 12, 2019, we entered into an Amended and Restated Trademark License Agreement (the "Amended and Restated License Agreement") with GSV Asset Management in connection with termination of the Investment Advisory Agreement. See "—Termination of Investment Advisory Agreement."

GSV Asset Management is the owner of the trade name "GSV", and other state or unregistered "GSV" marks, including the trading symbol "GSVC" (collectively, the "Licensed Marks"). Pursuant to the Amended and Restated License Agreement, GSV Asset Management granted us a non-transferable, non-sublicensable, and non-exclusive right and license to use the Licensed Marks, solely in connection with the operation of our existing business.

The term of the Amended and Restated License Agreement commenced on March 12, 2019 and will continue for eighteen months, unless the parties thereto mutually agree to extend the Amended and Restated License Agreement for an additional period. Pursuant to the Amended and Restated License Agreement, we will pay GSV Asset Management a total amount equal to $1,250,000. On September 12, 2020, the Amended and Restated License Agreement expired in accordance with its terms and was not renewed or extended.

For the three months ended September 30, 2020 and 2019, the Company incurred $165,771 and $208,333, respectively, of licensing expense, as included in "other expenses" on the Condensed Consolidated Statements of Operations. For the nine months ended September 30, 2020 and 2019, the Company incurred $582,438 and $459,229 respectively, of licensing expense, as included in "other expenses" on the Condensed Consolidated Statements of Operations. As of September 30, 2020 and December 31, 2019, the Company recorded $0 and $332,437, respectively, of prepaid expense related to the Amended and Restated Trademark License Agreement on the Condensed Consolidated Statement of Assets and Liabilities.

Investment Advisory Agreement

On March 12, 2019, in connection with the Company's Internalization, the Investment Advisory Agreement was terminated in accordance with its terms.

Prior to our Internalization on March 12, 2019, the Company had entered into the Investment Advisory Agreement with GSV Asset Management. Under the terms of the Investment Advisory Agreement, GSV Asset Management was paid a quarterly management fee and an annual incentive fee. GSV Asset Management is controlled by Michael T. Moe, the former Chairman of the Company's Board of Directors. Mr. Moe, through his ownership interest in GSV Asset Management, was entitled to a portion of any profits earned by GSV Asset Management in performing its services under the Investment Advisory Agreement. Mr. Moe serves as the principal of GSV Asset Management and manages the business and internal affairs of GSV Asset Management. Mark Klein, the Company's Chief Executive Officer, President, and a member of the Company's Board of Directors, or entities with which he is affiliated, received consulting fees from GSV Asset Management equal to a percentage of each of the base management fee and the incentive fee paid by the Company to GSV Asset Management pursuant to a consulting agreement with GSV Asset Management. As the Investment Advisory Agreement has been terminated, Mr. Klein no longer has a consulting agreement or any other affiliation with GSV Asset Management.

Under the Investment Advisory Agreement, there were no restrictions on the right of any manager, partner, officer or employee of GSV Asset Management to engage in any other business or to devote his or her time and attention in part to any other business, whether of a similar or dissimilar nature, or to receive any fees or compensation in connection therewith (including fees for serving as a director of, or providing consulting services to, one or more of the Company's portfolio companies). GSV Asset Management had, however, adopted an internal policy whereby any fees or compensation received by a manager, partner, officer or employee of GSV Asset Management in exchange for serving as a director of, or providing consulting services to, any of the Company's portfolio companies would be transferred to the Company, net of any personal taxes incurred, upon such receipt for the benefit of the Company and its stockholders.

Management Fees

Under the terms of the Investment Advisory Agreement, GSV Asset Management was paid a base management fee of 2.00% of gross assets, which is the Company's total assets reflected on its Condensed Consolidated Statement of Assets and Liabilities (with no deduction for liabilities) reduced by any non-portfolio investments. During the month of January 2018, pursuant to a voluntary waiver by GSV Asset Management, the Company paid GSV Asset Management a base management fee of 1.75%, a 0.25% reduction from the 2.00% base management fee payable under the Investment Advisory Agreement. On February 2, 2018 GSV Asset Management voluntarily agreed to reduce fees payable under the Investment Advisory Agreement (the "Waiver Agreement"). Pursuant to the Waiver Agreement, effective February 1, 2018, the base management fee is reduced to 1.75% of the Company's gross assets, as further described below. The waiver of a portion of the base management fee is not subject to recourse against or reimbursement by the Company.

GSV Asset Management did not earn any management fees for the three months ended September 30, 2020 and 2019 and did not waive any management fees for the three months ended September 30, 2020 or 2019. For the nine months ended September 30, 2020 and 2019, GSV Asset Management earned $0 and $848,723 in management fees, respectively, and did not waive any management fees.

As the Investment Advisory Agreement has been terminated, there will be no base management fee payable to GSV Asset Management going forward.

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Incentive Fees

Under the terms of the Investment Advisory Agreement, GSV Asset Management was paid an annual incentive fee equal to the lesser of (i) 20% of the Company's realized capital gains during each calendar year, if any, calculated on an investment-by-investment basis, subject to a non-compounded preferred return, or "hurdle," and a "catch-up" feature, and (ii) 20% of the Company's realized capital gains, if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid incentive fees. Effective February 1, 2018, the incentive fee paid by the Company to GSV Asset Management under the Investment Advisory Agreement was modified pursuant to the terms of the Waiver Agreement, as further described below.

The Company was required to accrue incentive fees for all periods as if the Company had fully liquidated its entire investment portfolio at the fair value stated on the Consolidated Statements of Assets and Liabilities as of December 31, 2018 or prior to the termination of the Investment Advisory Agreement. The accrual considered both the hypothetical liquidation of the Company's portfolio described previously, as well as the Company's actual cumulative realized gains and losses since inception, as well any previously paid incentive fees.

For the three and nine months ended September 30, 2020, the Company did not accrue any incentive fees due to the termination of the Investment Advisory Agreement, effective March 12, 2019. For the three and nine months ended September 30, 2019, the Company reversed previously accrued incentive fees of $0 and $4,660,472, respectively, due to the termination of the Investment Advisory Agreement. As the Investment Advisory Agreement has been terminated, there will be no incentive fee payable to GSV Asset Management going forward.

Management and Incentive Fee Waiver Agreement

On February 2, 2018, GSV Asset Management voluntarily agreed to reduce the fees payable under the Investment Advisory Agreement pursuant to the Waiver Agreement. The Waiver Agreement was effective beginning February 1, 2018 and changed the fee structure set forth in the Investment Advisory Agreement by: (i) reducing the Company's base management fee from 2.00% to 1.75%; and (ii) creating certain high-water marks that must be reached before any incentive fee is paid to GSV Asset Management.

Pursuant to the Waiver Agreement, in addition to the "hurdle" feature in the incentive fee, GSV Asset Management had agreed to additional conditions on its ability to receive an incentive fee. Specifically, the Waiver Agreement provided that an incentive fee earned by GSV Asset Management under the Investment Advisory Agreement would be payable to GSV Asset Management only if, at the time that such incentive fee becomes payable under the Investment Advisory Agreement, both the Company's stock price and its last reported net asset value per share were equal to, or greater than, $12.55 (the "High-Water Mark"). The High-Water Mark was based upon the volume weighted average price (VWAP) of all the Company's equity offerings since its initial public offering, less the dollar amount of all dividends paid by the Company since inception. Upon such time that the High-Water Mark was achieved, and GSV Asset Management was paid an incentive fee, a new High-Water Mark would have been established. Each new High-Water Mark would have been equal to the most recent High-Water Mark, plus 10%. Any High-Water Mark then in effect would have been adjusted to reflect any dividends paid by the Company or any stock split effected by the Company.

For the avoidance of doubt, after the effective date of the Waiver Agreement, under no circumstances would the aggregate fees earned by GSV Asset Management in any quarterly period have been higher than those aggregate fees that would have been earned prior to the effectiveness of the Waiver Agreement.

As of each of September 30, 2020 and December 31, 2019, there were no receivables owed to the Company by GSV Asset Management. As the Investment Advisory Agreement has been terminated, there will be no receivables owed to the Company by GSV Asset Management going forward.

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Administration Agreement

On March 12, 2019, in connection with the Company's Internalization, the Administration Agreement was terminated in accordance with its terms.

Prior to the Internalization, the Company had entered into the Administration Agreement with GSV Capital Service Company to provide administrative services, including furnishing the Company with office facilities, equipment, clerical, bookkeeping, record keeping services, and other administrative services. The Company reimbursed GSV Capital Service Company an allocable portion of overhead and other expenses in performing its obligations under the Administration Agreement, including a portion of the rent and the compensation of the Company’s President, Chief Financial Officer, Chief Compliance Officer and other staff providing administrative services. While there was no limit on the total amount of expenses the Company may have been required to reimburse to GSV Capital Service Company, GSV Capital Service Company would only charge the Company for the actual expenses GSV Capital Service Company incurred on the Company’s behalf, or the Company’s allocable portion thereof, without any profit to GSV Capital Service Company.

For the three months ended September 30, 2020 and 2019, the Company did not incur any costs under the Administration Agreement. For the nine months ended September 30, 2020 and 2019, the Company incurred $0 and $306,084, respectively, in such costs incurred under the Administration Agreement. As the Administration Agreement has been terminated, there will be no costs incurred by GSV Capital Service Company on behalf of the Company going forward.

License Agreement

On March 12, 2019, in connection with the Company's Internalization, as of the Effective Date, the Company entered into the Amended and Restated Trademark License Agreement to use the trade name “GSV”, and other state or unregistered “GSV” marks, including the trading symbol “GSVC.” for a period of up to eighteen months and a predetermined fee of $1,250,000. Other than with respect to this limited license, the Company has no legal right to the “GSV” name. On September 12, 2020, the Amended and Restated License Agreement expired in accordance with its terms and was not renewed or extended.

Prior to the Internalization on March 12, 2019, the Company entered into a license agreement with GSV Asset Management pursuant to which GSV Asset Management had agreed to grant the Company a non-exclusive, royalty-free license to use the name “GSV.” Under this agreement, the Company had the right to use the GSV name for so long as the Investment Advisory Agreement with GSV Asset Management is in effect.

Other Arrangements

Mark Moe, who is the brother of Michael Moe, the former Chairman of the Company’s Board of Directors, serves as Vice President of Business Development, Global Expansion for NestGSV, Inc. (d/b/a GSV Labs, Inc.), one of the Company’s portfolio companies.

In addition, the Company’s executive officers and directors, and the principals of the Company’s former investment adviser, GSV Asset Management, 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.

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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.

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 September 30, 2020, the Company had 50 positions in 24 portfolio companies. As of December 31, 2019, the Company had 46 positions in 23 portfolio companies.

The following tables summarize the composition of the Company's investment portfolio by security type at cost and fair value as of September 30, 2020 and December 31, 2019:

	September 30, 2020			December 31, 2019		
	Cost	Fair Value	Percentage of Net Assets	Cost	Fair Value	Percentage of Net Assets
Private Portfolio Companies						
Preferred Stock	$ 77,832,023	$ 132,071,471	52.3 %	$ 73,557,331	$ 125,448,358	62.8 %
Common Stock	45,794,814	23,871,300	9.4 %	63,425,065	59,209,559	29.6 %
Debt Investments	11,964,165	8,224,227	3.3 %	4,838,415	1,644,155	0.8 %
Options	8,764,885	4,617,151	1.8 %	8,764,885	5,283,506	2.6 %
Private Portfolio Companies	144,355,887	168,784,149	66.8 %	150,585,696	191,585,578	95.8 %
Publicly Traded Portfolio Companies						
Common Stock	15,101,477	46,662,051	18.5 %	—	—	— %
Total Portfolio Investments	159,457,364	215,446,200	85.3 %	150,585,696	191,585,578	95.8 %
Non-Portfolio Investments						
U.S. Treasury bill	149,999,917	150,000,000	59.3 %	49,996,667	50,000,000	25.0 %
Total Investments	$ 309,457,281	$ 365,446,200	144.6 %	$ 200,582,363	$ 241,585,578	120.8 %

The geographic and industrial compositions of the Company's portfolio at fair value as of September 30, 2020 and December 31, 2019 were as follows:

	As of September 30, 2020			As of December 31, 2019		
	Fair Value	Percentage of Portfolio	Percentage of Net Assets	Fair Value	Percentage of Portfolio	Percentage of Net Assets
Geographic Region						
West	$ 199,366,432	92.5 %	78.9 %	$ 176,331,572	92.0 %	88.2 %
Northeast	12,196,472	5.7 %	4.8 %	7,847,769	4.1 %	3.9 %
Mid-west	3,883,296	1.8 %	1.6 %	7,406,237	3.9 %	3.7 %
Total	$ 215,446,200	100.0 %	85.3 %	$ 191,585,578	100.0 %	95.8 %

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	As of September 30, 2020			As of December 31, 2019		
	Fair Value	Percentage of Portfolio	Percentage of Net Assets	Fair Value	Percentage of Portfolio	Percentage of Net Assets
Industry						
Education Technology	$ 95,773,772	44.5 %	37.9 %	$ 82,578,640	43.1 %	41.3 %
Big Data/Cloud	55,246,708	25.6 %	21.9 %	31,582,084	16.5 %	15.8 %
Financial Technology	23,706,741	11.0 %	9.4 %	26,754,801	14.0 %	13.4 %
Social/Mobile	20,922,463	9.7 %	8.3 %	26,573,046	13.8 %	13.3 %
Marketplaces	18,836,318	8.7 %	7.5 %	23,321,809	12.2 %	11.6 %
Sustainability	960,198	0.5 %	0.3 %	775,198	0.4 %	0.4 %
Total	$ 215,446,200	100.0 %	85.3 %	$ 191,585,578	100.0 %	95.8 %

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

Industry Theme	Industry
Education Technology	Business Education
	Computer Software
	Corporate Education
	Education Software
	E-Transcript Exchange
	Interactive Learning
	Online Education
Big Data/Cloud	Data Analysis
Marketplaces	Global Innovation Platform
	Knowledge Networks
	On-Demand Commerce
	Subscription Fashion Rental
	Micromobility
	Peer-to-Peer Pet Services
Financial Technology	Online Marketplace Finance
	Financial Services
	Cannabis REIT
Social/Mobile	Digital Media Platform
	Social Networking
	Social Data Platform
Sustainability	Clean Technology

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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 September 30, 2020 and December 31, 2019 are as follows:

	As of September 30, 2020			
	Quoted Prices in Active Markets for Identical Securities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments at Fair Value				
Private Portfolio Companies				
Preferred Stock	$ —	$ —	$ 132,071,471	$ 132,071,471
Common Stock	—	—	23,871,300	23,871,300
Debt Investments	—	—	8,224,227	8,224,227
Options	—	—	4,617,151	4,617,151
Private Portfolio Companies	—	—	168,784,149	168,784,149
Publicly Traded Portfolio Companies				
Common Stock	—	46,662,051	—	46,662,051
Total Portfolio Investments	—	46,662,051	168,784,149	215,446,200
Non-Portfolio Investments				
U.S. Treasury bills	150,000,000	—	—	150,000,000
Total Investments at Fair Value	$ 150,000,000	$ 46,662,051	$ 168,784,149	$ 365,446,200

	As of December 31, 2019			
	Quoted Prices in Active Markets for Identical Securities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments at Fair Value				
Private Portfolio Companies				
Preferred Stock	$ —	$ —	$ 125,448,358	$ 125,448,358
Common Stock	—	—	59,209,559	59,209,559
Debt Investments	—	—	1,644,155	1,644,155
Options	—	—	5,283,506	5,283,506
Private Portfolio Companies	—	—	191,585,578	191,585,578
Publicly Traded Portfolio Companies				
Common Stock	—	—	—	—
Total Portfolio Investments	—	—	191,585,578	191,585,578
Non-Portfolio Investments				
U.S. Treasury bills	50,000,000	—	—	50,000,000
Total Investments at Fair Value	$ 50,000,000	$ —	$ 191,585,578	$ 241,585,578

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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 Company's fair value measurements of its Level 3 assets as of September 30, 2020 and December 31, 2019. In addition to the techniques and inputs noted in the tables below, according to the Company's valuation policy, the Company may also use other valuation techniques and methodologies when determining the Company's fair value measurements. 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 Company's fair value measurements. 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 September 30, 2020 and December 31, 2019. 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 September 30, 2020

<table>
<tr><th>Asset</th><th>Fair Value</th><th>Valuation Approach/ Technique(1)</th><th>Unobservable Inputs(2)</th><th>Range (Weighted Average)(3)</th></tr>
<tr><td rowspan="4">Common stock in private companies</td><td rowspan="4">$23,871,300</td><td rowspan="3">Market approach</td><td>AFFO(4) multiple</td><td>23.57x - 23.57x (23.57x)</td></tr>
<tr><td>Revenue multiples</td><td>2.06x -6.27x (5.62x)</td></tr>
<tr><td>Liquidation value</td><td>N/A</td></tr>
<tr><td>Discounted cash flow</td><td>Discount rate</td><td>12.0% (12.0%)</td></tr>
<tr><td rowspan="5">Preferred stock in private companies</td><td rowspan="5">$132,071,471</td><td rowspan="2">Market approach</td><td>Revenue multiples</td><td>0.91x - 3.84x (2.19x)</td></tr>
<tr><td>Precedent transactions</td><td>N/A</td></tr>
<tr><td>Discounted cash flow</td><td>Discount rate</td><td>12.0% (12.0%)</td></tr>
<tr><td rowspan="2">PWERM(5)</td><td>Revenue multiples</td><td>0.99x - 2.99x (1.98x)</td></tr>
<tr><td>Precedent transactions</td><td>N/A</td></tr>
<tr><td rowspan="3">Debt investments</td><td rowspan="3">$8,224,227</td><td>Market approach</td><td>Revenue multiples</td><td>2.06x - 2.88x (2.24x)</td></tr>
<tr><td rowspan="2">PWERM(5)</td><td>Revenue multiples</td><td>N/A</td></tr>
<tr><td>Liquidation value</td><td>N/A</td></tr>
<tr><td rowspan="3">Options</td><td rowspan="3">$4,617,151</td><td rowspan="2">Option pricing model</td><td>Term to expiration (Years)</td><td>0.51 - 7.55 (4.67)</td></tr>
<tr><td>Volatility</td><td>34% - 52% (37%)</td></tr>
<tr><td>Discounted cash flow</td><td>Discount Rate</td><td>12.0% (12.0%)</td></tr>
</table>

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(1) As of September 30, 2020, the Company used a hybrid market and income approach to value certain common and preferred stock investments as the Company felt this approach better reflected the fair value of these investments. By 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 Company 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

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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 Company carefully considers numerous factors when selecting the appropriate companies whose multiples are used to value its 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"

As of December 31, 2019

Asset	Fair Value	Valuation Approach/ Technique(1)	Unobservable Inputs(2)	Range (Weighted Average)(3)
Common stock in private companies	$59,209,559	Market approach	AFFO(4) multiple	16.67x - 37.32 (25.09x)
			Revenue multiples	1.45x - 3.23x (2.86x)
			Liquidation value	N/A
		Discounted cash flow	Discount rate	12.0% (12.0%)
Preferred stock in private companies	$125,448,358	Market approach	Revenue multiples	1.89x - 5.43x (3.77x)
			Precedent transactions	N/A
		Discounted cash flow	Discount rate	12.0% (12.0%)
		PWERM(5)	Revenue multiples	1.23x - 2.05x (1.83x)
			Precedent transactions	2.97x - 3.23x (3.10x)
Debt investments	$1,644,155	Market approach	Revenue multiples	1.45x - 1.57x (1.51x)
		PWERM(5)	Revenue multiples	N/A
			Liquidation value	N/A
Options	$5,283,506	Option pricing model	Term to expiration (Years)	0.13 - 8.30 (5.35)
			Volatility	30.0%-48.0% (36.0%)
		Discounted cash flow	Discount Rate	12.0% (12.0%)

(1) As of December 31, 2019, the Company used a hybrid market and income approach to value certain common and preferred stock investments as the Company felt this approach better reflected the fair value of these investments. By 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 Company 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

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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 Company carefully considers numerous factors when selecting the appropriate companies whose multiples are used to value its 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"

The aggregate values of Level 3 assets and liabilities changed during the nine months ended September 30, 2020 as follows:

	Nine Months Ended September 30, 2020				
	Common Stock	Preferred Stock	Debt Investments	Options	Total
Assets:					
Fair Value as of December 31, 2019	$ 59,209,559	$ 125,448,358	$ 1,644,155	$ 5,283,506	$ 191,585,578
Transfers out of Level 3	(57,736,900)	—	—	—	(57,736,900)
Purchases, capitalized fees, and interest	(3,912)	7,994,484	7,406,940	—	15,397,512
Sales/Maturity of investments	(807,953)	(10,876,621)	—	—	(11,684,574)
Exercises and conversions[1]	—	281,190	(281,190)	—	—
Realized gains	(628,450)	6,875,639	—	—	6,247,189
Net change in unrealized appreciation/ (depreciation) included in earnings	23,838,956	2,348,421	(545,678)	(666,355)	24,975,344
Fair Value as of September 30, 2020	$ 23,871,300	$ 132,071,471	$ 8,224,227	$ 4,617,151	$ 168,784,149
Net change in unrealized appreciation/ (depreciation) of Level 3 investments still held as of September 30, 2020	$ (3,730,766)	$ 9,237,222	$ (505,703)	$ (666,355)	$ 4,334,398

(1) During the nine months ended September 30, 2020, the Company's portfolio investments had the following corporate actions which are reflected above:

Portfolio Company	Conversion from	Conversion to
Neutron Holdings, Inc. (d/b/a/ Lime)	Preferred shares, Series D	Junior Preferred shares, Series 1-D Common warrants, Strike price $0.01, Expiration Date 5/11/2027
Aspiration Partners, Inc.	Convertible Promissory Note	Preferred shares, Series C-3
Palantir Technologies, Inc.	Common shares, Class A	Public Common shares (Level 2)

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The aggregate values of Level 3 assets and liabilities changed during the year ended December 31, 2019 as follows:

	Year Ended December 31, 2019				
	Common Stock	Preferred Stock	Debt Investments	Options	Total
Assets:					
Fair Value as of December 31, 2018	$ 48,517,824	$ 99,856,159	$ 5,584,994	$ 267,446	$ 154,226,423
Transfers out of Level 3[1]	—	(21,947,688)	—	—	(21,947,688)
Purchases, capitalized fees, and interest	15,001,530	10,576,421	359,095	16,618	25,953,664
Sales/Maturity of investments	—	—	(51,511)	—	(51,511)
Exercises and conversions[1]	(1,000)	(6,435,123)	(2,102,384)	8,538,507	—
Amortization of fixed income security premiums and discounts	—	—	5,065	—	5,065
Realized losses	—	(16,002,159)	(2,527,865)	—	(18,530,024)
Net change in unrealized appreciation/(depreciation) included in earnings	(4,308,795)	59,400,748	376,761	(3,539,065)	51,929,649
Fair Value as of December 31, 2019	$ 59,209,559	$ 125,448,358	$ 1,644,155	$ 5,283,506	$ 191,585,578
Net change in unrealized appreciation/(depreciation) of Level 3 investments still held as of December 31, 2019	$ (4,309,794)	$ 38,560,931	$ (907,009)	$ (3,539,066)	$ 29,805,062

(1) During the year ended December 31, 2019, the Company's portfolio investments had the following corporate actions which are reflected above:

Portfolio Company	Conversion from	Conversion to
Lyft, Inc.	Preferred shares, Series D Preferred shares, Series E	Public Common Shares (Level 2)
Ozy Media, Inc.	Convertible Promissory Note	Preferred shares, Series C-2
NestGSV, Inc (d/b/a GSV Labs, Inc.)	Common shares Preferred shares, Series A-1 Preferred shares, Series A-2 Preferred shares, Series A-3 Preferred shares, Series A-4	Derivative Security

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Schedule of Investments In, and Advances to, Affiliates

Transactions during the nine months ended September 30, 2020 involving the Company's controlled investments and non-controlled/affiliate investments were as follows:

Schedule of Investments In, and Advances to, Affiliate

Type/Industry/Portfolio Company/Investment	Principal/ Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2019	Purchases, Capitalized Fees, Interest and Amortization	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at September 30, 2020	Percentage of Net Assets
CONTROLLED INVESTMENTS*(2)								
Preferred Stock								
Clean Technology								
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)–Preferred shares, Class A***(4)	14,300,000	$ 200,000	$ 775,198	$ —	$ —	$ 185,000	$ 960,198	0.38 %
Total Preferred Stock		200,000	775,198	—	—	185,000	960,198	0.38 %
Common Stock								
Clean Technology								
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)–Common shares	100,000	—	—	—	—	—	—	— %
Total Common Stock		—	—	—	—	—	—	— %
TOTAL CONTROLLED INVESTMENTS*(2)		**$ 200,000**	**$ 775,198**	**$ —**	**$ —**	**$ 185,000**	**$ 960,198**	**0.38 %**
NON-CONTROLLED/AFFILIATE INVESTMENTS*(1)								
Debt Investments								
Corporate Education								
CUX, Inc. (d/b/a CorpU)–Senior Subordinated Convertible Promissory Note 4% Due 2/14/2023(3)	$1,251,158	$ —	$ 312,789	$ —	$ —	$ —	$ 312,789	0.12 %
Global Innovation Platform								
NestGSV, Inc. (d/b/a GSV Labs, Inc.) – Convertible Promissory Note 8% Due 8/23/2024(3)(6)	$1,010,198	(29,184)	1,010,198	—	—	(505,099)	505,099	0.20 %
Total Debt Investments		(29,184)	1,322,987	—	—	(505,099)	817,888	0.32 %
Preferred Stock								
Corporate Education								
CUX, Inc. (d/b/a CorpU)–Convertible preferred shares, Series D 6%	169,033	—	34,980	—	—	38,902	73,882	0.03 %
CUX, Inc. (d/b/a CorpU) -Convertible preferred shares, Series C 8%	615,763	—	—	—	—	—	—	— %
Total Corporate Education		—	34,980	—	—	38,902	73,882	0.03 %

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Type/Industry/Portfolio Company/Investment	Principal/ Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2019	Purchases, Capitalized Fees, Interest and Amortization	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at September 30, 2020	Percentage of Net Assets
Knowledge Networks								
Maven Research, Inc.–Preferred shares, Series C	318,979	$ —	$ —	$ —	$ —	$ —	$ —	— %
Maven Research, Inc.–Preferred shares, Series B	49,505	—	—	—	—	—	—	— %
Total Knowledge Networks		—	—	—	—	—	—	— %
Digital Media Platform								
OzyMedia, Inc.–Preferred shares, Series C-2 6%	683,482	—	2,970,252	—	—	(980,183)	1,990,069	0.79 %
OzyMedia, Inc.–Preferred shares, Series B 6%	922,509	—	5,001,420	—	—	(1,650,468)	3,350,952	1.33 %
OzyMedia, Inc.–Preferred shares, Series A 6%	1,090,909	—	4,528,107	—	—	(1,494,275)	3,033,832	1.20 %
OzyMedia, Inc.–Preferred shares, Series Seed 6%	500,000	—	2,002,143	—	—	(758,199)	1,243,944	0.49 %
Total Digital Media Platform		—	14,501,922	—	—	(4,883,125)	9,618,797	3.81 %
Interactive Learning								
StormWind, LLC–Preferred shares, Series D 8%(5)	329,337	—	503,120	—	—	(56,978)	446,142	0.18 %
StormWind, LLC–Preferred shares, Series C 8%(5)	2,779,134	—	5,391,000	—	—	(534,041)	4,856,959	1.92 %
StormWind, LLC–Preferred shares, Series B 8%(5)	3,279,629	—	3,248,804	—	—	(567,403)	2,681,401	1.06 %
StormWind, LLC–Preferred shares, Series A 8%(5)	366,666	—	157,949	—	—	(63,436)	94,513	0.04 %
Total Interactive Learning		—	9,300,873	—	—	(1,221,858)	8,079,015	3.20 %
Total Preferred Stock		—	23,837,775	—	—	(6,066,081)	17,771,694	7.03 %
Options								
Digital Media Platform								
OzyMedia, Inc.–Common Warrants, Strike Price $0.01, Expiration Date 4/9/2028	295,565	—	1,182,260	—	—	(481,771)	700,489	0.28 %
Global Innovation Platform								
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred Warrant Series A-3, Strike Price $1.33, Expiration Date 4/4/2021	187,500	—	20,625	—	—	(12,187)	8,438	0.00 %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred Warrant Series A-4, Strike Price $1.33, Expiration Date 10/6/2021	500,000	—	135,000	—	—	(62,500)	72,500	0.03 %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred Warrant Series A-4, Strike Price $1.33, Expiration Date 7/18/2021	250,000	—	62,500	—	—	(30,000)	32,500	0.01 %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred Warrant Series B, Strike Price $2.31, Expiration Date 11/29/2021	100,000	—	—	—	—	—	—	— %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred Warrant Series B, Strike Price $2.31, Expiration Date 5/29/2022	125,000	—	—	—	—	—	—	— %

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Type/Industry/Portfolio Company/Investment	Principal/ Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2019	Purchases, Capitalized Fees, Interest and Amortization	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at September 30, 2020	Percentage of Net Assets
NestGSV, Inc. (d/b/a GSV Labs, Inc.)– Preferred Warrant Series B, Strike Price $2.31, Expiration Date 12/31/2023	250,000	$ —	$ 2,500	$ —	$ —	$ 3,625	$ 6,125	0.00 %
Derivative Security, Expiration Date 8/23/2024(6)	1	—	3,880,621	—	—	(1,768,179)	2,112,442	0.84 %
Total Global Innovation Platform		—	4,101,246	—	—	(1,869,241)	2,232,005	0.88 %
Total Options		—	5,283,506	—	—	(2,351,012)	2,932,494	1.16 %
Common Stock								
Online Education								
Curious.com, Inc.–Common shares	1,135,944	—	—	—	—	—	—	— %
Cannabis REIT								
GreenAcreage Real Estate Corp. -Common shares***(7)	375,000	180,000	7,500,000	—	—	(581,250)	6,918,750	2.74 %
Total Common Stock		180,000	7,500,000	—	—	(581,250)	6,918,750	2.74 %
TOTAL NON-CONTROLLED/AFFILIATE INVESTMENTS*(1)		**$ 150,816**	**$37,944,268**	**$ —**	**$ —**	**$ (9,503,442)**	**$ 28,440,826**	**11.25 %**

* 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. Unless otherwise noted, all investments were pledged as collateral under the Credit Facility. 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 Investment Company Act of 1940, as amended (the "1940 Act"). Of the Company's total investments as of September 30, 2020, 15.12% 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. owns 5% or more 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 owned 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 September 30, 2020, the investments noted had been placed on non-accrual status.

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(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. During the nine months ended September 30, 2020, SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.) declared, and SuRo Capital Corp. received, an aggregate of $200,000 in dividend distributions. 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 NestGSV, Inc. (d/b/a GSV Labs, Inc.). As part of the agreement, SuRo Capital Corp.'s equity holdings (warrants notwithstanding) were restructured into a derivative security. NestGSV, Inc. (d/b/a GSV Labs,Inc.) has the right to call the position at any time over a five year period, while SuRo Capital Corp. can put the shares to NestGSV, Inc. (d/b/a GSV Labs, Inc.) at the end of the five year period.

(7) During the nine months ended September 30, 2020, GreenAcreage Real Estate Corp. declared an aggregate of $180,000 in dividend distributions. SuRo Capital Corp. does not anticipate that Green Acreage Real Estate Corp. will pay distributions on a recurring or regular basis or become a predictable distributor of distributions.

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Transactions during the year ended December 31, 2019 involving the Company's controlled investments and non-controlled/affiliate investments were as follows:

Schedule of Investments In, and Advances to, Affiliate

Type/Industry/Portfolio Company/Investment	Principal/ Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2018	Corporate Action	Purchases, Capitalized Fees, Interest and Amortization	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at December 31, 2019	Percentage of Net Assets
CONTROLLED INVESTMENTS*[(2)]									
Preferred Stock									
Clean Technology									
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)–Preferred shares, Class A***[(3)]	14,300,000	$ 400,000	$ 750,198	$ —	$ —	$ —	$ 25,000	$ 775,198	0.39 %
Global Innovation Platform									
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred stock Series A-4 [(7)]	—	—	4,960,553	(4,904,498)	—	—	(56,055)	—	— %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred stock Series A-3 [(7)]	—	—	1,735,134	(2,005,730)	—	—	270,596	—	— %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred stock Series A-2 [(7)]	—	—	300,000	(605,500)	—	—	305,500	—	— %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred stock Series A-1 [(7)]	—	—	499,999	(1,021,778)	—	—	521,779	—	— %
Total Global Innovation Platform		—	7,495,686	(8,537,506)	—	—	1,041,820	—	— %
Total Preferred Stock		400,000	8,245,884	(8,537,506)	—	—	1,066,820	775,198	0.39 %
Common Stock									
Clean Technology									
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)–Common shares	100,000	—	—	—	—	—	—	—	— %
Global Innovation Platform									
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Common shares [(7)]	—	—	—	(1,000)	—	—	1,000	—	— %
Total Common Stock		—	—	(1,000)	—	—	1,000	—	— %
TOTAL CONTROLLED INVESTMENTS*[(2)]		**$ 400,000**	**$ 8,245,884**	**$ (8,538,506)**	**$ —**	**$ —**	**$ 1,067,820**	**$ 775,198**	**0.39 %**

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Type/Industry/Portfolio Company/Investment	Principal/ Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2018	Corporate Action	Purchases, Capitalized Fees, Interest and Amortization	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at December 31, 2019	Percentage of Net Assets
NON-CONTROLLED/AFFILIATE INVESTMENTS*[(1)]									
Debt Investments									
Corporate Education									
CUX, Inc. (d/b/a CorpU)–Senior Subordinated Convertible Promissory Note 4% Due 2/14/2023[(5)]	$1,251,158	$ (13,142)	$ 1,360,489	$ —	$ 3,553	$ (109,331)	$ (941,922)	$ 312,789	0.16 %
Digital Media Platform									
Ozy Media, Inc.–Convertible Promissory Note 5% Due 12/31/2018***[(6)]	$ —	72,864	3,153,575	(2,102,384)	—	—	(1,051,191)	—	— %
Social Cognitive Learning									
Declara, Inc.–Convertible Promissory Note 12% Due 4/30/2018	$ —	—	—	—	680	(2,334,832)	2,334,152	—	— %
Global Innovation Platform									
NestGSV, Inc. (d/b/a GSV Labs, Inc.) –Convertible Promissory Note 8% Due 8/23/2024***[(7)]	$1,010,198	107,611	936,525	—	78,739	—	(5,066)	1,010,198	0.50 %
Total Global Innovation Platform		107,611	936,525	—	78,739	—	(5,066)	1,010,198	0.50 %
Total Debt Investments		167,333	5,450,589	(2,102,384)	82,972	(2,444,163)	335,973	1,322,987	0.66 %
Preferred Stock									
Corporate Education									
CUX, Inc. (d/b/a CorpU)–Convertible preferred shares, Series D 6%	169,033	—	878,005	—	—	—	(843,025)	34,980	0.02 %
CUX, Inc. (d/b/a CorpU) - Convertible preferred shares, Series C 8%	615,763	—	—	—	—	—	—	—	— %
Total Corporate Education		—	878,005	—	—	—	(843,025)	34,980	0.02 %
Social Cognitive Learning									
Declara, Inc.–Preferred shares, Series A 8%	—	—	—	—	—	(9,999,999)	9,999,999	—	— %
Education Media Platform									
EdSurge, Inc.–Preferred shares, Series A-1	—	—	250,000	—	—	(501,360)	251,360	—	— %
EdSurge, Inc.–Preferred shares, Series A	—	—	269,848	—	—	(500,801)	230,953	—	— %
Total Education Media Platform		—	519,848	—	—	(1,002,161)	482,313	—	— %

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Type/Industry/Portfolio Company/Investment	Principal/ Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2018	Corporate Action	Purchases, Capitalized Fees, Interest and Amortization	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at December 31, 2019	Percentage of Net Assets
Knowledge Networks									
Maven Research, Inc.–Preferred shares, Series C	318,979	$ —	$ —	$ —	$ —	$ —	$ —	$ —	— %
Maven Research, Inc.–Preferred shares, Series B	49,505	—	—	—	—	—	—	—	— %
Total Knowledge Networks		—	—	—	—	—	—	—	— %
Digital Media Platform									
OzyMedia, Inc.–Preferred shares, Series C-2 6% [6]	683,482	—	—	2,102,384	311,794	—	556,074	2,970,252	1.49 %
OzyMedia, Inc.–Preferred shares, Series B 6%	922,509	—	—	—	—	—	5,001,420	5,001,420	2.50 %
OzyMedia, Inc.–Preferred shares, Series A 6%	1,090,909	—	—	—	—	—	4,528,107	4,528,107	2.26 %
OzyMedia, Inc.–Preferred shares, Series Seed 6%	500,000	—	—	—	—	—	2,002,143	2,002,143	1.00 %
Total Digital Media Platform		—	—	2,102,384	311,794	—	12,087,744	14,501,922	7.25 %
Global Innovation Platform									
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred stock Series A-4 [7]	—	—	—	—	—	—	—	—	— %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred stock Series A-3 [7]	—	—	—	—	—	—	—	—	— %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred stock Series A-2 [7]	—	—	—	—	—	—	—	—	— %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred stock Series A-1 [7]	—	—	—	—	—	—	—	—	— %
Total Global Innovation Platform		—	—	—	—	—	—	—	— %
Interactive Learning									
StormWind, LLC–Preferred shares, Series D 8%[4][8]	329,337	—	—	—	257,267	—	245,853	503,120	0.25 %
StormWind, LLC–Preferred shares, Series C 8%[4]	2,779,134	—	7,194,971	—	—	—	(1,803,971)	5,391,000	2.70 %
StormWind, LLC–Preferred shares, Series B 8%[4]	3,279,629	—	5,770,328	—	—	—	(2,521,524)	3,248,804	1.62 %
StormWind, LLC–Preferred shares, Series A 8%[4]	366,666	—	421,525	—	—	—	(263,576)	157,949	0.08 %
Total Interactive Learning		—	13,386,824	—	257,267	—	(4,343,218)	9,300,873	4.65 %
Total Preferred Stock		—	14,784,677	2,102,384	569,061	(11,002,160)	17,383,813	23,837,775	11.92 %

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Type/Industry/Portfolio Company/Investment	Principal/ Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2018	Corporate Action	Purchases, Capitalized Fees, Interest and Amortization	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at December 31, 2019	Percentage of Net Assets
Options									
Corporate Education									
CUX, Inc. (d/b/a CorpU) – Preferred warrants, Series D, Strike Price $4.59, Expiration Date 2/14/2020	16,903	$ —	$ 19,946	$ —	$ —	$ —	$ (19,946)	$ —	— %
Digital Media Platform									
OzyMedia, Inc.–Common Warrants, Strike Price $0.01, Expiration Date 4/9/2028	295,565	—	—	—	—	—	1,182,260	1,182,260	0.59 %
Global Innovation Platform									
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred Warrant Series A-3, Strike Price $1.33, Expiration Date 4/4/2021(7)	187,500	—	26,250	—	—	—	(5,625)	20,625	0.01 %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred Warrant Series A-4, Strike Price $1.33, Expiration Date 10/6/2021(7)	500,000	—	145,000	—	—	—	(10,000)	135,000	0.07 %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred Warrant Series A-4, Strike Price $1.33, Expiration Date 7/18/2021(7)	250,000	—	70,000	—	—	—	(7,500)	62,500	0.03 %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred Warrant Series B, Strike Price $2.31, Expiration Date 11/29/2021(7)	100,000	—	556	—	—	—	(556)	—	— %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred Warrant Series B, Strike Price $2.31, Expiration Date 5/29/2022(7)	125,000	—	694	—	—	—	(694)	—	— %
NestGSV, Inc. (d/b/a GSV Labs, Inc.)–Preferred Warrant Series B, Strike Price $2.31, Expiration Date 12/31/2023(7)	250,000	—	5,000	—	—	—	(2,500)	2,500	0.00 %
Derivative Security, Expiration Date 8/23/2024(7)	1	—	—	8,538,506	16,618	—	(4,674,503)	3,880,621	1.94 %
Total Global Innovation Platform		—	247,500	8,538,506	16,618	—	(4,701,378)	4,101,246	2.05 %
Total Options		—	267,446	8,538,506	16,618	—	(3,539,064)	5,283,506	2.64 %
Common Stock									
Online Education									
Curious.com, Inc.–Common shares	1,135,944	—	—	—	—	—	—	—	— %

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Type/Industry/Portfolio Company/Investment	Principal/ Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2018	Corporate Action	Purchases, Capitalized Fees, Interest and Amortization	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at December 31, 2019	Percentage of Net Assets
Cannabis REIT									
GreenAcreage Real Estate Corp. -Common shares	375,000	$ —	$ —	$ —	$ 7,501,530	$ —	$ (1,530)	$ 7,500,000	3.75 %
Total Common Stock		—	—	—	7,501,530	—	(1,530)	7,500,000	3.75 %
TOTAL NON-CONTROLLED/AFFILIATE INVESTMENTS*(1)		**$ 167,333**	**$20,502,712**	**$ 8,538,506**	**$ 8,170,181**	**$(13,446,323)**	**$ 14,179,192**	**$37,944,268**	**18.98 %**

* 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. Unless otherwise noted, all investments were pledged as collateral under the Credit Facility. 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 Investment Company Act of 1940, as amended (the "1940 Act"). Of the Company's total investments as of December 31, 2019, 0.00% 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. owns 5% or more 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 owned 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) During the year ended December 31, 2019, SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.) declared, and SuRo Capital Corp. received, an aggregate of $400,000 in dividend distributions.

(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 October 24, 2019, CUX, Inc. (d/b/a CorpU) completed a recapitalization, which amended SuRo Capital Corp.'s investment in the Senior Subordinated Convertible Promissory Note. As a result of the recapitalization, the principal amount of SuRo Capital Corp.'s Senior Subordinated Convertible Promissory Note was reduced by $109,331, the interest rate was reduced to 4%, and the maturity was extended to February 14, 2023.

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(6) On September 11, 2019, SuRo Capital Corp. agreed to convert its 5% Convertible Promissory Note due 12/31/2018 to Ozy Media, Inc. and all related accrued interest, into 683,482 shares of Ozy Media, Inc.'s Series C-2 preferred shares.

(7) On August 23, 2019, SuRo Capital Corp. amended the structure of its investment in NestGSV, Inc. (d/b/a GSV Labs, Inc.). As part of the agreement, SuRo Capital Corp.'s equity holdings (warrants notwithstanding) were restructured into a derivative security. NestGSV, Inc. (d/b/a GSV Labs,Inc.) has the right to call the position at any time over a five year period, while SuRo Capital Corp. can put the shares to NestGSV, Inc. (d/b/a GSV Labs, Inc.) at the end of the five year period. As part of the agreement, previously accrued interest under SuRo Capital Corp.'s 12% Convertible Promissory Note due 12/31/2019 will be capitalized into the principal of the extended note, and the interest on the note is reduced from 12% to 8%. The Convertible Promissory Note's maturity was extended to August 23, 2024. Under the amended structure, SuRo Capital Corp.'s fully diluted ownership of voting securities decreased from 50.0% to 8.5%. As such, SuRo Capital Corp.'s investments in NestGSV, Inc. (d/b/a GSV Labs, Inc.) have been recategorized from controlled investments to non-controlled/affiliated investments.

(8) On November 26, 2019, SuRo Capital Corp. invested $250,000 in StormWind, LLC's Series D financing round. As part of the round, SuRo Capital Corp.'s fully diluted ownership of voting securities decreased from 25.6% to 23.4%. As such, SuRo Capital Corp.'s investments in StormWind, LLC have been recategorized from controlled investments to non-controlled/affiliated investments.

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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"). On November 7, 2017, 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) November 6, 2018 or (ii) the repurchase of $10.0 million in aggregate amount of the Company's common stock. On May 3, 2018, the Company's Board of Directors authorized a $5.0 million 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) November 6, 2018 or (ii) the repurchase of $15.0 million in aggregate amount of the Company's common stock. On November 1, 2018, our Board of Directors authorized a $5.0 million 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, 2019 or (ii) the repurchase of $20.0 million in aggregate amount of our common stock. On August 5, 2019, our Board of Directors authorized a $5.0 million 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) August 4, 2020 or (ii) the repurchase of $25.0 million in aggregate amount of our common stock.

On March 9, 2020, our Board of Directors authorized a $5.0 million 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) March 8, 2021 or (ii) the repurchase of $30.0 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 the Company to acquire any specific number of shares of its 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 Securities Exchange Act of 1934, as amended.

During the three and nine months ended September 30, 2020, the Company repurchased 0 and 1,284,565 shares, respectively, of the Company's common stock. As of September 30, 2020, the dollar value of shares that remained available to be purchased by the Company under the Share Repurchase Program was approximately $2.7 million. Refer to "Note 12 — Subsequent Events" for additional information.

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 to non-employee directors under the Amended & Restated 2019 Equity Incentive Plan (as defined herein).

Conversion of 4.75% Convertible Senior Notes due 2023

For the three and nine months ended September 30, 2020 the Company issued 174,393 shares of its common stock and cash for fractional shares upon the conversion of $1,780,000 in aggregate principal amount of the 4.75% Convertible Senior Notes due 2023. Refer to "Note 10—Debt Capital Activities" and "Note 12 — Subsequent Events" for more detail regarding conversion terms.

At-the-Market Offering

On July 29, 2020, the Company entered into an At-the-Market Sales Agreement, dated July 29, 2020 (the "Initial Sales Agreement"), with BTIG, LLC, JMP Securities LLC and Ladenburg Thalmann & Co., Inc. (collectively, the "Agents"). Under the Initial Sales Agreement, the Company may, but has no obligation to, issue and sell up to $50,000,000 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"). On September 23, 2020, the Company increased the maximum amount of Shares to be sold through the

ATM Program to $150,000,000 from $50,000,000. In connection with the upsize of the ATM Program to $150,000,000, the Company entered into Amendment No. 1 to the At-the-Market Sales Agreement, dated September 23, 2020, with the Agents (the “Amendment No. 1 to the Sales Agreement,” and together with the Initial Sales Agreement, the “Sales Agreement”). 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 Capital 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 three and nine months ended September 30, 2020, the Company issued and sold 3,808,979 Shares under the ATM Program at a weighted-average price of $13.36 per share, for gross proceeds of $50,900,326 and net proceeds of $49,882,319, after deducting commissions to the Agents on Shares sold. As of September 30, 2020, up to approximately $99.1 million in aggregate amount of the Shares remain available for sale under the ATM Program.

Modified Dutch Auction Tender Offer

On October 21, 2019, the Company commenced a modified “Dutch Auction” tender offer (the “Modified Dutch Auction Tender Offer”) to purchase for cash up to $10.0 million in shares of its common stock from its stockholders at a price per share of not less than $6.00 and not greater than $8.00 in $0.10 increments, using available cash. Upon expiration of the Modified Dutch Auction Tender Offer on November 20, 2019, the Company repurchased 1,449,275 shares, representing 7.6% of its outstanding shares, at a price of $6.90 per share on a pro rata basis, excluding fees and expenses relating to the self-tender offer. The Company has determined that the proration factor for the tender offer was 78.1%.

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 increase in net assets resulting from operations per common share, pursuant to ASC 260, for the three and nine months ended September 30, 2020 and 2019.

	Three Months Ended September 30,		Nine Months Ended September 30,	
Earnings per common share–basic:	2020	2019	2020	2019
Net change in net assets resulting from operations	$ 15,919,941	$ 5,261,452	$ 14,058,514	$ 21,745,460
Weighted-average common shares–basic	17,795,538	19,472,785	17,208,723	19,650,651
Earnings per common share–basic	$ 0.89	$ 0.27	$ 0.82	$ 1.11
Earnings per common share–diluted:				
Net change in net assets resulting from operations	$ 15,919,941	$ 5,261,452	$ 14,058,514	$ 21,745,460
Adjustment for interest and amortization on 4.75% Convertible Senior Notes due 2023[1]	552,555	568,040	1,690,577	1,701,084
Net change in net assets resulting from operations, as adjusted	$ 16,472,496	$ 5,829,492	$ 15,749,091	$ 23,446,544
Adjustment for dilutive effect of 4.75% Convertible Senior Notes due 2023[1]	3,802,865	3,731,344	3,879,203	3,731,344
Weighted-average common shares outstanding–diluted	21,598,403	23,204,129	21,087,926	23,381,995
Earnings per common share–diluted	$ 0.76	$ 0.25	$ 0.75	$ 1.00

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(1) For the three and nine months ended September 30, 2020 and the three and nine months ended September 30, 2019, 0 potentially dilutive common shares were excluded from the weighted-average common shares outstanding for diluted net increase in net assets resulting from operations per common share because the effect of these shares would have been anti-dilutive.

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. As of September 30, 2020 and December 31, 2019, the Company had approximately $10,000,000 and $0, respectively, in non-binding investment agreements that required it to make a future investment in a portfolio company.

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 & 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 September 30, 2020, the Company has booked a right of use asset and operating lease liability of $673,030 and $673,030, respectively, on the Condensed Consolidated Statement of Assets and Liabilities. As of September 30, 2020 and December 31, 2019, the Company recorded a security deposit of $16,574 and $16,574, respectively, on the Condensed Consolidated Statement of Assets and Liabilities. For the three months ended September 30, 2020, and 2019, the Company incurred $46,811 and $22,211 of operating lease expense, respectively. For the nine months ended September 30, 2020 and 2019, the Company incurred $134,531 and $29,359 of operating lease expense, respectively. The amounts reflected on the Condensed Consolidated Statement of Assets and Liabilities have been discounted using the rate implicit in the lease. As of September 30, 2020, the remaining lease term was 3.8 years and the discount rate was 3.00%.

The following table shows future minimum payments under the Company's operating lease as of September 30, 2020:

For the Years Ended December 31,	Amount
2020	$ 44,177
2021	179,800
2022	185,194
2023	190,750
2024	113,604
	$ 713,525

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NOTE 8—FINANCIAL HIGHLIGHTS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Per Basic Share Data				
Net asset value at beginning of the period	$ 11.84	$ 10.75	$ 11.38	$ 9.89
Net investment loss[1]	(0.15)	(0.24)	(0.60)	(0.35)
Net realized gain on investments[1]	0.13	0.09	0.54	0.57
Net change in unrealized appreciation/(depreciation) of investments[1]	0.91	0.42	0.87	0.84
Provision for taxes on unrealized appreciation of investments[1]	—	—	—	0.05
Dividends declared	(0.40)	—	(0.40)	—
Issuance of common stock from public offering	0.24	—	0.30	—
Deferred offering costs	—	—	—	—
Issuance of common stock from conversion of 4.75% Convertible Notes due 2023	(0.11)	—	(0.11)	—
Repurchases of common stock[1]	—	0.14	0.36	0.17
Stock-based compensation[1]	—	0.08	0.12	0.07
Net asset value at end of period	$ 12.46	$ 11.24	$ 12.46	$ 11.24
Per share market value at end of period	$ 10.56	$ 6.24	$ 10.56	$ 6.24
Total return based on market value[2]	24.68 %	(2.50)%	61.22 %	19.54 %
Total return based on net asset value[2]	5.24 %	4.56 %	9.49 %	13.65 %
Shares outstanding at end of period	20,284,811	19,041,519	20,284,811	19,041,519
Ratios/Supplemental Data:				
Net assets at end of period	$ 252,712,769	$ 213,949,030	$ 252,712,769	$ 213,949,030
Average net assets	$ 205,006,043	$ 215,020,159	$ 191,342,719	$ 207,111,511
Ratio of gross operating expenses to average net assets[3]	5.81 %	7.45 %	7.45 %	6.08 %
Ratio of income tax provision to average net assets	— %	— %	— %	(0.43)%
Ratio of net operating expenses to average net assets[3]	5.81 %	7.45 %	7.45 %	5.65 %
Ratio of net investment income/(loss) to average net assets[3]	(5.02)%	(8.77)%	(6.82)%	(4.46)%
Portfolio Turnover Ratio	1.37 %	4.80 %	8.04 %	12.72 %

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

(2) Total return based on market value is based on the change in market price per share between the opening and ending market values per share in the year. 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.

(3) Financial Highlights for periods of less than one year are annualized and the ratios of operating expenses to average net assets and net investment loss to average net assets are adjusted accordingly. Significant and material non-recurring expenses are not annualized. For the three and nine months ended September 30, 2020, the Company excluded $0 and $1,962,431, respectively of non-recurring expenses. For the three and nine months ended September 30, 2019, the Company excluded $0 and $(1,769,820), respectively, of non-recurring expenses and did not annualize the income tax provision. 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.

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, 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.

During the three and nine months ended September 30, 2020, the Company declared distributions of $0.40 per share. The determination of the tax attributes of the Company's distributions is made annually as of the end of the Company's taxable year generally based upon its taxable income for the full taxable year and distributions paid for the full taxable year. As a result, a determination made on a by-dividend basis may not be representative of the actual tax attributes of the Company's distributions for a full taxable year. If the Company had determined the tax attributes of our distributions taxable year-to-date as of September 30, 2020, 100% would be from net realized investment gains. However, there can be no certainty to stockholders that this determination is representative of what the actual tax attributes of the Company's fiscal year of 2020 distributions to stockholders will be.

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 our ordinary income (taking into account certain deferrals and elections) for each calendar year, (2) 98.2% of our 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 U.S. 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 September 30, 2020 and December 31, 2019, the Company recorded a deferred tax liability of approximately $0.0 million and $0.0 million, respectively. 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.

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 and California and may be subject to the taxing authorities' examination for the tax years 2016–2019 and 2015–2019, respectively. Further, the Company and the Taxable Subsidiaries accrue all interest and penalties related to uncertain tax positions as incurred. As of September 30, 2020, there were no material interest or penalties incurred related to uncertain tax positions.

NOTE 10—DEBT CAPITAL ACTIVITIES

4.75% Convertible Senior Notes due 2023

On March 28, 2018, the Company issued $40.0 million aggregate principal amount of convertible senior notes, which bear interest at a fixed rate of 4.75% per year, payable semi-annually in arrears on March 31 and September 30 of each year, commencing on September 30, 2018. The 4.75% Convertible Senior Notes mature on March 28, 2023 (the "4.75% Convertible Senior Notes due 2023"), unless previously repurchased or converted in accordance with their terms. The Company does not have the right to redeem the 4.75% Convertible Senior Notes due 2023 prior to March 27, 2021. On or after March 27, 2021, the Company may redeem the 4.75% Convertible Senior Notes due 2023 for cash, in whole or from time to time in part, at the Company's option if (i) the closing sale price of the Company's common stock for at least 15 trading days (whether or not consecutive) during the period of any 20 consecutive trading days is greater than or equal to 150% of the conversion price on each applicable trading day, (ii) no public announcement of a pending, proposed or intended fundamental change has occurred which has not been abandoned, terminated or consummated, and (iii) no event of default under the indenture governing the 4.75% Convertible Senior Notes due 2023, and no event that with the passage of time or giving of notice would constitute an event of default under such indenture, has occurred or exists.

The initial conversion rate for the 4.75% Convertible Senior Notes due 2023 was 93.2836 shares of the Company's common stock for each $1,000 principal amount of the 4.75% Convertible Senior Notes due 2023, which represented an initial conversion price of approximately $10.72 per share. As a result of the Company's Modified Dutch Auction Tender Offer and cash dividends, the conversion rate for the 4.75% Convertible Senior Notes due 2023 changed to 99.0298 shares of the Company's common stock for each $1,000 principal amount of the 4.75% Convertible Senior Notes due 2023, which represents a current conversion price of approximately $10.10 per share. Following certain corporate transactions that occur on or prior to the stated maturity date, the Company will, in certain circumstances, increase the conversion rate for a holder that elects to convert its 4.75% Convertible Senior Notes due 2023 in connection with such a corporate transaction. If a fundamental change, as defined in the indenture governing the 4.75% Convertible Senior Notes due 2023, occurs prior to the stated maturity date, holders may require the Company to purchase for cash all or any portion of their 4.75% Convertible Senior Notes due 2023 at a fundamental change purchase price equal to 100% of the principal amount of the Notes to be purchased, plus accrued and unpaid interest to, but excluding, the fundamental change purchase date.

The indenture governing the 4.75% Convertible Senior Notes due 2023 contains customary financial reporting requirements and contains certain restrictions on mergers, consolidations, and asset sales. The indenture also contains certain events of default, the occurrence of which may lead to the 4.75% Convertible Senior Notes due 2023 being due and payable before their maturity or immediately.

SURO CAPITAL CORP. AND SUBSIDIARIES

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For the three and nine months ended September 30, 2020 the Company issued 174,393 shares of its common stock and cash for fractional shares upon the conversion of $1,780,000 in aggregate principal amount of the 4.75% Convertible Senior Notes due 2023. Refer to "Note 12 — Subsequent Events" for additional information.

The table below shows a reconciliation from the aggregate principal amount of 4.75% Convertible Senior Notes due 2023 to the balance shown on the Condensed Consolidated Statement of Assets and Liabilities.

	September 30, 2020	December 31, 2019
Initial aggregate principal amount of 4.75% Convertible Senior Notes due 2023	$ 40,000,000	$ 40,000,000
Conversion of 4.75% Convertible Senior Notes due 2023	$ (1,780,000)	$ —
Direct deduction of deferred debt issuance costs	$ (914,392)	$ (1,196,365)
4.75% Convertible Senior Notes due 2023 Payable	$ 37,305,608	$ 38,803,635

As of September 30, 2020 the principal amount of the 4.75% Convertible Senior Notes due 2023 did not exceed the value of the underlying shares multiplied by the per share closing price of the Company's common stock. If the share price of our common stock exceeds $10.10 per share it may be advantageous for note holders to convert their 4.75% Convertible Senior Notes due 2023 to our common stock.

The 4.75% Convertible Senior Notes due 2023 are the Company's general, unsecured, senior obligations and rank senior in right of payment to any future indebtedness that is expressly subordinated in right of payment to the 4.75% Convertible Senior Notes due 2023, equal in right of payment to any existing and future unsecured indebtedness that is not so subordinated to the 4.75% Convertible Senior Notes due 2023, effectively junior to any future secured indebtedness to the extent of the value of the assets securing such indebtedness, and structurally junior to all future indebtedness (including trade payables) incurred by the Company's subsidiaries.

In connection with the issuance of the 4.75% Convertible Senior Notes due 2023, the Company was required under the terms of the Credit Facility (defined below) to deposit any proceeds from the 4.75% Convertible Senior Notes due 2023 offering into an account at Western Alliance Bank and was required to maintain at least $65.0 million (or such lesser amount to the extent such funds are used to repay or repurchase a portion of the outstanding 5.25% Convertible Senior Notes due 2018 prior to their maturity and repayment in full) in an account at Western Alliance Bank until such time as the 5.25% Convertible Senior Notes due 2018 were repaid in full. The 5.25% Convertible Senior Notes due 2018 matured on September 15, 2018, at which time the Company repaid the remaining outstanding aggregate principal amount of the 5.25% Convertible Senior Notes due 2018, including accrued but unpaid interest. In addition, the Credit Facility matured on May 31, 2019. As a result, the company is no longer subject to such requirements.

Western Alliance Bank Credit Facility

The Credit Facility matured on May 31, 2019. There were no borrowings by the Company from the Credit Facility during the year ended December 31, 2019.

The Company entered into a Loan and Security Agreement, effective May 31, 2017 and amended on March 22, 2018 (the "Loan Agreement"), with Western Alliance Bank, pursuant to which Western Alliance Bank agreed to provide the Company with a $12.0 million senior secured revolving credit facility (the "Credit Facility"). The Credit Facility, among other things, matured on May 31, 2019 and bore interest at a per annum rate equal to the prime rate plus 3.50%. In addition, a facility fee of $60,000 was charged upon closing of the Credit Facility, and the Loan Agreement required payment of a fee for unused amounts during the revolving period in an amount equal to 0.50% per annum of the average unused portion of the Credit Facility payable quarterly in arrears.

Under the Loan Agreement, the Company made certain customary representations and warranties and was 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 (with unsecured longer-term indebtedness limited to $70.0 million in the aggregate), compliance with the asset coverage requirements under the 1940 Act, a minimum net asset value requirement of at least the greater of $60.0 million or five times the amount of the Credit Facility, a limitation on the Company's net asset value being reduced by more than 15% of its net asset value at December 31, 2016, and maintenance of RIC and BDC status. The Loan Agreement included usual and customary events of default for credit facilities of this nature, including, without limitation, nonpayment, misrepresentation of representations and warranties in a material respect, breach of covenant, cross-default to certain other indebtedness, bankruptcy, the cessation of the Investment Advisory Agreement, and the occurrence of a material adverse effect.

The Credit Facility was secured by substantially all of the Company's property and assets. As of September 30, 2020 and December 31, 2019, the Company had no borrowings outstanding under the Credit Facility, as the Credit Facility matured on May 31, 2019.

NOTE 11—STOCK-BASED COMPENSATION

2019 Equity Incentive Plan

On June 5, 2019, our Board of Directors adopted, and our stockholders approved, an equity-based incentive plan (the "2019 Equity Incentive Plan"), which authorizes equity awards to be granted for up to 1,976,264 shares of our common stock. Under the 2019 Equity Incentive Plan, the exercise price of awards is set on the grant date and may not be less than the fair market value per share on such date, however, that in the case of an incentive stock option granted to an employee who, at the time of the grant of such option, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or the Company's present or future parent or subsidiary corporations, as defined in Section 424(e) or (f) of the Code, or other Affiliates the employees of which are eligible to receive incentive stock options under the Code (the "10% Shareholders"), the exercise price per share shall be no less than one hundred ten percent (110%) of the fair market value per share on the date of grant. The fair market value shall be the closing price of the shares on the Nasdaq Capital Market on the date of grant.

On July 17, 2019, stock options providing the right to purchase up to 1,165,000 shares were granted under the 2019 Equity Incentive Plan with an exercise price equal to the market price of our common stock at the grant date. These stock options have a vesting period of 3 years with 1/3 vesting immediately on the grant date, 1/3 vesting on July 17, 2020, and the remaining 1/3 vesting on July 17, 2021.

Cancellation of Stock Option Awards Under 2019 Equity Incentive Plan

On April 28, 2020, all stock option awards granted under the 2019 Equity Incentive Plan were canceled for no payment pursuant to an option cancellation agreement (the "Option Cancellation Agreement"). As a result, there are no stock option awards currently outstanding under the 2019 Equity Incentive Plan. In accordance with FASB ASC 718, *Compensation – Stock Compensation* ("ASC 718"), all unrecognized compensation cost related to still unvested shares was recognized as of the date of cancellation. For more information, including a description of the Option Cancellation Agreement, please refer to our current report on Form 8-K filed with the SEC on April 29, 2020. Such description of the Option Cancellation Agreement is qualified in its entirety by reference to the text of such Option Cancellation Agreement filed as Exhibit 10.3 to our quarterly report on Form 10-Q for the period ended March 31, 2020 filed with the SEC on May 8, 2020.

The Company follows ASC 718 to account for stock options granted. Under ASC 718, compensation expense associated with stock-based compensation is measured at the grant date based on the fair value of the award and is recognized over the vesting period. Determining the appropriate fair value model and calculating the fair value of stock-based awards at the grant date requires judgment, including estimating stock price volatility, forfeiture rate, and expected option life. The time-based options granted on July 17, 2019 were ascribed a weighted-average fair value of $2.57 per share. The fair value of options granted under the 2019 Equity Incentive Plan was based upon a Black Scholes option pricing model using the assumptions in the following table:

Input Assumptions	As of July 17, 2019 Grant Date
Term (years)	5.55
Volatility	39.47%
Risk-free rate	1.86%
Dividend yield	—%

	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Grant Date Fair Value
Outstanding as of December 31, 2018	—		
Granted	1,165,000	$ 6.57	$ 2.57
Exercised	—		
Forfeited	(6,667)	$ 6.57	$ 2.57
Expired	(3,333)	$ 6.57	$ 2.57
Outstanding as of December 31, 2019	1,155,000	$ 6.57	
Vested and Exercisable as of December 31, 2019	385,000	$ 6.57	$ 2.57
Cancelled	(1,155,000)	$ 6.57	$ 2.57
Outstanding as of September 30, 2020	—		

For the three and nine months ended September 30, 2020, we recognized stock-based compensation expense of $0 and $1,962,431, respectively, related to the cancellation of all granted vested and unvested options, and the amount of cash received from the exercise of stock options was $0 and $0, respectively. As of September 30, 2020, there was $0 of total unrecognized compensation cost related to non-vested stock options granted under the 2019 Equity Incentive Plan, as the options were cancelled effective April 28, 2020.

Amended and Restated 2019 Equity Incentive Plan

On June 19, 2020, our Board of Directors adopted, and our 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).

Other than such restricted shares granted to non-employee directors, the Company's Compensation Committee 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 nine months ended September 30, 2020, the Company granted 21,760 restricted shares to its non-employee directors pursuant to the Amended & Restated 2019 Equity Incentive Plan. The Company determined that the fair values, based on the grant date close price, of such restricted shares granted under the Amended & Restated 2019 Equity Incentive Plan during the nine months ended September 30, 2020 were approximately $200,000 in the aggregate. As of September 30, 2020, there were approximately $200,000 of total unrecognized compensation costs related to the restricted share grants. These costs related to the annual grants to non-employee directors are expected to be recognized upon vesting, which is approximately one year from the date of grant.

The following table summarizes the activities for the Company's restricted share grants for the nine months ended September 30, 2020 under the Amended & Restated 2019 Equity Incentive Plan:

	Number of Restricted Shares
Outstanding as of December 31, 2019	—
Granted	21,760
Exercised	—
Forfeited	—
Expired	—
Outstanding as of September 30, 2020	21,760
Vested and Exercisable as of September 30, 2020	—

NOTE 12—SUBSEQUENT EVENTS

Portfolio Activity

From October 1, 2020 through November 6, 2020, the Company exited or received proceeds from the following investments.

Portfolio Company	Transaction Date	Investment	Shares	Average Net Share Price[(1)]	Net Proceeds	Realized Gain or Income
Palantir Technologies, Inc.[(2)]	Various	Common shares, Class A	754,738	$ 10.04	$ 7,576,968	$ 5,388,228
Palantir Lending Trust SPV I[(3)]	Various	Collateralized Loan 15% due 6/19/2022	N/A	N/A	$ 6,609,813	$ 376,625
Palantir Lending Trust SPV I[(4)]	Various	Equity Participation in Underlying Collateral	N/A	N/A	$ 790,187	$ 790,187
Total					$ 14,976,968	$ 6,555,040

(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) As of November 6, 2020, we held 4,618,952 remaining restricted Class A common shares of Palantir Technologies, Inc.
(3) As of November 6, 2020, $6,609,813 was received from Palantir Lending Trust SPV I. Of the proceeds received, approximately $6.2 million repaid a portion of the $6.9 million outstanding principal and approximately $0.4 million was attributed to the accrued guaranteed interest. As of November 6, 2020, the remaining principal outstanding on the promissory note was approximately $0.7 million and approximately $0.4 million of guaranteed interest was still expected to be received.
(4) The Palantir Lending Trust SPV I promissory note was initially collateralized with 2,260,000 Class A common shares of Palantir Technologies, Inc. to which SuRo Capital Corp. retains a beneficial equity upside interest. As of November 6, 2020, 1,420,843 Class A common shares remain in Palantir Lending Trust SPV I, a portion of which are subject to certain lock-up restrictions. The realized gain from SuRo Capital Corp.'s investment in Palantir Lending Trust SPV I is generated by the proceeds from the sale of a portion of the shares collateralizing the existing promissory note to Palantir Lending Trust SPV I and attributable to the Equity Participation in Underlying Collateral.

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From October 1, 2020 through November 6, 2020, the Company funded investments in an aggregate amount of $9,999,982 (not including capitalized transaction costs) as shown in the following table:

Portfolio Company	Investment	Transaction Date	Gross Payments	
Blink Health, Inc.	Preferred Shares, Series A	10/27/2020	$	4,999,995
Blink Health, Inc.	Preferred Shares, Series C	10/27/2020	$	4,999,987
Total			$	9,999,982

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.

Dividends

On September 25, 2020, the Company's Board of Directors declared a dividend of $0.25 per share paid, in cash, on October 20, 2020 to stockholders of record as of the close of business on October 5, 2020.

On October 28, 2020, the Company's Board of Directors declared a dividend of $0.25 per share payable on November 30, 2020 to stockholders of record as of the close of business on November 10, 2020. The dividend will be paid in cash.

Conversion of 4.75% Convertible Senior Notes due 2023

Effective as of October 5, 2020, the conversion price applicable to the 4.75% Convertible Senior Notes due 2023 was adjusted to $9.84 per share (101.6664 shares of the Company's common stock per $1,000 principal amount of the 4.75% Convertible Senior Notes due 2023) from the most recent conversion price of $10.10 per share (99.0298 shares of the Company's common stock per $1,000 principal amount of the 4.75% Convertible Senior Notes due 2023), which had been in effect since August 11, 2020. The adjustment to the conversion rate of the 4.75% Convertible Senior Notes due 2023 was made pursuant to the supplemental indenture governing the 4.75% Convertible Senior Notes due 2023 as a result of the Company's cash dividend of $0.25 per share, paid on October 20, 2020 to stockholders of record as of the close of business on October 5, 2020.

From October 1, 2020 through November 6, 2020, the Company issued 495 shares of its common stock and cash for fractional shares upon the conversion of $5,000 in aggregate principal amount of the 4.75% Convertible Senior Notes due 2023.

Share Repurchase Program

On October 28, 2020, our Board of Directors authorized a $10.0 million 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, 2021 or (ii) the repurchase of $40.0 million in aggregate amount of shares 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 Securities Exchange Act of 1934, as amended. Please refer to "Note 5 — Common Stock" for additional information on the Share Repurchase Program.

From October 1, 2020 through November 6, 2020, the Company repurchased 371,283 additional shares under the Share Repurchase Program for an aggregate purchase price of $3.1 million.

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At-the-Market Offering

From October 1, 2020 through November 6, 2020, the Company did not issue or sell any Shares under the ATM Program. As of November 6, 2020, up to approximately $99.1 million in aggregate amount of the Shares remain available for sale under the ATM Program.

COVID-19

The Company has been closely monitoring the COVID-19 pandemic, its broader impact on the global economy and the more recent impacts on the U.S. economy. Subsequent to September 30, 2020, the global outbreak of the COVID-19 pandemic, and the related effect on the U.S. and global economies, may have adverse consequences for the business operations of some of the Company's portfolio companies and, as a result, may have adverse effects on the Company's operations. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, remain uncertain. The operational and financial performance of the issuers of securities in which the Company invests depends on future developments, including the duration and spread of the outbreak, and such uncertainty may in turn adversely affect the value and liquidity of the Company's investments and negatively impact the Company's performance.

As of November 6, 2020, there is no indication of a reportable subsequent event impacting the Company's financial statements for the three months ended September 30, 2020. The Company continues to observe and respond to the evolving COVID-19 environment and its potential impact on areas across its business.

NOTE 13—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. As of September 30, 2020, the Company had investments in at least one portfolio company considered to be a significant subsidiary under SEC Regulation S-X Rule 10-01(b)(1) and Regulation S-X Rule 4-08(g).

In May 2020, the SEC adopted rule amendments that will impact 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 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 amend the definition of "significant subsidiary" in a manner that is intended to more accurately capture those portfolio companies that are more likely to materially impact the financial condition of an investment company. This new definition eliminates the asset test, and revises the investment and income tests for registered investment companies and BDCs. The Final Rules will be effective on January 1, 2021, but voluntary compliance is permitted in advance of the effective date. The Company has elected to comply in advance of the effective date for the quarter ended September 30, 2020.

As a result of the new definition of a "significant subsidiary" set forth in Rule 1-02(w)(2) the Company's only "subsidiary" as of September 30, 2020, SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.) does not meet the definition of a "significant subsidiary" 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 quarter ended September 30, 2019 as the Company's significant subsidiaries would not have been considered significant subsidiaries under the Final Rules.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking statements

This quarterly report on Form 10-Q 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 quarterly report on Form 10-Q involve risks and uncertainties, including, without limitation, statements as to:

- the effect and consequences of the novel coronavirus ("COVID-19") public health crisis on matters including global, U.S. and local economies, our business operations and continuity, potential disruption to our portfolio companies, tightened availability to capital and financing, the health and productivity of our employees, the ability of third-party providers to continue uninterrupted service, and the regulatory environment in which we operate;
- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- the impact of investments that we expect to make;
- our contractual arrangements and relationships with third parties;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- the ability of our portfolio companies to achieve their objectives;
- our expected financings and investments;
- the adequacy of our cash resources and working capital; 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;
- 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 quarterly report on Form 10-Q 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 quarterly report on Form 10-Q. 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 quarterly report on Form 10-Q.

Overview

We are an internally-managed, non-diversified closed-end management investment company that 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”).

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. 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.

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 on investment themes.

Name Change to SuRo Capital Corp.

Articles of Amendment

On and effective June 22, 2020, the Company changed its name to “SuRo Capital Corp.” from “Sutter Rock Capital Corp” (the“Name Change”) by filing Articles of Amendment (the “Articles of Amendment”) to its Articles of Amendment and Restatement, as amended (the “Charter”), with the Department of Assessments and Taxation of the State of Maryland to effect the Name Change. In accordance with the Maryland General Corporation Law and the Charter, the Company’s board of directors approved the Name Change and the Articles of Amendment. Stockholder approval was not required.

Second Amended and Restated Bylaws

In connection with the Name Change, the Company’s board of directors also approved an amendment and restatement of the Company’s Amended and Restated Bylaws (the “Amended and Restated Bylaws”) to reflect the Name Change. The Amended and Restated Bylaws became effective on June 22, 2020 and did not require stockholder approval.

For more information regarding the foregoing events, please refer to the Company’s current report on Form 8-K filed with the SEC on June 16, 2020.

Internalization of Operating Structure

On and effective March 12, 2019 (the "Effective Date"), our 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. Prior to the Effective Date, we were externally managed by our former investment adviser, GSV Asset Management, LLC (“GSV Asset Management”), pursuant to an investment advisory agreement (the “Investment Advisory Agreement”), and our former administrator, GSV Capital Service Company, LLC (“GSV Capital Service Company”), provided the administrative services necessary for our operations pursuant to an administration agreement (the “Administration Agreement”). In connection with our Internalization, the Investment Advisory Agreement and the Administration Agreement were terminated as of the Effective Date, and as a result no fees or expenses will be due or payable under the Investment Advisory Agreement and the Administration Agreement going forward.

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

Recent COVID-19 Developments

On March 11, 2020, the World Health Organization declared the novel coronavirus (“COVID-19”) as a pandemic, and on March 13, 2020 the United States declared a national emergency with respect to COVID-19. The outbreak of COVID-19 has severely impacted global economic activity and caused significant volatility and negative pressure in financial markets. The global impact of the outbreak has been rapidly evolving and many countries, including the United States, have reacted by instituting quarantines, mandating business and school closures and restricting travel. Such actions are creating disruption in global supply chains and adversely impacting a number of industries. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown.

We are closely monitoring the impact of the outbreak of COVID-19 on all aspects of our business, including how it will impact our portfolio companies, employees, due diligence and investing processes, and financial markets. Given the fluidity of the situation, we cannot estimate the long-term impact of COVID-19 on our business, future results of operations, financial position or cash flows at this time. The extent to which our operations may be impacted by the COVID-19 pandemic will depend largely on future developments, which are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of the outbreak and actions by government authorities to contain the outbreak or treat its impact. Furthermore, the impact of a potential worsening of global economic conditions and the continued disruptions to, and volatility in, the financial markets remain unknown.

Portfolio and Investment Activity

Nine Months Ended September 30, 2020

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 September 30, 2020, of all of our portfolio investments, excluding U.S. Treasury bills, was $215,446,200.

During the nine months ended September 30, 2020, we funded investments in an aggregate amount of $15,214,694 (not including capitalized transaction costs) as shown in the following table:

Portfolio Company	Investment	Transaction Date		Gross Payments
Neutron Holdings, Inc. (d/b/a Lime)	Convertible Promissory Note	5/11/2020	$	506,339
Rent the Runway, Inc.	Preferred Shares	6/17/2020		5,000,001
Palantir Lending Trust SPV I	Collateralized Loan	6/19/2020		6,870,000
Coursera, Inc.	Preferred Shares, Series F	7/15/2020		2,838,354
Total			**$**	**15,214,694**

During the nine months ended September 30, 2020, we capitalized fees of $182,817.

During the nine months ended September 30, 2020, we exited investments in an amount of $15,779,482, net of transaction costs, and realized a net gain on investments of approximately $9,332,643 (including U.S. Treasury investments) as shown in following table:

Portfolio Investment	Transaction Date	Shares		Average Net Share Price (1)		Net Proceeds		Realized Gain/(Loss)(2)
Parchment, Inc.	1/31/2020	3,200,512	$	3.40	$	10,876,621	$	6,875,639
4C Insights (f/k/a The Echo Systems Corp.)(3)	7/29/2020	436,219		1.85		807,952		(628,452)
Palantir Technologies, Inc.(4)	9/30/2020	400,000		10.24		4,094,909		3,006,451
Total					**$**	**15,779,482**	**$**	**9,253,638**

(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 realized gain or loss incurred on the maturity of our U.S. Treasury investments.
(3) On July 29, 2020 SuRo Capital Corp. exited its investment in 4C Insights (f/k/a The Echo Systems Corp.). In connection with this exit, SuRo Capital Corp. received 112,374 Class A common shares in Kinetiq Holdings, LLC in addition to cash proceeds and amounts currently held in escrow. As of September 30, 2020, all remaining shares of 4C Insights (f/k/a The Echo System) held by us had been sold, subject to an escrow receivable of $56,124.
(4) As of September 30, 2020, we held 5,373,690 Class A common shares of Palantir Technologies, Inc. Of the remaining shares, 754,738 were unrestricted and 4,618,952 were subject to lock-up restrictions.

During the nine months ended September 30, 2020, we did not write-off any investments and our CUX, Inc. (d/b/a CorpU) Series D preferred warrants with a strike price of $4.59, expired on February 14, 2020.

As the COVID-19 situation continues to evolve, we are maintaining close communications with our portfolio companies to proactively assess and manage potential risks across our investment portfolio.

Nine Months Ended September 30, 2019

During the nine months ended September 30, 2019, we funded investments in an aggregate amount of $25,280,000 (not including capitalized transaction costs) as shown in the following table:

Portfolio Company	Investment	Transaction Date		Gross Payments
Neutron Holdings, Inc. (d/b/a Lime)	Preferred Shares, Series D	1/25/2019	$	10,000,000
Aspiration Partners, Inc.	Convertible Promissory Note 5% Due 1/31/2021	8/12/2019	$	280,000
GreenAcreage Real Estate Corp.	Common shares	8/12/2019	$	7,500,000
Treehouse Real Estate Investment Trust, Inc.	Common shares	9/11/2019	$	7,500,000
Total			**$**	**25,280,000**

During the nine months ended September 30, 2019, we capitalized fees of $29,145.

During the nine months ended September 30, 2019, we sold investments in an amount of $52,322,735, net of transaction costs, and realized a net gain on investments of approximately $9,524,540 (including U.S. Treasury investments) as shown in following table:

Portfolio Investment	Transaction Date	Shares Sold		Average Net Share Price (1)		Net Proceeds		Realized Gain/(Loss) (2)
Declara, Inc.(3)	3/11/2019	—	$	—	$	—	$	(12,334,151)
Spotify Technologies S.A.(4)	Various	235,360		138.29		32,547,633		22,545,550
Dropbox, Inc.(5)	Various	874,990		22.54		19,723,591		6,066,664
Knewton, Inc.(6)	5/31/2019	—		—		51,511		(5,083,701)
Total					**$**	**52,322,735**	**$**	**11,194,362**

(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 amounts held in escrow or any realized gain or loss incurred on the maturity of our U.S. Treasury investments.
(3) On March 11, 2019, Declara, Inc. entered into a definitive agreement to be acquired by Declara Holdings, Inc., a subsidiary of Futuryng, Inc. Despite the existence of an earn-out provision, as a result of the transaction, the Company does not expect to receive any proceeds. The exit of Declara, Inc. included a 12% Convertible Promissory Note with a principal

value of $2,334,152.

(4) As of September 30, 2020 we held 0 remaining shares of Spotify Technologies S.A.
(5) AS of September 30, 2020 we held 0 remaining shares of Dropbox, Inc.
(6) On May 31, 2019, a sale of substantially all of Knewton, Inc. to Wiley Education was completed.

During the nine months ended September 30, 2019, we did not write-off any investments.

Results of Operations

Comparison of the three and nine months ended September 30, 2020 and 2019

Operating results for the three and nine months ended September 30, 2020 and 2019 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Total Investment Income	**$ 408,107**	**$ 380,226**	**$ 901,384**	**$ 1,095,428**
Interest income	284,357	380,226	471,384	895,428
Dividend income	123,750	—	430,000	200,000
Total Operating Expenses	**$ 2,995,998**	**$ 5,082,430**	**$ 11,161,216**	**$ 7,983,161**
Management fees	—	—	—	848,723
Incentive fees/(Reversal of incentive fee accrual)	—	—	—	(4,660,472)
Costs incurred under Administration Agreement	—	—	—	306,084
Directors' fees	111,250	99,620	333,750	272,120
Professional fees	714,345	807,143	2,532,183	4,179,093
Compensation expense	1,030,239	3,070,409	4,960,679	3,702,517
Interest expense	555,935	591,512	1,697,962	1,795,885
Tax expense	(1,657)	954	46,598	34,666
Other expenses	585,886	512,792	1,590,044	1,504,545
Net Investment Loss	**$ (2,587,891)**	**$ (4,702,204)**	**$ (10,259,832)**	**$ (6,887,733)**
Net realized gain on investments	2,378,390	1,772,961	9,332,643	11,297,501
Net change in unrealized appreciation/(depreciation) of investments	16,129,442	8,190,695	14,985,703	16,450,126
Benefit from taxes on unrealized depreciation of investments	—	—	—	885,566
Net Change in Net Assets Resulting from Operations	**$ 15,919,941**	**$ 5,261,452**	**$ 14,058,514**	**$ 21,745,460**

Investment Income

Investment income increased to $408,107 for the three months ended September 30, 2020 from $380,226 for the three months ended September 30, 2019. The net increase between periods was not material and was generally due to an increase in dividend income received from GreenAcreage Real Estate Investment Trust, Inc. partially offset by a decrease in accrued interest income due to the placement of some debt investments on non-accrual status during the three months ended September 30, 2020, relative to the three months ended September 30, 2019.

Investment income decreased to $901,384 for the nine months ended September 30, 2020 from $1,095,428 for the nine months ended September 30, 2019. The net decrease between periods was generally due to a decrease in accrued interest income due to renegotiation of certain debt investments and the placement of some debt investments on non-accrual status partially offest by an increase in dividend income received from Treehouse Real Estate Investment Trust, Inc. and GreenAcreage Real Estate Corp. during the nine months ended September 30, 2020, relative to the nine months ended September 30, 2019.

Operating Expenses

Total operating expenses decreased to $2,995,998 for the three months ended September 30, 2020, from $5,082,430 in net operating expense for the three months ended September 30, 2019. The decrease in operating expense was primarily due to the recognition of vested compensation cost related to the stock-based compensation plan upon initial grant and immediate vesting of 1/3 of granted options on July 17, 2019 and not subsequently recognized during the three months ended September 30, 2020 due to the cancellation of all outstanding options on April 28, 2020. The notable decrease was partially offset by a reduction in professional fees and interest expense for the three months ended September 30, 2020 compared to the three months ended September 30, 2019.

Total operating expenses increased to $11,161,216 for the nine months ended September 30, 2020, from $7,983,161 in net operating expense for the nine months ended September 30, 2019. The increase in operating expenses was primarily due to the reversal of the incentive fee accrual as a result of our Internalization during the nine months ended September 30, 2019 and the recognition of all unvested and unrecognized compensation cost related to the stock-based compensation plan upon cancellation of all outstanding options on April 28, 2020 during the nine months ended September 30, 2020. The notable increases are partially offset by the removal of fees and expenses related to the Investment Advisory Agreement and Administration Agreements and a significant reduction in professional fees for the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019.

Net Investment Loss

For the three months ended September 30, 2020, we recognized net investment loss of $2,587,891, compared to net investment loss of $4,702,204 for the three months ended September 30, 2019. The change between periods resulted from the increase in operating expenses, and to a lesser extent, the decrease in total investment income between periods, as discussed above.

For the nine months ended September 30, 2020, we recognized net investment loss of $10,259,832, compared to net investment loss of $6,887,733 for the nine months ended September 30, 2019. The change between periods resulted from the increase in operating expenses, and to a lesser extent, the decrease in total investment income between periods, as discussed above.

Net Realized Gain on Investments

For the three months ended September 30, 2020, we recognized a net realized gain on our investments of $2,378,390, compared to net realized gain of $1,772,961 for the three months ended September 30, 2019. The components of our net realized gains/losses on portfolio investments for the three months ended September 30, 2020 and 2019, excluding U.S. Treasury investments, are reflected in the tables above, under “—Portfolio and Investment Activity.”

For the nine months ended September 30, 2020, we recognized a net realized gain on our investments of $9,332,643, compared to net realized gain of $11,297,501 for the nine months ended September 30, 2019. The components of our net realized gains/losses on portfolio investments for the nine months ended September 30, 2020 and 2019, excluding U.S. Treasury investments, are reflected in the tables above, under “—Portfolio and Investment Activity.”

Net Change in Unrealized Appreciation/(Depreciation) of Investments

For the three months ended September 30, 2020, we had a net increase in unrealized appreciation/depreciation of $16,129,442. For the three months ended September 30, 2019, we had a net increase in unrealized appreciation/depreciation of $8,190,695. The following tables summarize, by portfolio company, the significant changes in unrealized appreciation and/or depreciation of our investment portfolio for the three months ended September 30, 2020 and 2019.

Portfolio Company	Net Change in Unrealized Appreciation/(Depreciation) For the Three Months Ended September 30, 2020	Portfolio Company	Net Change in Unrealized Appreciation/(Depreciation) For the Three Months Ended September 30, 2019
Palantir Technologies, Inc.(1)	$ 17,207,689	Ozy Media, Inc.	$ 15,923,894
Palantir Lending Trust SPV I	1,684,485	Coursera, Inc.	4,134,653
Aspiration Partners, Inc.	(1,385,751)	Aspiration Partners, Inc.	1,781,970
Course Hero, Inc.	(1,412,210)	Enjoy, Inc.	(1,179,097)
		A Place for Rover Inc. (f/k/a DogVacay, Inc.)	(1,395,434)
		Course Hero, Inc.	(2,795,495)
		Dropbox, Inc.(1)	(3,497,620)
		Lyft, Inc.	(6,579,582)
Other(2)	35,229	Other(2)	1,797,406
Total	$ 16,129,442	Total	$ 8,190,695

(1) The change in unrealized appreciation/(depreciation) reflected for these investments resulted from the full or partial sale or write-off 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 three months ended September 30, 2020 and 2019.

For the nine months ended September 30, 2020, we had a net increase in unrealized appreciation/depreciation of $14,985,703. For the nine months ended September 30, 2019, we had a net increase in unrealized appreciation/depreciation of $16,450,126. The following tables summarize, by portfolio company, the significant changes in unrealized appreciation and/or depreciation of our investment portfolio for the nine months ended September 30, 2020 and 2019.

Portfolio Company	Net Change in Unrealized Appreciation/(Depreciation) For the Nine Months Ended September 30, 2020	Portfolio Company	Net Change in Unrealized Appreciation/(Depreciation) For the Nine Months Ended September 30, 2019
Coursera, Inc.	$ 16,287,974	Ozy Media, Inc.	$ 13,401,030
Palantir Technologies, Inc.(1)	16,168,424	Declara, Inc.(1)	12,334,151
Course Hero, Inc.	6,144,812	Coursera, Inc.	11,656,879
SharesPost, Inc.	2,369,329	Aspiration Partners, Inc.	6,814,794
Palantir Lending Trust SPV I	1,684,056	Parchment, Inc.	3,098,469
4C Insights (f/k/a The Echo Systems Corp.)(1)	1,414,905	Knewton, Inc.(1)	2,979,116
StormWind, LLC	(1,221,858)	Enjoy Technology, Inc.	2,445,855
Enjoy Technology, Inc.	(1,307,690)	SharesPost, Inc.	1,896,703
Aspiration Partners, Inc.	(1,334,699)	Course Hero, Inc.	1,867,480
NestGSV, Inc. (d/b/a GSV Labs, Inc.)	(2,374,341)	Nextdoor.com, Inc.	1,026,754
Treehouse Real Estate Investment Trust, Inc.	(3,501,442)	CUX, Inc. (d/b/a CorpU)	(1,918,228)
Ozy Media, Inc.	(5,364,897)	A Place for Rover Inc. (f/k/a DogVacay, Inc.)	(2,433,599)
Neutron Holdings, Inc. (d/b/a/ Lime)	(6,515,508)	Lyft, Inc.	(3,161,096)
Parchment, Inc.(1)	(6,895,603)	Palantir Technologies, Inc.	(3,683,785)
		NestGSV, Inc. (d/b/a GSV Labs, Inc.)	(3,749,441)
		Dropbox, Inc.(1)	(4,219,119)
		StormWind, LLC	(6,015,388)
		Spotify Technology S.A.(1)	(16,711,276)
Other(2)	(567,759)	Other(2)	820,827
Total	$ 14,985,703	Total	$ 16,450,126

(1) The change in unrealized appreciation/(depreciation) reflected for these investments resulted from the full or partial sale or write-off 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 nine months ended September 30, 2020 and 2019.

Recent Developments

Portfolio Activity

Please refer to "Note 12—Subsequent Events" to our condensed consolidated financial statements as of September 30, 2020 for details regarding activity in our investment portfolio from October 1, 2020 through November 6, 2020.

As the COVID-19 situation continues to evolve, we are maintaining close communications with our portfolio companies to proactively assess and manage potential risks across our investment portfolio.

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.

Dividends

On September 25, 2020, the Company's Board of Directors declared a dividend of $0.25 per share paid, in cash, on October 20, 2020 to stockholders of record as of the close of business on October 5, 2020.

On October 28, 2020, the Company's Board of Directors declared a dividend of $0.25 per share payable on November 30, 2020 to stockholders of record as of the close of business on November 10, 2020. The dividend will be paid in cash.

Conversion of 4.75% Convertible Senior Notes due 2023

Effective as of October 5, 2020, the conversion price applicable to the 4.75% Convertible Senior Notes due 2023 was adjusted to $9.84 per share (101.6664 shares of the Company's common stock per $1,000 principal amount of the 4.75% Convertible Senior Notes due 2023) from the most recent conversion price of $10.10 per share (99.0298 shares of the Company's common stock per $1,000 principal amount of the 4.75% Convertible Senior Notes due 2023), which had been in effect since August 11, 2020. The adjustment to the conversion rate of the 4.75% Convertible Senior Notes due 2023 was made pursuant to the supplemental indenture governing the 4.75% Convertible Senior Notes due 2023 as a result of the Company's cash dividend of $0.25 per share, paid on October 20, 2020 to stockholders of record as of the close of business on October 5, 2020.

From October 1, 2020 through November 6, 2020, the Company issued 495 shares of its common stock and cash for fractional shares upon the conversion of $5,000 in aggregate principal amount of the 4.75% Convertible Senior Notes due 2023.

Share Repurchase Program

On October 28, 2020, our Board of Directors authorized a $10.0 million 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, 2021 or (ii) the repurchase of $40.0 million in aggregate amount of shares 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 Securities Exchange Act of 1934, as amended. Please refer to "Note 5 — Common Stock" for additional information on the Share Repurchase Program.

From October 1, 2020 through November 6, 2020, the Company repurchased 371,283 additional shares under the Share Repurchase Program for an aggregate purchase price of $3.1 million.

At-the-Market Offering

From October 1, 2020 through November 6, 2020, the Company did not sell or issue any Shares under the ATM Program (as defined below). As of November 6, 2020, up to approximately $99.1 million in aggregate amount of the Shares remain available for sale under the ATM Program.

COVID-19

The Company has been closely monitoring the COVID-19 pandemic, its broader impact on the global economy and the more recent impacts on the U.S. economy. Subsequent to September 30, 2020, the global outbreak of the COVID-19 pandemic, and the related effect on the U.S. and global economies, may have adverse consequences for the business operations of some of the Company's portfolio companies and, as a result, may have adverse effects on the Company's operations. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, remain uncertain. The operational and financial performance of the issuers of securities in which the Company invests depends on future developments, including the duration and spread of the outbreak, and such uncertainty may in turn adversely affect the value and liquidity of the Company's investments and negatively impact the Company's performance.

As of November 6, 2020, there is no indication of a reportable subsequent event impacting the Company's financial statements for the three months ended September 30, 2020. The Company continues to observe and respond to the evolving COVID-19 environment and its potential impact on areas across its business.

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. Our $12.0 million Credit Facility matured and expired on May 31, 2019 and no amounts were outstanding under the Credit Facility as of such date. See "Note 10—Debt Capital Activities." In addition, on March 28, 2018, we issued $40.0 million aggregate principal amount of 4.75% Convertible Senior Notes due 2023, as discussed further below and in "Note 10—Debt Capital Activities" to our condensed consolidated financial statements as of September 30, 2020.

Our primary uses of cash are to make investments, pay our operating expenses, and make distributions to our stockholders. For the nine months ended September 30, 2020, our operating expenses were $11,161,216, including compensation expense related to the cancellation of the options granted under the 2019 Equity Incentive Plan. For the nine months ended September 30, 2019, our operating expenses were $7,983,161, net of incentive fee accrual.

Cash Reserves and Liquid Securities	**September 30, 2020**	**December 31, 2019**
Cash	$ 60,595,499	$ 44,861,263
Securities of publicly traded portfolio companies:		
Unrestricted securities	7,170,011	—
Subject to other sales restrictions	39,492,040	—
Securities of publicly traded portfolio companies	46,662,051	—
Total Cash Reserves and Liquid Securities	$ 107,257,550	$ 44,861,263

During the nine months ended September 30, 2020, cash increased to $60,595,499 from $44,861,263 at the beginning of the year. The increase in cash was primarily due to proceeds from the sale of our common stock and proceeds and other escrow receipts, interest income, and dividends received from our investments, offset by cash used to purchase investments, pay dividends, repurchase our common stock under the Share Repurchase Program, make interest payments related to our 4.75% Convertible Senior Notes due 2023, and pay operating expenses.

Currently, we believe we have ample liquidity to support our near-term capital requirements. As the impact of the COVID-19 continues to unfold and 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 September 30, 2020 is as follows:

	Payments Due By Period *(in millions)*				
	Total	**Less than 1 year**	**1–3 years**	**3–5 years**	**More than 5 years**
Payable for securities purchased[1]	$ 134.2	$ 134.2	$ —	$ —	$ —
Convertible Senior Notes[2]	38.2	—	38.2	—	—
Operating lease liability	0.8	0.2	0.4	0.2	—
Total	$ 173.2	$ 134.4	$ 38.6	$ 0.2	$ —

(1) "Payable for securities purchased" relates to the purchase of U.S. Treasury bills on margin and repurchase of our common stock under the Share Repurchase Program. This balance was subsequently repaid in early October 2020, when the $150.0 million United States Treasury bill matured and the $15.8 million margin deposit that we posted as collateral was returned.

(2) The balance shown for the "Convertible Senior Notes" reflects the principal balance payable to investors for the 4.75% Convertible Senior Notes due 2023 as of September 30, 2020. Refer to "Note 10—Debt Capital Activities" to our condensed consolidated financial statements as of September 30, 2020 for more information.

Share Repurchase Program

During the nine months ended September 30, 2020, we repurchased 1,284,565 shares of our common stock pursuant to the Share Repurchase Program. As of September 30, 2020, the dollar value of shares that remained available to be purchased under the Share Repurchase Program was approximately $2.7 million.

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 Securities Exchange Act of 1934, as amended. For more information on the Share Repurchase Program, see " — Recent Developments" and "Part II. Item 2. Unregistered Sales of Equity Securities and Use of Proceeds".

Modified Dutch Auction Tender Offer

On October 21, 2019, the Company commenced a modified "Dutch Auction" tender offer (the "Modified Dutch Auction Tender Offer") to purchase for cash up to $10.0 million in shares of its common stock from its stockholders at a price per share of not less than $6.00 and not greater than $8.00 in $0.10 increments, using available cash. Upon expiration of the Modified Dutch Auction Tender Offer on November 20, 2019, the Company repurchased 1,449,275 shares, representing 7.6% of its outstanding shares, at a price of $6.90 per share on a pro rata basis, excluding fees and expenses relating to the self-tender offer. The Company has determined that the proration factor for the tender offer was 78.1%.

Off-Balance Sheet Arrangements

As of September 30, 2020, 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 & Debt Capital Activities

At-the-Market Offering

On July 29, 2020, the Company entered into an At-the-Market Sales Agreement, dated July 29, 2020 (the "Initial Sales Agreement"), with BTIG, LLC, JMP Securities LLC, and Ladenburg Thalmann & Co., Inc. (collectively, the "Agents"). Under the Initial Sales Agreement, the Company may, but has no obligation to, issue and sell up to $50,000,000 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"). On September 23, 2020, the Company increased the maximum amount of Shares to be sold through the ATM Program to $150,000,000 from $50,000,000. In connection with the upsize of the ATM Program to $150,000,000, the Company entered into the Amendment No. 1 to the At-the-Market Sales Agreement, dated September 23, 2020, with the Agents. 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.

During the three and nine months ended September 30, 2020, the Company issued and sold 3,808,979 Shares under the ATM Program at a weighted-average price of $13.36 per share, for gross proceeds of $50,900,326 and net proceeds of $49,882,319, after deducting commissions to the Agents on Shares sold. As of September 30, 2020, up to approximately $99.1 million in aggregate amount of the Shares remain available for sale under the ATM Program. Refer to "—Recent Developments" and "Note 5—Common Stock" to our condensed consolidated financial statements as of September 30, 2020 for more information regarding the ATM Program.

4.75% Convertible Senior Notes due 2023

On March 28, 2018, we issued $40.0 million aggregate principal amount of 4.75% Convertible Senior Notes due 2023, which bear interest at a fixed rate of 4.75% per year, payable semi-annually in arrears on March 31 and September 30 of each year, commencing on September 30, 2018. We received $37.3 million in proceeds from the offering, net of underwriting discounts and commissions and other offering expenses. The 4.75% Convertible Senior Notes due 2023 mature on March 28, 2023, unless previously repurchased or converted in accordance with their terms. We do not have the right to redeem the 4.75% Convertible Senior Notes due 2023 prior to March 27, 2021. Refer to "—Recent Developments" and "Note 10—Debt Capital Activities" to our condensed consolidated financial statements as of September 30, 2020 for more information regarding the 4.75% Convertible Senior Notes due 2023.

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. The following table lists the distributions, including dividends and returns of capital, if any, per share that we have declared since our formation through September 30, 2020. Refer to "—Recent Developments" for additional information regarding our distributions.

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 25, 2020(6)	October 5, 2020	October 20, 2020	0.25
Total			$ 3.52

(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 approximately 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 paid on August 24, 2016, $820,753 represented a distribution from realized gains, and $66,487 represented a return of capital.
(3) 100% 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) 100% 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) 100% of the $2,516,453 distribution paid on August 25, 2020 represented a distribution from realized gains related to 2019 investment activity. None of the distribution represented a return of capital.
(6) 100% of the $5,071,327 distribution paid on October 20, 2020 represented a distribution from realized gains. None of the distribution represented a return of capital.

We intend to focus on making capital gains-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, except in the case of stockholders who elect to receive dividends and/or long-term capital gains distributions in cash. Under the dividend reinvestment plan, 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 dividend reinvestment plan 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 dividend reinvestment plan, 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 pay corporate-level 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 condensed consolidated financial statements as of September 30, 2020 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.

Critical Accounting 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 condensed consolidated financial statements as of September 30, 2020 for further detail regarding our critical accounting policies and recently issued or adopted accounting pronouncements.

Related-Party Transactions

See “Note 3—Related-Party Arrangements” to our condensed consolidated financial statements as of September 30, 2020 for more information.

Item 3. 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 price, 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 September 30, 2020, all of our debt investments and outstanding borrowings bore fixed rates of interest.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of September 30, 2020, 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.

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 quarter ended September 30, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II

OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be involved in various legal proceedings, lawsuits and claims incidental to the conduct of our business. Our business is also subject to extensive regulation, which may result in regulatory proceedings against us. We are not currently a party to any material legal proceedings.

Item 1A. Risk Factors

Investing in our securities involves a number of significant risks. In addition to the other information contained in this report, you should carefully consider the factors discussed in our annual report on Form 10-K for the fiscal year ended December 31, 2019, filed with the SEC on March 13, 2020, which could materially affect our business, financial condition and/or operating results. Although the risks described below and in our annual report on Form 10-K for the fiscal year ended December 31, 2019 represent the principal risks associated with an investment in us, they are not the only risks we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, might materially and adversely affect our business, financial condition and/or operating results. Other than as described below, during the nine months ended September 30, 2020, there have been no material changes to the risk factors discussed in "Item 1A. Risk Factors" of Part I of our annual report on Form 10-K for the fiscal year ended December 31, 2019.

The COVID-19 pandemic could materially and adversely affect our portfolio companies and the results of our operations.

In late 2019 and early 2020, SARS-CoV-2 and COVID-19 emerged in China and spread rapidly across the world, including the U.S. This outbreak has led, and for an unknown period of time will continue to lead, to disruptions in local, regional, national and global markets and economies affected thereby. The spread of COVID-19 has caused quarantines, cancellation of events and travel, business and school shutdowns, reduction in business activity and financial transactions, labor shortages, supply chain interruptions and overall economic and financial market instability. The COVID-19 outbreak may disrupt our operations through its impact on our employees, our portfolio companies and their businesses, and certain industries in which our portfolio companies operate.

This outbreak has resulted in, and until fully resolved is likely to continue to result in, among other things, government imposition of various forms of “stay at home” orders and the closing of “non-essential” businesses, resulting in significant disruption to many businesses including supply chains, demand and practical aspects of their operations, as well as in lay-offs of employees. While these effects are hoped to be temporary, some effects could be persistent or even permanent. Rapidly evolving proposals and/or actions by state and federal governments to address problems being experienced by the markets and by businesses and the economy in general may not necessarily be adequate to address the problems facing impacted businesses. This outbreak and any future outbreaks could have an adverse impact on our portfolio companies and us and on the markets and the economy in general, and that impact could be material.

Further, from an operational perspective, our employees are currently working remotely. An extended period of remote work arrangements could strain our business continuity plans, introduce operational risk, including but not limited to cybersecurity risks, and impair our ability to manage our business. In addition, we are highly dependent on third party service providers for certain communication and information systems. As a result, we rely upon the successful implementation and execution of the business continuity planning of such providers in the current environment. If one or more of these third parties to whom we outsource certain critical business activities experience operational failures as a result of the impacts from the spread of COVID-19, or claim that they cannot perform due to a force majeure, it may have a material adverse effect on our business, financial condition, results of operations, liquidity and cash flows.

The extent of the impact of the COVID-19 pandemic on our operational and financial performance, including our ability to execute our business strategies and initiatives in the expected time frame, will depend on future developments, including the duration and spread of the pandemic and related restrictions on travel and transportation, all of which are uncertain and cannot be predicted. An extended period of global supply chain and economic disruption could materially affect our business, results of operations, access to sources of liquidity and financial condition.

We are currently operating in a period of capital markets disruption and economic uncertainty.

The U.S. capital markets have experienced extreme volatility and disruption following the global outbreak of COVID-19 that began in early 2020. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, have created significant disruption in supply chains and economic activity. The impact of COVID-19 has led to significant volatility and declines in the global public equity markets and it is uncertain how long this volatility will continue. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.Some economists and major investment banks have expressed concern that the continued spread of the virus globally could lead to a world-wide economic downturn.

Disruptions in the capital markets have increased the spread between the yields realized on risk-free and higher risk securities, resulting in illiquidity in parts of the capital markets. These and future market disruptions and/or illiquidity could have an adverse effect on our business, financial condition, results of operations and cash flows. Unfavorable economic conditions could also increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could limit our investment originations and ability to grow, and have a material negative impact on our operating results and the fair values of our investments.

Additionally, the recent disruption in economic activity caused by the COVID-19 pandemic may have a negative effect on 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 as a result, we could realize significantly less than the value at which we have recorded our investments if we were required to sell them for liquidity purposes. An inability to raise or access capital, and any required sale of all or a portion of our investments as a result, could have a material adverse effect on our business, financial condition or results of operations.

Adverse developments in the credit markets may impair our ability to secure debt financing.

In past economic downturns, such as the financial crisis in the United States that began in mid-2007 and during other times of extreme market volatility, many commercial banks and other financial institutions stopped lending or significantly curtailed their lending activity. In addition, in an effort to stem losses and reduce their exposure to segments of the economy deemed to be high risk, some financial institutions limited routine refinancing and loan modification transactions and even reviewed the terms of existing facilities to identify bases for accelerating the maturity of existing lending facilities. If these conditions recur, for example as a result of the COVID-19 pandemic, it may be difficult for us to obtain desired financing, including entering into credit facilities, to enhance our liquidity and/or finance the growth of our investments on acceptable economic terms, or at all, which could have an adverse impact on us and our operations.

So far, the COVID-19 pandemic has resulted in, and until fully resolved is likely to continue to result in, among other things, increased draws by borrowers on revolving lines of credit and increased requests by borrowers for amendments, modifications and waivers of their credit agreements to avoid default or change payment terms, increased defaults by such borrowers and/or increased difficulty in obtaining refinancing at the maturity dates of their loans. In addition, the duration and effectiveness of responsive measures implemented by governments and central banks cannot be predicted. The commencement, continuation, or cessation of government and central bank policies and economic stimulus programs, including changes in monetary policy involving interest rate adjustments or governmental policies, may contribute to the development of or result in an increase in market volatility, illiquidity and other adverse effects that could negatively impact the credit markets and the Company.

If we are able to consummate a credit facility, but unable to repay amounts outstanding thereunder and are declared in default or are unable to renew or refinance any such credit facility, it would limit our ability to initiate significant originations or to operate our business in the normal course. These situations may arise due to circumstances that we may be unable to control, such as inaccessibility of the credit markets, a severe decline in the value of the U.S. dollar, a further economic downturn or an operational problem that affects third parties or us, and could materially damage our business. Moreover, we are unable to predict when economic and market conditions may become more favorable. Even if such conditions improve broadly and significantly over the long term, adverse conditions in particular sectors of the financial markets could adversely impact our business.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

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 the Company's purchases of its common stock during the nine months ended September 30, 2020 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, 2020	18,508	$ —	—	$ 4,997,307
February 1 through February 28, 2020	—	—	—	4,997,307
March 1 through March 31, 2020	689,928	5.38	689,928	6,288,063
April 1 through April 30, 2020	567,437	6.07	567,437	2,846,049
May 1 through May 31, 2020	37,640	6.42	27,200	2,671,455
June 1 through June 30, 2020	—	—	—	2,671,455
July 1 through July 31, 2020	—	—	—	2,671,455
August 1 through August 31, 2020	—	—	—	2,671,455
September 1 through September 30, 2020[(3)]	—	—	—	2,671,455
Total	1,313,513		1,284,565	

During the nine months ended September 30, 2020, we repurchased 1,284,565 shares of our common stock pursuant to the Share Repurchase Program.

(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. On November 7, 2017, 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) November 6, 2018 or (ii) the repurchase of $10.0 million in aggregate amount of our common stock. On May 3, 2018, the Company's Board of Directors authorized an additional $5.0 million 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) November 6, 2018 or (ii) the repurchase of $15.0 million in aggregate amount of our common stock. On November 1, 2018, the Company's Board of Directors authorized a $5.0 million 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, 2019 or (ii) the repurchase of $20.0 million in aggregate amount of the Company's common stock. On August 5, 2019, our Board of Directors authorized a $5.0 million 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) August 4, 2020 or (ii) the repurchase of $25.0 million in aggregate amount of our common stock. On March 9, 2020, our Board of Directors authorized a $5.0 million 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) March 8, 2021 or (ii) the repurchase of $30.0 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 three and nine months ended September 30, 2020, the Company repurchased 0 and 1,284,565, respectively, shares of the Company's common stock pursuant to the Share Repurchase Program. As of September 30, 2020, the dollar value of shares that remained available to be purchased by the Company under the Share Repurchase Program was approximately $2.7 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.

(3) Subsequent to quarter-end, on October 28, 2020, our Board of Directors authorized a $10.0 million 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 28, 2021 or (ii) the repurchase of $40.0 million in aggregate amount of our common stock. This additional $10.0 million allocation is not included in the approximate dollar value of shares that may yet be purchased under the Share Repurchase Program as of September 30, 2020. From October 1, 2020 through November 6, 2020, we repurchased an additional 371,283 shares under the Share Repurchase Program for an aggregate purchase price of $3.1 million. As of November 6, 2020, the dollar value of shares that may yet be purchased by us under the Share Repurchase Program is approximately $9.6 million. Refer to "Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments" for more information.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. 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)
10.1	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.(5)
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*

(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 conjunction 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 the Registrant’s Current Report on Form 8-K (File No. 814-00852) filed on September 23, 2020 and incorporated by reference herein.

* Filed herewith.

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:	November 6, 2020	By:	/s/ Mark D. Klein
			Mark D. Klein President and Chief Executive Officer (Principal Executive Officer)
Date:	November 6, 2020	By:	/s/ Allison Green
			Allison Green Chief Financial Officer, Chief Compliance Officer, Treasurer, and Corporate Secretary (Principal Financial and Accounting Officer)

Exhibit 31.1

Certification of Chief Executive Officer of Sutter Rock 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 quarterly report on Form 10-Q 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 6th day of November, 2020.

By: /s/ Mark Klein
Mark D. Klein
Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer of Sutter Rock 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 quarterly report on Form 10-Q 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 6th day of November, 2020.

By: /s/ Allison Green
Allison Green
Chief Financial Officer

Exhibit 32.1

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 quarterly report on Form 10-Q for the three and nine months ended September 30, 2020 (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: November 6, 2020

Exhibit 32.2

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 quarterly report on Form 10-Q for the three and nine months ended September 30, 2020 (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: November 6, 2020