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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED December 31, 2021

☐ **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.)
640 Fifth Avenue, 12th Floor, New York, NY	**10019**
(Address of principal executive offices)	(Zip Code)

(212) 931-6331
(Registrant's telephone number, including area code)

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

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

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

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

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

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 o	Accelerated filer o
Non-accelerated filer x (Do not check if a smaller reporting company)	Smaller reporting company o
Emerging growth company o	

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. o

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

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

The aggregate market value of common stock beneficially owned by non-affiliates of the Registrant on June 30, 2021, based on the closing price on that date of $13.49 on the Nasdaq Capital Market (the Nasdaq securities exchange tier the common stock was trading on at such time), was $412,266,271. For the purposes of calculating this amount only, all interested directors and executive officers of the Registrant have been treated as affiliates. There were 31,322,127 shares of the Registrant's common stock outstanding as of March 10, 2022.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement relating to the Registrant's 2022 annual meeting of stockholders (the "2022 Proxy Statement"), to be filed with the Securities and Exchange Commission (the "SEC") within 120 days following the end of the Registrant's fiscal year, are incorporated by reference in Part III of this annual report on Form 10-K as indicated herein.

SURO CAPITAL CORP.

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PART I

Item 1. Business
SuRo Capital

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 June 22, 2020, we changed our name to “SuRo Capital Corp.” from “Sutter Rock Capital Corp.” On and effective March 12, 2019 (the “Effective Date”), our board of directors ("Board of Directors") approved internalizing our operating structure (“Internalization”) and we began operating as an internally-managed non-diversified closed-end management investment company that has elected to be regulated as a BDC under the 1940 Act. Our Board of Directors approved the Internalization in order to better align the interests of the Company’s stockholders with its management. As an internally managed BDC, the Company is managed by its employees, rather than the employees of an external investment adviser, thereby allowing for greater transparency to stockholders through robust disclosure regarding the Company’s compensation structure. 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 in accordance with their respective terms. As a result, we no longer pay any fees or expenses under an investment advisory agreement or administration agreement, and instead pay the operating costs associated with employing investment management professionals including, without limitation, compensation expenses related to salaries, discretionary bonuses and restricted stock grants. See “Part II, Item 8—Note 3—Related-Party Arrangements” in this Form 10-K for more information.

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

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

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

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

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

Our common stock is traded on the Nasdaq Global Select Market under the symbol "SSSS". The net asset value per share of our common stock on December 31, 2021 was $11.72. On March 10, 2022, the last reported sale price of a share of our common stock on the Nasdaq Global Select Market was $8.92.

Operating and Regulatory Structure

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

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

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

We have elected to be treated as a RIC under Subchapter M of the Code and expect to continue to operate in a manner so as to qualify for the tax treatment applicable to RICs. See "—Material U.S. Federal Income Tax Considerations" and "Note 2—Significant Accounting Policies—U.S. Federal and State Income Taxes" and "Note 9—Income Taxes" to our consolidated financial statements for the year ended December 31, 2021 for more information.

Human Capital Resources

As of December 31, 2021, we had nine employees, each of whom was directly employed by us. These employees include our executive officers, investment and finance professionals, and administrative staff. All of our employees are located in the United States at our principal executive office and headquarters located at 640 Fifth Avenue, 12th Floor, New York, NY 10019 and our additional office located at One Sansome Street, Suite 730, San Francisco, CA 94104. Our telephone number is (212) 931-6331.

In response to the COVID-19 pandemic, we instituted a temporary work-from-home policy in March 2020, pursuant to which our employees primarily worked remotely without disruption to our operations. This policy was amended in February 2022 when it was deemed safe to return to our offices.

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

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

Investment Opportunity

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

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

Investment Strategy

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

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

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

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

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

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

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

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

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

Competitive Advantages

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

- ***Capable team of investment professionals.*** Our executive officers, investment professionals, and Board of Directors have significant experience researching and investing in the types of high-growth venture-capital-backed companies we are targeting for investment. Through our proprietary company-evaluation process, including our identification of technology trends and themes and company research, we believe we have developed important insight into identifying and valuing emerging private companies.

- ***Disciplined and repeatable investment process.*** We have established a disciplined and repeatable process to locate and acquire available shares at attractive valuations by utilizing multiple sources. In contrast to industry "aggregators" that accumulate stock at market prices, we conduct valuation analysis and make acquisitions only when we can invest at valuations that we believe are attractive to our investors.
- ***Deep relationships with significant credibility to source and complete transactions.*** Our executive officers and investment professionals are strategically located in New York, New York and at our additional office in San Francisco, California, allowing us to fully engage in the technology and innovation ecosystem. Our wide network of venture capital and technology professionals supports our sourcing efforts and helps provide access to promising investment opportunities. Our executive officers and investment professionals have also developed strong relationships in the financial, investing and technology-related sectors.
- ***Source of permanent investing capital.*** As a publicly traded corporation, we have access to a source of permanent equity capital that we can use to invest in portfolio companies. This permanent equity capital is a significant differentiator from other potential investors that may be required to return capital to stockholders on a defined schedule. We believe that our ability to invest on a long-term time horizon makes us attractive to companies looking for strong, stable owners of their equity.

- ***Early mover advantage.*** We believe we are one of the few publicly traded BDCs with a specific focus on investing in high-growth venture-backed companies. The transactions that we have executed to date since our IPO have helped to establish our reputation with the types of secondary sellers and emerging companies that we target for investment. We have leveraged a number of relationships and channels to acquire the equity of private companies. As we continue to grow our portfolio with attractive investments, we believe that our reputation as a committed partner will be further enhanced, allowing us to source and close investments that would otherwise be unavailable. We believe that these factors collectively differentiate us from other potential investors in private company securities and will serve our goal to complete equity transactions in compelling private companies at attractive valuations.

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

Investment Process

Concentrated Technology-Related Focus

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

Investment Targeting and Screening

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

Research and Due Diligence Process

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

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

Portfolio Construction and Sourcing

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

Transaction Execution

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

Risk Management and Monitoring

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

Managerial Assistance

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

Portfolio Overview

The following table shows the fair value of our portfolio of investments by asset class as of December 31, 2021 and 2020:

	December 31, 2021		December 31, 2020	
	Fair Value	Percentage of Portfolio	Fair Value	Percentage of Portfolio
Private Portfolio Companies:				
Preferred Stock	$ 163,801,798	63.0 %	$ 141,235,987	32.8 %
Common Stock	42,860,156	16.5 %	34,190,839	7.9 %
Debt Investments	3,011,438	1.1 %	4,845,340	1.1 %
Options	4,959,112	1.9 %	5,872,210	1.4 %
Private Portfolio Companies	214,632,504	82.5 %	186,144,376	43.2 %
Publicly Traded Portfolio Companies:				
Common Stock	44,573,225	17.1 %	94,635,398	22.0 %
Options	930,524	0.4 %	—	— %
Publicly Traded Portfolio Companies	45,503,749	17.5 %	94,635,398	22.0 %
Total Portfolio Investments	260,136,253	100.0 %	280,779,774	65.2 %
Non-Portfolio Investments				
U.S. Treasury Bills	—	— %	150,000,000	34.8 %
Total Investments	$ 260,136,253	100.0 %	$ 430,779,774	100.0 %

Determination of Net Asset Value

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

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

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

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

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

There is inherent subjectivity in determining the fair value of our investments. We expect that most of our portfolio investments, other than those for which market quotations are readily available and that may be sold without restriction, will be valued at fair value as determined in good faith by our Board of Directors, with the assistance of our Valuation Committee. Furthermore, when calculating net asset value, we also consider our recognition of a deferred tax liability for unrealized gains on investments for those investments held in our taxable subsidiaries. See "Note 1—Nature of Operations" to our consolidated financial statements for the year ended December 31, 2021 for a list of our taxable subsidiaries.

Regulation as a Business Development Company

General

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

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

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

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

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

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

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

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

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

As a BDC, we are also prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our Board of Directors who are not interested persons and, in some cases, prior approval by the SEC. The affiliates with which we may be prohibited from transacting include our directors, officers and employees and any person controlling or under common control with us, subject to certain exceptions. For example, under the 1940 Act, absent receipt of exemptive relief from the SEC, we and certain of our affiliates are generally precluded from co-investing in negotiated private placements of securities. We, GSV Asset Management and certain of our affiliates submitted an exemptive application to the SEC to permit us to co-invest with other funds managed by GSV Asset Management or its affiliates in a manner consistent with our investment objective and the conditions to the application. As a result of our Internalization, we and GSV Asset Management withdrew such exemptive application on April 2, 2019 because the relief sought was no longer necessary.

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

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

Qualifying Assets

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

1. Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. An eligible portfolio company is defined in the 1940 Act as any issuer which:
   a. is organized under the laws of, and has its principal place of business in, the United States;
   b. is not an investment company (other than a small business investment company wholly owned by the BDC) or a company that would be an investment company but for certain exclusions under the 1940 Act; and
   c. satisfies any of the following:
      i. does not have any class of securities that is traded on a national securities exchange;
      ii. has a class of securities listed on a national securities exchange, but has an aggregate market value of outstanding voting and non-voting common equity of less than $250.0 million;
      iii. is controlled by a BDC or a group of companies including a BDC and the BDC has an affiliated person who is a director of the eligible portfolio company;
      iv. is a small and solvent company having gross assets of not more than $4.0 million and capital and surplus of not less than $2.0 million; or
      v. meets such other criteria as may be established by the SEC.

2. Securities of any eligible portfolio company which we control.
3. Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities, was unable to meet its obligations as they came due without material assistance other than conventional lending or financing arrangements.
4. Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60% of the outstanding equity of the eligible portfolio company.
5. Securities received in exchange for or distributed on or with respect to securities described in 1 through 4 above, or pursuant to the exercise of options, warrants or rights relating to such securities.
6. Cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment.

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

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

Managerial Assistance to Portfolio Companies

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

Temporary Investments

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

Warrants and Options

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

Senior Securities

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

Code of Ethics

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

Compliance Policies and Procedures

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

Compliance with Corporate Governance Regulations

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

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

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

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

Proxy Voting Policies and Procedures

Proxy Policies

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

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

Proxy Voting Records

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

Privacy Principles

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

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

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

Available Information

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

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

Material U.S. Federal Income Tax Considerations

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

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

Election to be Taxed as a RIC

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

Taxation as a Regulated Investment Company

If we:

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

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

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

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

- continue to qualify as a BDC under the 1940 Act at all times during each taxable year;

- derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to loans of certain securities, gains from the sale of stock or other securities or foreign currencies, other income derived with respect to our business of investing in such stock or securities and net income from “qualified publicly traded partnerships” (the “90% Income Test”); and

- diversify our holdings so that at the end of each quarter of the taxable year:

- at least 50% of the value of our assets consists of cash, cash equivalents, U.S. government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of our assets or more than 10% of the outstanding voting securities of the issuer (the "50% Diversification Test"); and
- no more than 25% of the value of our assets is invested in the securities of one issuer, other than U.S. government securities or securities of other RICs, the securities (other than securities of other RICs) of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or the securities of businesses, or of certain "qualified publicly traded partnerships" (the "25% Diversification Test," and together with the 50% Diversification Test, the "Diversification Tests").

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

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

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

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

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

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

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

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

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

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

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

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

Failure to Maintain our Qualification as a RIC

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

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

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

See “Risk Factors—Risks Related to Our Business and Structure” in Part I, Item 1A of this Form 10-K and “Note 2—Significant Accounting Policies—*U.S. Federal and State Income Taxes*” and “Note 9—Income Taxes” to our consolidated financial statements for the year ended December 31, 2021 for further detail.

Item 1A. Risk Factors

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

Summary of Principal Risk Factors

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

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

- Our investments in the rapidly growing venture-capital-backed emerging companies that we target may be extremely risky and we could lose all or part of our investments.
- In the event that we make an investment in a sponsor of a SPAC and the underlying SPAC does not consummate a business combination, we will lose the entirety of our investment.
- Because our investments are generally not in publicly traded securities, there will be uncertainty regarding the value of our investments, which could adversely affect the determination of our net asset value.
- The lack of liquidity in, and potentially extended holding period of, our many investments may adversely affect our business and will delay any distributions of gains, if any.
- Technology-related sectors in which we invest are subject to many risks, including volatility, intense competition, decreasing life cycles, product obsolescence, changing consumer preferences, periodic downturns, regulatory concerns and litigation risks.

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

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

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

- As an internally managed BDC, we are subject to certain restrictions that may adversely affect our business and are dependent upon our management team and investment professionals for our future success.

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

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

- Changes in laws or regulations governing our operations may adversely affect our business or cause us to alter our business strategy.

- Economic, political and market conditions may adversely affect our business, results of operations and financial condition.

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

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

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

- Ineffective internal controls could impact our business and operating results.

- We face cyber-security risks.

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

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

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

- We may not be able to pay distributions to our stockholders and our distributions may not grow over time.

- Our stockholders may experience dilution upon the issuance of additional shares of our common stock.

- If we default under any future credit facility or any other future indebtedness, we may not be able to make payments on the 6.00% Notes due 2026.

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

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

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

Risks Related to Our Investments

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

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

- these companies may have limited financial resources and may be unable to meet their obligations under their existing debt, which may lead to equity financings, possibly at discounted valuations, in which we could be substantially diluted if we do not or cannot participate, bankruptcy or liquidation and the reduction or loss of our equity investment;
- they typically have limited operating histories, narrower, less established product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions, market conditions and consumer sentiment in respect of their products or services, as well as general economic downturns;
- they generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position;
- because they are privately owned, there is generally little publicly available information about these businesses; therefore, although we will perform due diligence investigations on these portfolio companies, their operations and their prospects, we may not learn all of the material information we need to know regarding these businesses and, in the case of investments we acquire on private secondary transactions, we may be unable to obtain financial or other information regarding the companies with respect to which we invest. Furthermore, there can be no assurance that the information that we do obtain with respect to any investment is reliable; and
- they are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on the portfolio company and, in turn, on us.

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

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

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

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

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

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

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

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

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

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

We invest principally in the equity and equity-related securities of what we believe to be rapidly growing venture-capital-backed emerging companies. However, the equity interests we acquire may not appreciate in value and, in fact, may decline in value.

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

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

We have limited information about the financial performance and profitability of some of our portfolio companies. While certain of our portfolio companies have earned net income in recent periods, we believe that many of our portfolio companies are currently experiencing operating losses. There can be no assurance when or if such companies will operate at a profit.

The lack of liquidity in, and potentially extended holding period of, our many investments may adversely affect our business and will delay any distributions of gains, if any.

Our investments will generally not be in publicly traded securities. Although we expect that some of our equity investments will trade on private secondary marketplaces, certain of the securities we hold will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. In addition, while some portfolio companies may trade on private secondary marketplaces, we can provide no assurance that such a trading market will continue or remain active, or that we will be able to sell our position in any portfolio company at the time we desire to do so and at the price we anticipate. The illiquidity of our investments, including those that are traded on private secondary marketplaces, will make it difficult for us to sell such investments if the need arises. Also, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we have previously recorded our investments. We have no limitation on the portion of our portfolio that may be invested in illiquid securities, and a substantial portion or all of our portfolio may be invested in such illiquid securities from time to time.

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

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

A consequence of our limited number of investments is that the aggregate returns we realize may be significantly adversely affected if a small number of investments perform poorly or if we need to write down the value of any one investment. For example, as of December 31, 2021, 54.2% of our net asset value was comprised of investments in ten portfolio companies. Beyond the asset diversification requirements necessary to qualify as a RIC, we have general guidelines for diversification, however our investments could be concentrated in relatively few issuers. In addition, our investments may be concentrated in a limited number of market sectors, including in technology-related sectors. As a result, a downturn in any market sector in which a significant number of our portfolio companies operate or the deterioration of the market position of any portfolio company in which we have a material position could materially adversely affect us.

Technology-related sectors in which we invest are subject to many risks, including volatility, intense competition, decreasing life cycles, product obsolescence, changing consumer preferences, periodic downturns, regulatory concerns and litigation risks.

Given the experience of our executive officers and investment professionals within the technology space, a number of the companies in which we have invested and intend to invest operate in technology-related sectors. Investments in such companies are subject to substantial risks. The revenue, income (or losses) and valuations of technology-related companies can and often do fluctuate suddenly and dramatically. In addition, because of rapid technological change, the average selling prices of products and some services provided by companies in technology-related sectors have historically decreased over their productive lives.

In addition, our portfolio companies face intense competition since their businesses are rapidly evolving, intensely competitive and subject to changing technology, shifting user needs and frequent introductions of new products and services. Potential competitors to our portfolio companies in the technology industry range from large and established companies to emerging start-ups. Further, such companies are subject to laws that were adopted prior to the advent of the Internet and related technologies and, as a result, may not contemplate or address the unique issues of the Internet and related technologies. The laws that do reference the Internet are being interpreted by the courts, but their applicability and scope remain uncertain. Claims have been threatened and filed under both U.S. and foreign laws for defamation, invasion of privacy and other tort claims, unlawful activity, copyright and trademark infringement, or other theories based on the nature and content of the materials searched and the ads posted by a company's users, a company's products and services, or content generated by a company's users. Further, the growth of technology-related companies into a variety of new fields implicate a variety of new regulatory issues and may subject such companies to increased regulatory scrutiny, particularly in the U.S. and Europe. Any of these factors could materially and adversely affect the business and operations of a portfolio company in the technology industry and, in turn, adversely affect the value of these portfolio companies and the value of any securities that we may hold.

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

Our total investment in companies may be significant individually or in the aggregate. As a result, if a significant investment in one or more companies fails to perform as expected, our financial results could be more negatively affected and the magnitude of the loss could be more significant than if we had made smaller investments in more companies. The following table shows the cost and fair value of our ten largest portfolio company positions as of December 31, 2021:

Portfolio Company	Cost	Fair Value	% of Net Asset Value
Course Hero, Inc.	$ 14,999,972	$ 87,831,743	24.1%
Forge Global, Inc.	2,526,223	21,015,781	5.8%
Blink Health, Inc.	15,004,340	14,315,526	4.0%
Nextdoor Holdings, Inc.	10,002,666	12,439,522	3.4%
Stormwind, LLC	6,387,741	11,830,722	3.2%
Aspiration Partners, Inc.	1,283,005	11,055,743	3.0%
Trax Ltd.	10,005,748	10,370,299	2.8%
Architect Capital PayJoy SPV, LLC	10,006,745	10,000,000	2.7%
Orchard Technologies, Inc.	10,004,034	9,999,996	2.7%
Skillsoft Corp.	9,818,430	8,983,863	2.5%
Total	$ 90,038,904	$ 197,843,195	54.2%

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

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

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

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

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

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

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

We will lose the entirety of our investment in a sponsor of a SPAC if the underlying SPAC fails to consummate a business combination. Any investment by us in a sponsor of a SPAC will not have the same redemption rights that a direct investment in a SPAC may have. As such, there is a unique risk of experiencing a complete loss on our investment when we invest in a sponsor of a SPAC.

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

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

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

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

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

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

Although we expect that most of our investments will be U.S. dollar-denominated, any investments denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments.

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

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

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

In November 2020, the SEC adopted a rulemaking regarding the ability of a BDC (or a registered investment company) to use derivatives and other transactions that create future payment or delivery obligations. Under the newly adopted rules, BDCs that use derivatives will be subject to a value-at-risk leverage limit, a derivatives risk management program and testing requirements and requirements related to board reporting. These new requirements will apply unless the BDC qualifies as a "limited derivatives user," as defined under the adopted rules. Under the new rule, a BDC may enter into an unfunded commitment agreement that is not a derivatives transaction, such as an agreement to provide financing to a portfolio company, if the BDC has, among other things, a reasonable belief, at the time it enters into such an agreement, that it will have sufficient cash and cash equivalents to meet its obligations with respect to all of its unfunded commitment agreements, in each case as it becomes due. Collectively, these requirements may limit our ability to use derivatives and/or enter into certain other financial contracts.

Risks Related to Our Business and Structure

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Due to transfer restrictions and the illiquid nature of our investments, we may not be able to purchase or sell our investments when we wish to do so.

Most of our investments are or will be in equity or equity-related securities of privately held companies. The securities we acquire in private companies are typically subject to contractual transfer limitations, which may include prohibitions on transfer without the company's consent, may require that shares owned by us be held in escrow and may include provisions in company charter documents, and may include investor rights of first refusal and co-sale and/or employment or trading policies further restricting trading. In order to complete a purchase of shares we may need to, among other things, give the issuer, its assignees or its stockholders a particular period of time, often 30 days or more, in which to exercise a veto right, or a right of first refusal over, the sale of such securities. We may be unable to complete a purchase transaction if the subject company or its stockholders chooses to exercise a veto right or right of first refusal. When we complete an investment, we generally become bound to the contractual transfer limitations imposed on the subject company's stockholders as well as other contractual obligations, such as co-sale or tag- along rights. These obligations generally expire only upon an IPO by the subject company. As a result, prior to an IPO, our ability to liquidate may be constrained. Transfer restrictions could limit our ability to liquidate our positions in these securities if we are unable to find buyers acceptable to our portfolio companies, or where applicable, their stockholders. Such buyers may not be willing to purchase our investments at adequate prices or in volumes sufficient to liquidate our position, and even where they are willing, other stockholders could exercise their co-sales or tag-along rights to participate in the sale, thereby reducing the number of shares sellable by us. Furthermore, prospective buyers may be deterred from entering into purchase transactions with us due to the delay and uncertainty that these transfer and other limitations create.

Although we believe that secondary marketplaces may offer an opportunity to liquidate our private company investments, there can be no assurance that a trading market will develop for the securities that we wish to liquidate or that the subject companies will permit their shares to be sold through such marketplaces. Even if some of our portfolio companies complete IPOs, we are typically subject to lock-up provisions that prohibit us from selling our investments into the public market for specified periods of time after IPOs. As a result, the market price of securities that we hold may decline substantially before we are able to sell these securities following an IPO.

Due to the illiquid nature of most of our investments, we may not be able to sell these securities at times when we deem it advantageous to do so, or at all. Because our net asset value is only determined on a quarterly basis, and due to the difficulty in assessing this value, our net asset value may not fully reflect the illiquidity of our portfolio, which may change on a daily basis, depending on many factors, including the status of the private secondary markets and our particular portfolio at any given time.

There are significant potential risks associated with investing in venture capital companies with complex capital structures.

We invest primarily in what we believe to be rapidly growing, venture-capital-backed emerging companies, either through private secondary transactions, other secondary transactions or direct investments in companies. Such private companies frequently have much more complex capital structures than traditional publicly traded companies, and may have multiple classes of equity securities with differing rights, including with respect to voting and distributions. In addition, it is often difficult to obtain financial and other information with respect to private companies, and even where we are able to obtain such information, there can be no assurance that it is complete or accurate. In certain cases, such private companies may also have senior or pari passu preferred stock or senior debt outstanding, which may heighten the risk of investing in the underlying equity of such private companies, particularly in circumstances when we have limited information with respect to such capital structures. Although we believe that our management team and investment professionals and our Board of Directors have extensive experience evaluating and investing in private companies with such complex capital structures, there can be no assurance that we will be able to adequately evaluate the relative risks and benefits of investing in a particular class of a portfolio company's equity securities. Any failure on our part to properly evaluate the relative rights and value of a class of securities in which we invest could cause us to lose part or all of our investment, which in turn could have a material and adverse effect on our net asset value and results of operations.

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

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

Our efforts to comply with these requirements have resulted in, and are likely to continue to result in, an increase in expenses and a diversion of management's time from other business activities.

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

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

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

As a BDC, we must maintain our ability to raise additional capital for investment purposes. Without sufficient access to the capital markets or credit markets, we may be forced to curtail our business operations, or we may not be able to pursue new business opportunities.

From time to time, capital markets may experience periods of disruption and instability, including as recently as 2020 as a result of the COVID-19 pandemic. During such periods of market disruption and instability, we and other companies in the financial services sector may have limited access, if available, to alternative markets for debt and equity capital. Equity capital may be difficult to raise because, subject to some limited exceptions which will apply to us as a BDC, we will generally not be able to issue additional shares of our common stock at a price less than net asset value without first obtaining approval for such issuance from our stockholders and our independent directors. In addition, our ability to incur indebtedness (including by issuing preferred stock) is limited by applicable regulations such that our asset coverage, as defined in the 1940 Act, must equal at least 200% (or 150% if certain requirements are met) immediately after each time we incur indebtedness. The debt capital that will be available, if at all, may be at a higher cost and on less favorable terms and conditions in the future. Any inability to raise capital could have a negative effect on our business, financial condition and results of operations.

Given the volatility and dislocation in the capital markets over the past several years, many BDCs have faced, and may in the future face, a challenging environment in which to raise or access capital. In addition, this volatility and disruption, has had, and in the future may have, a negative effect on the valuations of our investments and on the potential for liquidity events involving these investments. While most of our investments are not publicly traded, applicable accounting standards require us to assume, as part of our valuation process, that our investments are sold in orderly mark-to-market transactions between market participants. As a result, volatility in the capital markets can adversely affect our investment valuations. Further, the illiquidity of our investments may make it difficult for us to sell such investments if required and to value such investments. As a result, we may realize significantly less than the value at which we will have recorded our investments. An inability to raise capital, and any required sale of our investments for liquidity purposes, could have a material adverse impact on our business, financial condition or results of operations. In addition, a prolonged period of market illiquidity may cause us to reduce the volume of investments we may make and adversely affect the value of our portfolio investments, which could have a material and adverse effect on our business, financial condition, results of operations and cash flows.

Global economic, political and market conditions may adversely affect our business, results of operations and financial condition, including our revenue growth and profitability.

The current worldwide financial market situation, as well as various social and political tensions in the United States and around the world, may contribute to increased market volatility, may have long-term effects on the U.S. and worldwide financial markets, and may cause economic uncertainties or deterioration in the United States and worldwide.

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

government credit rating could create broader financial turmoil and uncertainty, which may weigh heavily on our financial performance and the value of our common stock.

Deterioration in the economic conditions in the Eurozone and other regions or countries globally and the resulting instability in global financial markets may pose a risk to our business. Financial markets have been affected at times by a number of global macroeconomic events, including the following: large sovereign debts and fiscal deficits of several countries in Europe and in emerging markets jurisdictions, levels of non-performing loans on the balance sheets of European banks, the effect of the United Kingdom (the “U.K.”) leaving the European Union (the “EU”), instability in the Chinese capital markets and the COVID-19 pandemic. Global market and economic disruptions have affected, and may in the future affect, the U.S. capital markets, which could adversely affect our business, financial condition or results of operations. We cannot assure you that market disruptions in Europe and other regions or countries, including the increased cost of funding for certain governments and financial institutions, will not impact the global economy, and we cannot assure you that assistance packages will be available, or if available, be sufficient to stabilize countries and markets in Europe or elsewhere affected by a financial crisis. To the extent uncertainty regarding any economic recovery in Europe or elsewhere negatively impacts consumer confidence and consumer credit factors, our and our portfolio companies’ business, financial condition and results of operations could be significantly and adversely affected. Moreover, there is a risk of both sector-specific and broad-based corrections and/or downturns in the equity and credit markets. Any of the foregoing could have a significant impact on the markets in which we operate and could have a material adverse impact on our business prospects and financial condition.

Various social and political circumstances in the United States and around the world (including wars and other forms of conflict, terrorist acts, security operations and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and global health epidemics), may also contribute to increased market volatility and economic uncertainties or deterioration in the United States and worldwide. Such events, including rising trade tensions between the United States and China, other uncertainties regarding actual and potential shifts in U.S. and foreign, trade, economic and other policies with other countries, the Russian invasion of Ukraine, and the COVID-19 pandemic, could adversely affect our business, financial condition or results of operations. These market and economic disruptions could negatively impact the operating results of our portfolio companies.

Additionally, the Federal Reserve may raise, or may announce its intention to raise, the Federal Funds Rate in 2022. These developments, along with the U.S. government’s credit and deficit concerns, global economic uncertainties and market volatility and the impacts of COVID-19, could cause interest rates to be volatile, which may negatively impact our ability to access the debt markets and capital markets on favorable terms.

Events outside of our control, including public health crises, may negatively affect our results of operations and financial performance.

Periods of market volatility may occur in response to pandemics or other events outside of our control. These types of events could adversely affect our results of operations and financial performance. For example, in December 2019, the global outbreak of COVID-19 has resulted in the temporary closure of many corporate offices, retail stores, and manufacturing facilities and factories across the world. As the potential impact on global markets from the coronavirus is difficult to predict, the extent to which the coronavirus may negatively affect our results of operation and financial performance or the duration of any potential business disruption is uncertain. Any potential impact to our results of operations and financial performance will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of the coronavirus and the actions taken by authorities and other entities to contain the coronavirus or treat its impact, all of which are beyond our control. These potential impacts, while uncertain, could adversely affect our results of operations and financial performance.

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

Because we may borrow money to make investments, our net investment income may depend, in part, upon the difference between the rate at which we borrow funds and the rate at which we invest those funds. As a result, we can offer no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. A reduction in the interest rates on new investments relative to interest rates on current investments could have an adverse impact on our net investment income. However, an increase in interest rates could decrease the value of any investments we hold which earn fixed interest rates and also could increase our interest expense, thereby decreasing our net income. Also, an increase in interest rates available to investors could make an investment in our common stock less attractive if we are not able to increase our distribution rate, which could reduce the value of our common stock. Further, rising interest rates could also adversely affect our performance if such increases cause our borrowing costs to rise at a rate in excess of the rate that our investments yield.

In periods of rising interest rates, to the extent we borrow money subject to a floating interest rate, our cost of funds would increase, which could reduce our net investment income. Further, rising interest rates could also adversely affect our performance if we hold investments with floating interest rates, subject to specified minimum interest rates (such as a LIBOR floor), while at the same time engaging in borrowings subject to floating interest rates not subject to such minimums. In such a scenario, rising interest rates may increase our interest expense, even though our interest income from investments is not increasing in a corresponding manner as a result of such minimum interest rates.

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

On March 5, 2021, the United Kingdom's Financial Conduct Authority (the "FCA"), which regulates LIBOR, announced that the 1-week and 2-month U.S. dollar LIBOR settings will cease publication after December 31, 2021 and the overnight 1, 3, 6 and 12 months U.S. dollar LIBOR settings will cease publication after June 30, 2023. However, the FCA has indicated it will not compel panel banks to continue to contribute to LIBOR after the end of 2021 and the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have encouraged banks to cease entering into new contracts that use U.S. dollar LIBOR as a reference rate no later than December 31, 2021.

To identify a successor rate for U.S. dollar LIBOR, the Alternative Reference Rates Committee ("ARRC"), a U.S.-based group convened by the U.S. Federal Reserve Board and the Federal Reserve Bank of New York, was formed. On July 29, 2021, the ARCC formally recommended the Secured Overnight Financing Rate (“SOFR”) as its preferred alternative replacement rate for LIBOR. SOFR is a measure of the cost of borrowing cash overnight, collateralized by U.S. Treasury securities, and is based on directly observable U.S. Treasury-backed repurchase transactions. Whether or not SOFR attains market traction as a LIBOR replacement remains a question. Although SOFR appears to be the preferred replacement rate for U.S. dollar LIBOR, at this time, it is not possible to predict the effect of any such changes, any establishment of alternative reference rates or any other reforms to LIBOR that may be enacted.

The elimination of LIBOR or any other changes or reforms to the determination or supervision of LIBOR could have an adverse impact on the market for or value of any LIBOR-linked securities, loans, and other financial obligations or extensions of credit held by or due to us or on our overall financial condition or results of operations. In connection with the cessation of LIBOR, we may need to renegotiate credit agreements extending beyond 2021 with our portfolio companies that utilize LIBOR, if any, to provide for an alternative reference rate, to the extent any exist and they do not already provide for such a transition upon the cessation of LIBOR, which may have an adverse effect on our financial condition or results of operations. Further, the transition from LIBOR to SOFR or other alternative reference rates may also introduce operational risks in our accounting, financial reporting, loan servicing, liability management and other aspects of our business. We are assessing the impact of a transition from LIBOR; however, we cannot reasonably estimate the impact of the transition at this time.

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

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

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

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

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

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

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

Certain of our portfolio companies may be impacted by inflation. If such portfolio companies are unable to pass any increases in their costs along to their customers, it could adversely affect their results, which could in turn adversely impact our results of operations. In addition, any projected future decreases in our portfolio companies’ operating results due to inflation could adversely impact the fair value of our investments. Any decreases in the fair value of our investments could result in future unrealized losses and therefore reduce our net assets resulting from operations.

We are subject to risks related to corporate social responsibility.

Our business faces increasing public scrutiny related to environmental, social and governance (“ESG”) activities. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as environmental stewardship, corporate governance and transparency and considering ESG factors in our investment processes. Adverse incidents with respect to ESG activities could impact the value of our brand, the cost of our operations and relationships with investors, all of which could adversely affect our business and results of operations. Additionally, new regulatory initiatives related to ESG could adversely affect our business.

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

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

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

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

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

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

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

	Assumed Return on Our Portfolio (Net of Expenses)				
	(10.0)%	**(5.0)%**	**0.0%**	**5.0%**	**10.0%**
Corresponding return to common stockholder(1)	(8.39)%	(4.82)%	(1.26)%	2.31%	5.87%

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(1) Assumes $260.1 million in total portfolio assets and $75.0 million in outstanding 6.00% Notes due 2026 as of December 31, 2021.

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

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

- shares of our common stock would be exposed to incremental risk of loss; therefore, a decrease in the value of our investments would have a greater negative impact on the value of our common shares than if we did not use leverage;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We elected to be treated as a RIC under the Code beginning with our taxable year ended December 31, 2014, have qualified to be treated as a RIC for subsequent taxable years and expect to continue to operate in a manner so as to qualify for the tax treatment applicable to RICs. See "Item 1. Business—Material U.S. Federal Income Tax Considerations" and "Note 2—Significant Accounting Policies—*U.S. Federal and State Income Taxes*" and "Note 9—Income Taxes" to our consolidated financial statements for the year ended December 31, 2021 for more information.

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

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

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

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

Changes in tax laws, regulations or administrative interpretations or any amendments thereto could adversely affect us, the entities in which we invest, or the holders of our securities, including our common stock and the 6.00% Notes due 2026. The Biden Administration has announced a number of tax law proposals, including American Families Plan and Made in America Tax Plan, which include increases in the corporate and individual tax rates, and impose a minimum tax on book income and profits of certain multinational corporations. The impact of any new legislation on us, the entities in which we invest, and the holders of our securities is uncertain. Investors are urged to consult with their tax advisors with respect to the impact of this legislation and the status of any other regulatory or administrative developments and proposals and their potential effect on an investment in our securities.

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

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

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

We have in the past, and may continue to, distribute taxable dividends that are payable in part in shares of our common stock. For example, on November 3, 2021, our Board of Directors declared a dividend of $2.00 per share to stockholders, paid partially in cash and partially in shares of our common stock on December 30, 2021. In accordance with certain applicable U.S. Treasury regulations and published guidance issued by the Internal Revenue Service (“IRS”), a RIC may treat a distribution of its own common stock as fulfilling the RIC distribution requirements if each stockholder may elect to receive his or her entire distribution in either cash or common stock of the RIC, subject to a limitation that the aggregate amount of cash to be distributed to all stockholders must not exceed more than 50% of the aggregate declared distribution. If too many stockholders elect to receive cash, the cash available for distribution must be allocated among the stockholders electing to receive cash (with the balance of the distribution paid in stock). In no event will any stockholder electing to receive cash, receive less than the lesser of (a) the portion of the distribution such stockholder has elected to receive in cash or (b) an amount equal to his or her entire distribution times the percentage limitation on cash available for distribution. If these and certain other requirements are met, for U.S. federal income tax purposes, the amount of the dividend paid in common stock will be equal to the amount of cash that could have been received instead of common stock. Taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income (or as long-term capital gain to the extent such distribution is properly reported as a capital gain dividend) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. stockholder may be required to pay tax with respect to such dividends in excess of any cash received. If a U.S. stockholder sells the stock it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to Non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in common stock. In addition, if a significant number of our stockholders determine to sell shares of our common stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our common stock.

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

We and our portfolio companies are subject to laws and regulations at the U.S. federal, state and local levels and, in some cases, foreign levels. These laws and regulations, as well as their interpretation, may change from time to time, and new laws, regulations and interpretations may also come into effect, potentially with retroactive effect. Any such new or changed laws or regulations could have a material adverse effect on our business or the business of our portfolio companies. The legal, tax and regulatory environment for BDCs, investment advisers and the instruments that they utilize (including derivative instruments) is continuously evolving. In addition, there is significant uncertainty regarding enacted legislation (including the Dodd-Frank Act and the regulations adopted thereunder and future regulations that may or may not be adopted pursuant to such legislation) and, consequently, the full impact that such legislation will ultimately have on us and the markets in which we trade and invest is not fully known. Such uncertainty and any resulting confusion may itself be detrimental to the efficient functioning of the markets and the success of certain investment strategies.

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

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

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

The Small Business Credit Availability Act allows us to incur additional leverage, which could increase the risk of investing in the Company.

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

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

We cannot predict how new tax legislation will affect us, our investments, or our stockholders, and any such legislation could adversely affect our business.

Legislative or other actions relating to taxes could have a negative effect on us. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the U.S. Treasury Department. The Biden Administration has proposed significant changes to the existing U.S. tax rules, and there are a number of proposals in Congress that would similarly modify the existing U.S. tax rules. The likelihood of any such legislation being enacted is uncertain, but new legislation and any U.S. Treasury regulations, administrative interpretations or court decisions interpreting such legislation could significantly and negatively affect our ability to qualify for tax treatment as a RIC or the U.S. federal income tax consequences to us and our investors of such qualification, or could have other adverse consequences. Investors are urged to consult with their tax advisor regarding tax legislative, regulatory, or administrative developments and proposals and their potential effect on an investment in our securities.

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

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

Ineffective internal controls could impact our business and operating results.

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

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

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

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

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

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

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

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

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

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

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

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

- sudden electrical or telecommunications outages;
- natural disasters such as earthquakes, tornadoes and hurricanes;
- disease pandemics (including the COVID-19 pandemic);
- events arising from local or larger scale political or social matters, including terrorist acts; and

- cyber-attacks.

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

Risks Related to the 6.00% Notes due 2026

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

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

The 6.00% Notes due 2026 rank *pari passu*, which means equal in right of payment, with all outstanding and future unsecured, unsubordinated indebtedness issued by us. The 6.00% Notes due 2026 also rank *pari passu* with, or equal to, our general liabilities (total liabilities, less debt). In total, these general liabilities were approximately $24.4 million as of December 31, 2021. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of such indebtedness may assert rights equal to the holders of the 6.00% Notes due 2026, which may limit recovery by the holders of the 6.00% Notes due 2026.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risks Related to an Investment in Our Securities

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

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

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

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

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

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

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

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

The possibility that our shares will trade at a discount from net asset value or at premiums that are unsustainable are risks separate and distinct from the risk that our net asset value per share will decrease. The risk of purchasing shares of a BDC that might trade at a discount or unsustainable premium is more pronounced for investors who wish to sell their shares in a relatively short period of time because, for those investors, realization of a gain or loss on their investments is likely to be more dependent upon changes in premium or discount levels than upon increases or decreases in net asset value per share. As of March 10, 2022, the closing price of our common stock on the Nasdaq Global Select Market was $8.92 per share, which represented an approximately 23.9% discount to our net asset value of $11.72 per share as of December 31, 2021.

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

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

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

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

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

We have internalized our operating structure, including our management and investment functions; as a result, we may incur significant costs and face significant risks associated with being self-managed, including adverse effects on our business and financial condition.

On March 12, 2019, our Board of Directors approved internalizing our operating structure, including our management and investment functions. There can be no assurances that internalizing our operating structure will be beneficial to us and our stockholders, as we may incur the costs and risks discussed below and may not be able to effectively replicate the services previously provided to us by our former investment adviser, GSV Asset Management, and our former administrator, GSV Capital Service Company.

While we will no longer bear the costs of the various fees and expenses we previously paid to GSV Asset Management under the Investment Advisory Agreement, our direct expenses will generally include general and administrative costs, including legal, accounting, and other expenses related to corporate governance, SEC reporting and compliance, as well as costs and expenses related to making and managing our investments. We will also now incur the compensation and benefits costs of our officers and other employees and consultants, and we may issue equity awards to our officers, employees and consultants, which awards may decrease net income and funds from our operations and may dilute our stockholders. We may also be subject to potential liabilities commonly faced by employers, such as workers disability and compensation claims, potential labor disputes and other employee-related liabilities and grievances.

In addition, if the expenses we assume as a result of our internalization are higher than the expenses we would have paid to GSV Asset Management and/or reimbursed to GSV Capital Service Company, our earnings per share may be lower as a result of our internalization than they otherwise would have been, potentially decreasing the amount of funds available to distribute to our stockholders and the value of our shares.

Further, in connection with internalizing our operating structure, we may experience difficulty integrating these functions as a stand-alone entity, and we could have difficulty retaining our personnel, including those performing management, investment and general and administrative functions. These personnel have a great deal of know-how and experience, and replacing such personnel may prove challenging. We may also fail to properly identify the appropriate mix of personnel and capital needs to operate successfully as a stand-alone entity. An inability to effectively manage our internalization could result in our incurring excess costs and operating inefficiencies, and may divert our management’s attention from managing our investments.

Internalization transactions have also, in some cases, been the subject of litigation. Even if these claims are without merit, we could be forced to spend significant amounts of time and money defending claims, which would reduce the amount of funds available for us to make investments and to pay distributions, and may divert our management’s attention from managing our investments.

All of these factors could have a material adverse effect on our results of operations, financial condition, and ability to pay distributions.

General Risk Factors

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

We will likely experience fluctuations in our operating results due to a number of factors, including the rate at which we make new investments, the level of our expenses, changes in the valuation of our portfolio investments, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. For example, since inception through December 31, 2021, we have experienced substantial cumulative negative cash flows from operations. These fluctuations may in certain cases be exaggerated as a result of our focus on realizing capital gains rather than current income from our investments. In addition, there can be no assurance that we will be able to locate or acquire investments that are of a similar nature to those currently in our portfolio. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

Certain historical data regarding our business properties, results of operations, financial condition and liquidity does not reflect the impact of the COVID-19 pandemic and related containment measures and therefore does not purport to be representative of our future performance.

The information included in this Annual Report and our other reports filed with the SEC includes information regarding our business, properties, results of operations, financial condition and liquidity as of dates and for periods before the impact of COVID-19 related containment measures including quarantines and government orders requiring the closure of certain businesses, limiting travel, requiring that individuals stay at home or shelter in place and closing borders. This historical information therefore does not reflect the adverse impacts of the COVID-19 pandemic and the related containment measures. Accordingly, investors are cautioned not to unduly rely on historical information regarding our businesses, properties, results of operations, financial condition or liquidity, as that data does not reflect the adverse impact of COVID-19 and therefore does not purport to be representative of the future results of operations, financial condition, liquidity or other financial or operating results of us, our properties or our business.

There is uncertainty surrounding potential legal, regulatory and policy changes by new presidential administrations in the United States that may directly affect financial institutions and the global economy.

As a result of the United States presidential election, which occurred on November 3, 2020, the Democratic Party gained control of the executive branch and the legislative branch of government. Changes in federal policy, including tax policies, and at regulatory agencies occur over time through policy and personnel changes following elections, which lead to changes involving the level of oversight and focus on the financial services industry or the tax rates paid by corporate entities. The nature, timing and economic and political effects of potential changes to the current legal and regulatory framework affecting financial institutions remain highly uncertain. Uncertainty surrounding future changes may adversely affect our operating environment and therefore our business, financial condition, results of operations and growth prospects.

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

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

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

Changes to United States tariff and import/export regulations may have a negative effect on our portfolio companies and, in turn, harm us.

As a result of the 2020 U.S. election, the Democratic Party currently controls the executive and legislative branches of government. Significant changes to U.S. trade policy may occur as a result of the administration change, including the United States re-entering, withdrawing from or renegotiating various trade agreements or other actions that would change current trade policies of the United States. We cannot predict which, if any, of these actions will be taken or, if taken, their effect on the financial stability of the United States. Such actions could have a significant adverse effect on our business, financial condition and results of operations.

We incur significant costs as a result of being a publicly traded company.

As a publicly traded company, we incur legal, accounting and other expenses, including costs associated with the periodic reporting requirements applicable to a company whose securities are registered under the Exchange Act as well as additional corporate governance requirements, including requirements under the Sarbanes-Oxley Act, and other rules implemented by the SEC. These costs may divert capital from other areas of operation and thus adversely affect our business, financial condition and results of operations.

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

Terrorist acts, acts of war or natural disasters may disrupt our operations, as well as the operations of the businesses in which we invest. Such acts have created, and may continue to create, economic and political uncertainties and have contributed to global economic instability. Terrorist activities, military or security operations, or natural disasters could further weaken domestic and/or global economies and create additional uncertainties, which may negatively impact the businesses in which we invest directly or indirectly and, in turn, could have a material adverse impact on our business, operating results and financial condition. Losses from terrorist attacks and natural disasters are generally uninsurable.

We face cyber-security risks.

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

We and our service providers have been - and may in the future be - impacted by quarantines and similar measures being enacted by governments in response to COVID-19, which may obstruct the regular functioning of business workforces (including by requiring employees to work from external locations and their homes). Policies of extended periods of remote working, whether by us or our service providers, could strain technology resources, introduce operational risks and otherwise heighten the risks described above. Remote working environments may be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts that seek to exploit the COVID-19 pandemic. Accordingly, the risks described above are heightened under remote conditions.

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

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

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

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

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

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

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

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

Item 3. Legal Proceedings

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

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Our common stock is traded on the Nasdaq Global Select Market under the symbol "SSSS." Prior to November 24, 2021, our common stock traded on the Nasdaq Capital Market under the same symbol ("SSSS"). Our common stock has historically traded at prices both above and below our net asset value per share. It is not possible to predict whether our common stock will trade at, above or below net asset value ("NAV"). See "Item 1A. Risk Factors—Risks Related to an Investment in Our Securities." The following table sets forth, for each fiscal quarter for the fiscal years ended December 31, 2021, 2020 and 2019, the net asset value per share of our common stock, the range of high and low closing sales prices for our common stock, and such closing sales price as a percentage (premium and discount) to our net asset value per share. The closing market prices reported below have been adjusted to give retroactive effect to material changes resulting from stock dividends. The reported closing market price of our common stock on March 10, 2022 was $8.92 per share, which represented an approximately 23.9% discount to our net asset value of $11.72 per share as of December 31, 2021.

	NAV(1)	Price Range		High Close Price as a Premium/(Discount) to NAV(2)	Low Close Price as a Premium/(Discount) to NAV(2)
		High	Low		
Fiscal 2021					
Fourth Quarter	$ 11.72	$ 15.60	$ 11.41	33.1 %	(2.6)%
Third Quarter	14.79	16.25	12.19	9.9	(17.6)
Second Quarter	16.56	15.52	13.07	(6.3)	(21.1)
First Quarter	18.01	15.43	12.33	(14.3)	(31.5)
Fiscal 2020					
Fourth Quarter	$ 15.14	$ 13.29	$ 8.16	(12.2)%	(46.1)%
Third Quarter	12.46	14.31	8.63	14.8	(30.7)
Second Quarter	11.84	9.19	5.31	(22.4)	(55.2)
First Quarter	10.22	7.00	3.61	(31.5)	(64.7)
Fiscal 2019					
Fourth Quarter	$ 11.38	$ 6.90	$ 5.75	(39.4)%	(49.5)%
Third Quarter	11.24	6.66	6.13	(40.7)	(45.5)
Second Quarter	10.75	7.19	6.13	(33.1)	(43.0)
First Quarter	10.75	8.37	5.20	(22.1)	(51.6)

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

Holders

As of March 10, 2022, there were 10 holders of record of our common stock (including Cede & Co.).

Distributions

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

The timing and amount of our distributions, if any, will be determined by our Board of Directors and will be declared out of assets legally available for distribution. The following table lists the distributions, including dividends and returns of capital, if any, per share that we have declared since our formation through December 31, 2021. The table is divided by fiscal year according to record date:

Date Declared	Record Date	Payment Date	Amount per Share
Fiscal 2015:			
November 4, 2015(1)	November 16, 2015	December 31, 2015	$ 2.76
Fiscal 2016:			
August 3, 2016(2)	August 16, 2016	August 24, 2016	0.04
Fiscal 2019:			
November 5, 2019(3)	December 2, 2019	December 12, 2019	0.20
December 20, 2019(4)	December 31, 2019	January 15, 2020	0.12
Fiscal 2020:			
July 29, 2020(5)	August 11, 2020	August 25, 2020	0.15
September 28, 2020(6)	October 5, 2020	October 20, 2020	0.25
October 28, 2020(7)	November 10, 2020	November 30, 2020	0.25
December 16, 2020(8)	December 30, 2020	January 15, 2021	0.22
Fiscal 2021:			
January 26, 2021(9)	February 5, 2021	February 19, 2021	0.25
March 8, 2021(10)	March 30, 2021	April 15, 2021	0.25
May 4, 2021(11)	May 18, 2021	June 30, 2021	2.50
August 3, 2021(12)	August 18, 2021	September 30, 2021	2.25
November 2, 2021(13)	November 17, 2021	December 30, 2021	2.00
December 20, 2021(14)	December 31, 2021	January 14, 2022	0.75
Total			**$ 11.99**

(1) The distribution was paid in cash or shares of our common stock at the election of stockholders, although the total amount of cash distributed to all stockholders was limited to approximately 50% of the total distribution to be paid to all stockholders. As a result of stockholder elections, the distribution consisted of 2,860,903 shares of common stock issued in lieu of cash, or approximately 14.8% of our outstanding shares prior to the distribution, as well as cash of $26,358,885. The number of shares of common stock comprising the stock portion was calculated based on a price of $9.425 per share, which equaled the average of the volume weighted-average trading price per share of our common stock on December 28, 29 and 30, 2015. None of the $2.76 per share distribution represented a return of capital.

(2) Of the total distribution of $887,240 on August 24, 2016, $820,753 represented a distribution from realized gains, and $66,487 represented a return of capital.

(3) All of the $3,512,849 distribution paid on December 12, 2019 represented a distribution from realized gains. None of the distribution represented a return of capital.

(4) All of the $2,107,709 distribution paid on January 15, 2020 represented a distribution from realized gains. None of the distribution represented a return of capital.

(5) All of the $2,516,452 distribution paid on August 25, 2020 represented a distribution from realized gains. None of the distribution represented a return of capital.

(6) All of the $5,071,326 distribution paid on October 20, 2020 represented a distribution from realized gains. None of the distribution represented a return of capital.

(7) All of the $4,978,504 distribution paid on November 30, 2020 represented a distribution from realized gains. None of the distribution represented a return of capital.

(8) All of the $4,381,084 distribution paid on January 15, 2021 represented a distribution from realized gains. None of the distribution represented a return of capital.

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

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

Our current intention is to make any future distributions out of assets legally available therefrom in the form of additional shares of our common stock under our dividend reinvestment plan, 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.

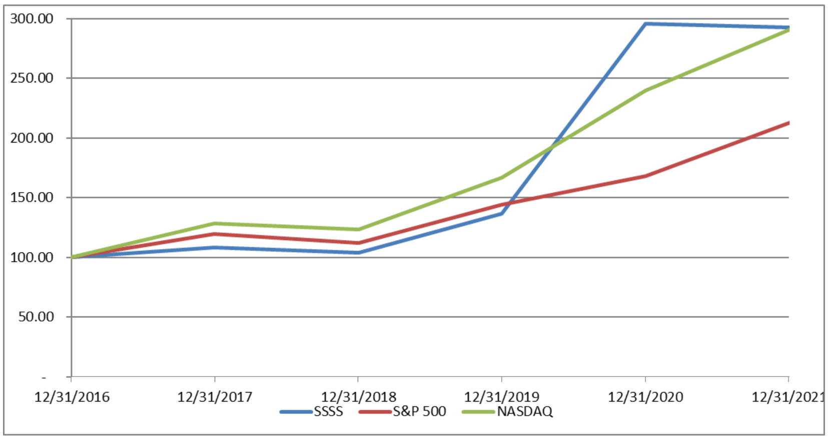
So long as we qualify and maintain our tax treatment as a RIC, we generally will not be subject to U.S. federal and state income taxes on any ordinary income or capital gains that we distribute at least annually to our stockholders as dividends. Rather, any tax liability related to income earned by the RIC will represent obligations of our investors and will not be reflected in our consolidated financial statements. See “Note 2—Significant Accounting Policies—*U.S. Federal and State Income Taxes*” and “Note 9—Income Taxes” to our consolidated financial statements as of December 31, 2021 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.

Equity Compensation Plan Information

See “Item 10. Executive Compensation” and “Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.”

Performance Graph

The following graph compares the cumulative total return on our common stock with that of the Standard & Poor’s 500 Stock Index and the Nasdaq Stock Index, as we do not believe there is an appropriate index of companies with an investment strategy similar to our own with which to compare the return on our common stock, for the five years ended December 31, 2021. The graph assumes that, on December 31, 2016, a person invested $100.00 in our common stock, at the closing price of our common stock on December 31, 2016, and in the Standard & Poor’s 500 Stock Index and the Nasdaq Stock Index. The graph measures total stockholder return, which takes into account both changes in stock price and dividends. It assumes that dividends are reinvested in like securities on the respective dividend dates without commissions.



	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21
SSSS	$ 100.00	$ 108.35	$ 103.78	$ 136.53	$ 295.76	$ 292.60
S&P 500 Index	$ 100.00	$ 119.42	$ 111.97	$ 144.31	$ 167.77	$ 212.89
Nasdaq Stock Index	$ 100.00	$ 128.24	$ 123.26	$ 166.68	$ 239.42	$ 290.63

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

Sales of Unregistered Equity Securities

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

Issuer Purchases of Equity Securities[1]

Information relating to the Company’s purchases of its common stock during the year ended December 31, 2021 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, 2021	—	$ —	—	$ 9,617,312
February 1 through February 28, 2021	—	—	—	9,617,312
March 1 through March 31, 2021	16,610	11.91	—	9,617,312
April 1 through April 30, 2021	—	—	—	9,617,312
May 1 through May 31, 2021	6,738	14.72	—	9,617,312
June 1 through June 30, 2021	—	—	—	9,617,312
July 1 through July 31, 2021	—	—	—	9,617,312
August 1 through August 31, 2021	6,825	15.12	—	9,617,312
September 1 through September 30, 2021	—	—	—	9,617,312
October 1 through October 31, 2021	—	—	—	9,617,312
November 1 through November 30, 2021	—	—	—	9,617,312
December 1 through December 31, 2021	27,460	11.81	—	9,617,312
Total	**57,633**		**—**	

During the year ended December 31, 2021, we did not repurchase 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. 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 our common stock. On October 27, 2021, our Board of Directors approved an extension of the Share Repurchase Program until the earlier of (i) October 31, 2022 or (ii) the repurchase of $40.0 million in aggregate amount of our common stock. The timing and number of shares to be repurchased will depend on a number of factors, including market conditions and alternative investment opportunities. The Share Repurchase Program may be suspended, terminated or modified at any time for any reason and does not obligate us to acquire any specific number of shares of our common stock. During the year ended December 31, 2021, the Company did not repurchase any shares of the Company's common stock pursuant to the Share Repurchase Program. As of December 31, 2021, the dollar value of shares that remained available to be purchased by the Company under the Share Repurchase Program was approximately $9.6 million.

(2) Includes purchases of our common stock made on the open market by or on behalf of any “affiliated purchaser,” as defined in Exchange Act Rule 10b-18(a)(3), of the Company.

Senior Securities

Information about our senior securities is shown in the following table as of the end of the last ten fiscal years. There were no senior securities outstanding as of December 31, 2012. The report of our independent registered public accounting firm, Marcum LLP, on the senior securities table, as of December 31, 2021, 2020 and 2019, is attached as an exhibit to this annual report on Form 10-K.

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities[1]	Asset Coverage Ratio Per Unit[2]	Involuntary Liquidation Preference Per Unit[3]	Average Market Value Per Unit
6.00% Notes due 2026				
Fiscal 2021[4]	$ 75,000,000	$ 5,865	—	$ 25.52
Fiscal 2020	—	8,892	—	N/A
Fiscal 2019	—	5,998	—	N/A
Fiscal 2018	—	5,884	—	N/A
Fiscal 2017	—	3,968	—	N/A
Fiscal 2016	—	3,784	—	N/A
Fiscal 2015	—	4,884	—	N/A
Fiscal 2014	—	4,286	—	N/A
Fiscal 2013	—	5,173	—	N/A
Fiscal 2012	—	—	—	N/A
4.75% Convertible Senior Notes due 2023				
Fiscal 2021[5]	$ —	$ 5,865	—	N/A
Fiscal 2020[5]	38,215,000	8,892	—	N/A
Fiscal 2019	40,000,000	5,998	—	N/A
Fiscal 2018	40,000,000	5,884	—	N/A
Fiscal 2017	—	3,968	—	N/A
Fiscal 2016	—	3,784	—	N/A
Fiscal 2015	—	4,884	—	N/A
Fiscal 2014	—	4,286	—	N/A
Fiscal 2013	—	5,173	—	N/A
Fiscal 2012	—	—	—	N/A
5.25% Convertible Senior Notes due 2018				
Fiscal 2021[6]	$ —	$ 5,865	—	N/A
Fiscal 2020[6]	—	8,892	—	N/A
Fiscal 2019[6]	—	5,998	—	N/A
Fiscal 2018[6]	—	5,884	—	N/A
Fiscal 2017	69,000,000	3,968	—	N/A
Fiscal 2016	69,000,000	3,784	—	N/A
Fiscal 2015	69,000,000	4,884	—	N/A
Fiscal 2014	69,000,000	4,286	—	N/A
Fiscal 2013	69,000,000	5,173	—	N/A
Fiscal 2012	—	—	—	N/A
Credit Facility				
Fiscal 2021	$ —	$ 5,865	—	N/A
Fiscal 2020	—	8,892	—	N/A
Fiscal 2019[7]	—	5,998	—	N/A
Fiscal 2018[7]	—	5,884	—	N/A
Fiscal 2017[7]	—	3,968	—	N/A
Fiscal 2016[8]	—	3,784	—	N/A
Fiscal 2015[8]	—	4,884	—	N/A
Fiscal 2014[8]	18,000,000	4,286	—	N/A
Fiscal 2013	—	5,173	—	N/A
Fiscal 2012	—	—	—	N/A

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

Fees and Expenses

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

Stockholder transaction expenses:	
Sales load (as a percentage of offering price)	— % (1)
Offering expenses (as a percentage of offering price)	— % (2)
Dividend reinvestment plan expenses	— % (3)
Total stockholder transaction expenses (as a percentage of offering price)	— % (4)
Annual expenses (as a percentage of net assets attributable to common stock)(8):	
Operating expenses	2.41 % (5)
Interest payments on borrowed funds	1.26 % (6)
Other expenses	0.31 % (7)
Total annual expenses	3.98 %

(1) In the event that our securities are sold to or through underwriters, a corresponding prospectus or prospectus supplement will disclose the applicable sales load.
(2) In the event that we conduct an offering of our securities, a corresponding prospectus or prospectus supplement will disclose the estimated offering expenses. Our common stockholders will bear, directly or indirectly, the expenses of any offering of our securities, including debt securities.
(3) Under our distribution reinvestment plan (the "DRIP"), the plan administrator’s fees will be paid by us. There will be no brokerage charges or other charges to stockholders who participate in the plan except that, if a participant elects by his or its written or telephonic notice to the plan administrator in advance of termination to have the plan administrator sell part or all of his or its shares and remit the proceeds to the participant, the plan administrator is authorized to deduct a $15 transaction fee plus brokerage commission from the proceeds. The expenses of our DRIP are included in “Other Expenses.”
(4) The total stockholder transaction expenses may include sales load and will be disclosed in a future prospectus or prospectus supplement, if any.
(5) Operating expenses in this table represent estimated annual operating expenses based upon the actual annual operating expenses of SuRo Capital Corp. and its consolidated subsidiaries for the year ended December 31, 2021. We do not have an investment adviser and are internally managed by our executive officers under the supervision of our Board of Directors. As a result, we do not pay investment advisory fees, but instead we pay the operating costs associated with employing investment management professionals including, without limitation, compensation expenses related to salaries, discretionary bonuses and restricted stock grants.
(6) We are exposed to the risks of leverage, which may be considered a speculative investment technique. The use of leverage magnifies the potential for gain and loss on amounts invested and, therefore, increases the risks associated with an investment in us. Interest payments on borrowed funds represents our estimated annual interest payments based on actual interest rate terms under our outstanding 6.00% Notes due 2026 as of December 31, 2021.

(7) "Other expenses," which we calculate to equal approximately $1.1 million, are estimated based upon actual "Other expenses" for the year ended December 31, 2021.
(8) "Net assets attributable to common stock," which we calculate to equal approximately $364.8 million, reflect our net assets for the year ended December 31, 2021.

Example

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

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return	$40	$121	$204	$426

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

Item 6. [Reserved]

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

Forward-Looking statements

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

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

- 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 annual report on Form 10-K should not be regarded as a representation by us that our plans and objectives will be achieved. These risks and uncertainties include those described or identified in our quarterly reports on Form 10-Q and our annual report on Form 10-K, in the “Risk Factors” sections. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this annual report on Form 10-K. The following analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes thereto contained elsewhere in this annual report on Form 10-K.

Overview

We are an internally-managed, non-diversified closed-end management investment company that has elected to be regulated as a 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. In addition, we may invest in private credit and in the founders equity, founders warrants, forward purchase agreements, and private investment in public equity ("PIPE") transactions of special purpose acquisition companies ("SPACs"). We may also invest on an opportunistic basis in select publicly traded equity securities or certain non-U.S. companies that otherwise meet our investment criteria, subject to applicable requirements of the 1940 Act. To the extent we make investments in private equity funds and hedge funds that are excluded from the definition of “investment company” under the 1940 Act by Section 3(c)(1) or 3(c)(7) of the 1940 Act, we will limit such investments to no more than 15% of our net assets.

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

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

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

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

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. Our Board of Directors approved the Internalization in order to better align the interests of the Company's stockholders with its management. As an internally managed BDC, the Company is managed by its employees, rather than the employees of an external investment adviser, thereby allowing for greater transparency to stockholders through robust disclosure regarding the Company's compensation structure. 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, in accordance with their respective terms. As a result, we no longer pay any fees or expenses under an investment advisory agreement or administration agreement, and instead pay the operating costs associated with employing investment management professionals including, without limitation, compensation expenses related to salaries, discretionary bonuses and restricted stock grants. See “Part II, Item 8, Note 3—Related Party Arrangements” and “Part II, Item 8, Note 11—Stock-Based Compensation” in this Form 10-K for more information.

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

Recent COVID-19 Developments

In March 2020, the outbreak of the novel coronavirus (“COVID-19”) was recognized as a pandemic by the World Health Organization. As of the year ended December 31, 2021, and subsequent to December 31, 2021, the COVID-19 pandemic has had a significant impact on the U.S. and global economy.

We have and continue to assess the impact of the COVID-19 pandemic on our portfolio companies. We cannot predict the full impact of the COVID-19 pandemic, including its duration in the United States and worldwide, the effectiveness of governmental responses designed to mitigate strain to businesses and the economy, and the magnitude of the economic impact of the outbreak, including with respect to the travel restrictions, business closures and other quarantine measures imposed on service providers and other individuals by various local, state, and federal governmental authorities, as well as non-U.S. governmental authorities. As such, we are unable to predict the duration of any business and supply-chain disruptions, the extent to which the COVID-19 pandemic will negatively affect our portfolio companies’ operating results or the impact that such disruptions may have on our results of operations and financial condition. Our portfolio companies and, by extension, our operating results may be adversely impacted by the COVID-19 pandemic and, depending on the duration and extent of the disruption to the operations of our portfolio companies, certain portfolio companies may experience financial distress and may possibly default on their financial obligations to us and their other capital providers. Any of these developments would likely result in a decrease in the value of our investment in any such portfolio company. In addition, to the extent that the impact to our portfolio companies results in reduced interest payments or permanent impairments on our investments, we could see a decrease in our net investment income, which would increase the percentage of our cash flows dedicated to our debt obligations and could impact the amount of any future distributions to our stockholders.

In response to the COVID-19 pandemic, we instituted a temporary work-from-home policy in March 2020, pursuant to which our employees primarily worked remotely without disruption to our operations. This policy was amended in February 2022 when it was deemed safe to return to our offices. As of March 10, 2022, there is no indication of a reportable subsequent event impacting the Company’s financial statements for the year ended December 31, 2021. The Company continues to observe and respond to the evolving COVID-19 environment and its potential impact on areas across its business.

Portfolio and Investment Activity

Year Ended December 31, 2021

The value of our investment portfolio will change over time due to changes in the fair value of our underlying investments, as well as changes in the composition of our portfolio resulting from purchases of new and follow-on investments and the sales of existing investments. The fair value, as of December 31, 2021, of all of our portfolio investments was $260,136,253.

During the year ended December 31, 2021, we funded investments in an aggregate amount of $81,668,146 (not including capitalized transaction costs) as shown in the following table:

Portfolio Company	Investment	Transaction Date	Gross Payments
NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.)	Common Shares	2/12/2021	$ 499,986
Churchill Sponsor VI LLC[1]	Common Share Units & Warrant Units	2/25/2021	200,000
Churchill Sponsor VII LLC[2]	Common Share Units & Warrant Units	2/25/2021	300,000
Shogun Enterprises, Inc.[3]	Preferred Shares, Series B-1	2/26/2021	3,499,994
Shogun Enterprises, Inc.[3]	Preferred Shares, Series B-2	2/26/2021	3,499,998
Architect Capital PayJoy SPV, LLC[4]	Membership Interest in Lending SPV	3/24/2021	10,000,000
Commercial Streaming Solutions Inc. (d/b/a BettorView)	Simple Agreement for Future Equity ("SAFE")	3/26/2021	1,000,000
Colombier Sponsor LLC[5]	Class B Units & Class W Units	4/1/2021	502,193
Colombier Sponsor LLC[5]	Class B Units & Class W Units	6/7/2021	2,209,649
Churchill Capital Corp. II[6]	Common Shares, Class A	6/8/2021	10,000,000
Trax Ltd.	Common Shares & Investec Preferred Shares	6/9/2021	10,000,000
Blink Health, Inc.	Preferred Shares, Series C	6/28/2021	4,999,987
AltC Sponsor LLC[7]	Share Units	7/21/2021	250,000
PayJoy, Inc.	Preferred Shares	7/23/2021	2,500,002
Orchard Technologies, Inc.	Preferred Shares, Series D	8/9/2021	9,999,996
Varo Money, Inc.	Common Shares	8/11/2021	10,000,371
YouBet Technology, Inc. (d/b/a PickUp)	Preferred Shares, Series Seed-2	8/26/2021	499,999
True Global Ventures 4 Plus Pte Ltd[8]	Limited Partner Fund Investment	8/27/2021	706,000
Rebric, Inc. (d/b/a Compliable)	Preferred Shares, Series Seed-4	10/12/2021	1,000,000
Course Hero, Inc.	Preferred Shares, Series C	11/5/2021	9,999,971
Total			**$ 81,668,146**

(1) Churchill Sponsor VI LLC is the sponsor of Churchill Capital Corp VI, a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. Our investment in Churchill Sponsor VI LLC constituted a “remote-affiliate” transaction for purposes of the 1940 Act in light of the fact that Mark Klein, our Chairman, CEO and President, has a non-controlling interest in the entity that controls Churchill Sponsor VI LLC, and is a non-controlling board member of Churchill Capital Corp VI.

(2) Churchill Sponsor VII LLC is the sponsor of Churchill Capital Corp VII, a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. Our investment in Churchill Sponsor VII LLC constituted a “remote-affiliate” transaction for purposes of the 1940 Act in light of the fact that Mark Klein, our Chairman, CEO and President, has a non-controlling interest in the entity that controls Churchill Sponsor VII LLC, and is a non-controlling board member of Churchill Capital Corp VII.

(3) Keri Findley, a senior managing director of the Company, is a non-controlling member of the board of directors of Shogun Enterprises, Inc. and holds a minority equity interest in such company.

(4) As of December 31, 2021, the total $10.0 million capital commitment representing SuRo Capital Corp.'s Membership Interest in Architect Capital PayJoy SPV, LLC had been called and funded. Keri Findley, a senior managing director of the Company, is a non-controlling member of the board of directors of the investment manager to Architect Capital PayJoy SPV, LLC and holds a minority equity interest in such investment manager.

(5) Colombier Sponsor LLC is the sponsor of Colombier Acquisition Corp., a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. Keri Findley, a senior managing director of the Company, and Claire Councill, an investment professional of the Company, are non-controlling members of the board of directors of Colombier Acquisition Corp.

(6) On June 11, 2021, Churchill Capital Corp. II, a special purpose acquisition company, executed a private investment in public equity transaction in order to acquire shares of Software Luxembourg Holding S.A. alongside the merger of Software Luxembourg Holding S.A. and Churchill Capital Corp. II. Following the merger, Software Luxembourg Holding S.A. changed its name to Skillsoft Corp. This investment constituted a “remote-affiliate” transaction for purposes of the 1940 Act in light of the fact that Mark Klein, our Chairman, CEO and President, has a non-controlling interest

in the entity that controls Churchill Sponsor II LLC, the sponsor of Churchill Capital Corp II, and is a non-controlling board member of Churchill Capital Corp II.

(7) AltC Sponsor LLC is the sponsor of AltC Acquisition Corp., a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. The Company's investment in AltC Sponsor LLC constituted a "remote-affiliate" transaction for purposes of the 1940 Act in light of the fact that Mark D. Klein, the Company's Chairman, Chief Executive Officer and President, has a non-controlling interest in one of the entities that controls AltC Sponsor LLC, and Allison Green, the Company's Chief Financial Officer, Chief Compliance Officer, Treasurer and Secretary, is a non-controlling member of the board of directors of AltC Acquisition Corp.

(8) As of December 31, 2021, $0.7 million of a $2.0 million capital commitment to True Global Ventures 4 Plus Fund LP had been called and funded.

During the year ended December 31, 2021, we capitalized fees of $47,893.

During the year ended December 31, 2021, we exited or received proceeds from investments in an amount of $259,698,537, net of transaction costs, and realized a net gain on investments of $218,735,504 (including U.S. Treasury investments and adjustments to amounts held in escrow receivable) as shown in following table:

Portfolio Company	Transaction Date	Shares	Average Net Share Price (1)	Net Proceeds	Realized Gain(2)
Palantir Technologies, Inc.(3)	Various	4,618,952	$ 26.72	$ 123,419,184	$ 110,544,068
Palantir Lending Trust SPV I(4)	Various	N/A	N/A	2,172,637	2,172,637
Residential Homes for Rent, LLC (d/b/a Second Avenue)(5)	Various	N/A	N/A	1,386,457	—
SP Holdings Group, Inc.	4/28/2021	2,542,587	0.19	490,246	490,246
CUX, Inc. (d/b/a CorpU)(6)	8/24/2021	N/A	N/A	6,009,092	1,968,218
Clever, Inc.(7)	9/3/2021	1,799,047	1.67	3,011,486	1,010,886
Skillsoft Corp.	Various	18,157	12.63	229,269	47,699
Coursera, Inc.(8)	Various	3,128,361	36.86	115,325,000	97,965,464
Tynker (f/k/a Neuron Fuel, Inc.)(9)	12/6/2021	534,162	5.44	2,907,951	2,598,640
NewLake Capital Partners, Inc.	Various	167,755	28.30	4,747,215	1,390,636
Total				**$ 259,698,537**	**$ 218,188,494**

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

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

(3) As of March 4, 2021, all remaining shares of Palantir Technologies, Inc. held by us had been sold.

(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 December 31, 2021, 512,290 Class A common shares remain in Palantir Lending Trust SPV I, none of which are subject to 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 promissory note to Palantir Lending Trust SPV I and attributable to the Equity Participation in Underlying Collateral.

(5) During the year ended December 31, 2021, approximately $1.4 million has been received from Residential Homes for Rent, LLC (d/b/a Second Avenue) related to the 15% term loan due December 23, 2023. Of the proceeds received, approximately $1.0 million repaid a portion of the outstanding principal and approximately $0.4 million was attributed to interest.

(6) As of December 31, 2021, net proceeds includes approximately $0.3 million in additional proceeds currently held in escrow.

(7) On September 3, 2021, Clever, Inc. completed its sale to Kahoot! ASA. In connection with this transaction, SuRo Capital Corp. received 86,800 common shares in Kahoot! ASA in addition to cash proceeds and amounts currently held in escrow. SuRo Capital Corp. is also eligible to receive cash and Kahoot! ASA common shares subject to certain earn-out provisions and contingencies. As of December 31, 2021, SuRo Capital Corp.'s common shares in Kahoot! ASA were subject to certain lock-up restrictions.

(8) As of November 4, 2021, all remaining shares of Coursera, Inc. held by us had been sold.

(9) As of December 31, 2021, net proceeds includes approximately $0.4 million in additional proceeds currently held in escrow.

During the year ended December 31, 2021, we realized a net investment loss of $0.1 million due to the expiration of our OneValley, Inc. (f/k/a NestGSV, Inc.) Series A-4 preferred warrants with a strike price of $1.33 on July 18, 2021, and our OneValley, Inc. (f/k/a NestGSV, Inc.) Series B preferred warrants with a strike price of $2.31 on November 29, 2021.

During the year ended December 31, 2021, we did not write-off any investments and our OneValley, Inc. (f/k/a NestGSV, Inc.) Series A-3 preferred warrants with a strike price of $1.33 expired on April 4, 2021, and our OneValley, Inc. (f/k/a NestGSV, Inc.) Series A-4 preferred warrants with a strike price of $1.33 expired on October 6, 2021.

Year Ended December 31, 2020

During the year ended December 31, 2020, we funded investments in an aggregate amount of $31,242,228 (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)	Junior Preferred Convertible Note 4% Due 5/11/2027	5/11/2020	$ 506,339
Rent the Runway, Inc.	Preferred Shares, Series G	6/17/2020	5,000,001
Palantir Lending Trust SPV I	Collateralized Loan 15% Due 6/19/2022	6/19/2020	6,870,000
Coursera, Inc.	Preferred Shares, Series F	7/15/2020	2,838,354
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
Enjoy Technology, Inc.	Convertible Note 14% Due 1/30/2024	11/30/2020	521,112
GreenAcreage Real Estate Corp.	Common Shares	12/17/2020	503,220
GreenAcreage Real Estate Corp.	Common Shares	12/29/2020	503,220
Residential Homes for Rent, LLC (d/b/a Second Avenue)	Term Loan 15% Due 12/23/2023	12/23/2020	3,000,000
Residential Homes for Rent, LLC (d/b/a Second Avenue)	Preferred Shares, Series A	12/23/2020	1,500,000
Total			**$ 31,242,228**

During the year ended December 31, 2020, we capitalized fees of $190,799.

During the year ended December 31, 2020, we exited investments in an amount of $31,245,944, net of transaction costs, and realized a net gain on investments of $16,441,223 (including U.S. Treasury investments and adjustments to amounts held in escrow receivable) as shown in following table:

Portfolio Company	Net Proceeds	Realized Gain/(Loss)[1]
Parchment, Inc.[2]	$ 10,876,621	$ 6,785,364
4C Insights (f/k/a The Echo Systems Corp.)[3]	807,952	(628,452)
Palantir Technologies, Inc.[4]	11,671,878	8,357,068
Palantir Lending Trust SPV I[5]	7,889,493	988,892[6]
Total	**$ 31,245,944**	**$ 15,502,872**

(1) Realized gain/(loss) does not include amounts held in escrow receivable or any realized gain/(loss) incurred on the maturity of our U.S. Treasury investments.

(2) On January 31, 2020, Parchment, Inc. closed a merger with Credentials Solutions. As a result of the transaction, we received $10,876,621 in net proceeds. As of December 31, 2020, we received all escrow proceeds of $90,275.

(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 December 31, 2020, we have received $12,900 in escrow proceeds, and expect to receive $43,223 in additional escrow proceeds in 2021.

(4) As of December 31, 2020, we held 4,618,952 remaining Class A common shares of Palantir Technologies, Inc., all of which were subject to lock-up restrictions.

(5) The Palantir Lending Trust SPV I promissory note was initially collateralized with 2,260,000 Class A common shares of Palantir Technologies, Inc. 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. participated 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. As of December 31, 2020, the balance of the loan and all guaranteed interest has been fully repaid, and SuRo Capital Corp. retains the right to upside on 1,312,290 shares as captured in the Equity Participation in Underlying Collateral security. The net proceeds figure does not include accrued guaranteed interest received of $782,125.

(6) 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 promissory note to Palantir Lending Trust SPV I and attributable to the Equity Participation in Underlying Collateral.

During the year ended December 31, 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.

Year Ended December 31, 2019

During the year ended December 31, 2019, we funded investments in an aggregate amount of $25,530,000 (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
Stormwind, LLC	Preferred shares, Series D	11/26/2019	$	250,000
Total			**$**	**25,530,000**

During the year ended December 31, 2019, we capitalized fees of $39,685.

During the year ended December 31, 2019, we sold investments in an amount of $65,603,252, net of transaction costs, and realized a net gain on investments of $19,179,340 (including U.S. Treasury investments) as shown in the following table:

Portfolio Investment		Net Proceeds		Realized Gain/(Loss)(2)
Declara, Inc.(3)	$	—	$	(12,334,151)
Spotify Technologies S.A.(4)		32,547,633		22,545,550
Dropbox, Inc.(5)		19,723,591		6,066,664
Knewton, Inc.(6)		51,511		(5,083,701)
CUX, Inc. (d/b/a CorpU)(7)		—		(109,331)
Lyft, Inc.(8)		13,280,517		8,983,623
EdSurge, Inc.(9)		—		(1,002,161)
Total	**$**	**65,603,252**	**$**	**19,066,493**

(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 May 2, 2019, all remaining shares of Spotify Technologies S.A. held by us had been sold.
(5) As of September 19, 2019, all remaining shares of Dropbox, Inc. held by us had been sold.
(6) On May 31, 2019, a sale of substantially all of Knewton, Inc. to Wiley Education was completed. As a result of the transaction, we received $51,511 in net proceeds in 2019 and $26,254 in escrow proceeds in 2020.
(7) On October 24, 2019, CUX, Inc. (d/b/a CorpU) completed a recapitalization, which amended our investment in the Senior Subordinated Convertible Promissory Note. As a result of the recapitalization, the principal amount of our 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.
(8) As of November 4, 2019, all remaining shares of Lyft, Inc. held by us had been sold.
(9) As of December 12, 2019, all remaining shares of EdSurge, Inc. held by us had been sold in a transaction with the International Society for Technology in Education (ISTE). As a result of the transaction, we do not expect to receive any proceeds.

During the year ended December 31, 2019, we did not write-off any investments.

Results of Operations

Comparison of the years ended December 31, 2021, 2020, and 2019

Operating results for the years ended December 31, 2021, 2020, and 2019 are as follows:

	Year Ended December 31,		
	2021	2020	2019
Total Investment Income	**$ 1,470,842**	**$ 1,824,127**	**$ 1,495,724**
Interest income	897,772	1,006,510	995,724
Dividend income	573,070	817,617	500,000
Total Operating Expenses	**$ 11,401,661**	**$ 16,338,543**	**$ 10,946,792**
Management fees	—	—	848,723
Incentive fees/(reversal of incentive fee accrual)	—	—	(4,660,472)
Costs incurred under Administration Agreement	—	—	306,084
Compensation expense	6,162,716	8,801,841	4,286,972
Directors’ fees	752,442	445,000	383,370
Professional fees	2,665,689	2,962,781	5,290,329
Interest expense	693,526	2,247,817	2,372,570
Income tax expense	9,347	43,574	33,825
Other expenses	1,117,941	1,837,530	2,085,391
Net Investment Loss	**$ (9,930,819)**	**$ (14,514,416)**	**$ (9,451,068)**
Net realized gain on investments	218,735,504	16,441,223	19,179,340
Net change in unrealized appreciation/(depreciation) of investments	(61,732,964)	73,410,631	13,339,859
Benefit from taxes on unrealized depreciation of investments	—	—	885,566
Net Change in Net Assets Resulting from Operations	**$ 147,071,721**	**$ 75,337,438**	**$ 23,953,697**

Investment Income

For the year ended December 31, 2021 as compared to the year ended December 31, 2020

Investment income decreased to $1,470,842 for the year ended December 31, 2021 from $1,824,127 for the year ended December 31, 2020. The net decrease between periods was due to a decrease in dividend income from SPBRX, Inc. (f/k/a GSV Sustainability Partners, Inc.), and a decrease in accrued interest income from Palantir Lending Trust SPV I. The decrease was offset by an increase in dividend income from Aventine Property Group, Inc., Treehouse Real Estate Investment Trust, Inc., and NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.), and interest income from the Residential Homes for Rent, LLC (d/b/a Second Avenue) term loan, Enjoy Technologies, Inc. convertible promissory note, and Architect Capital PayJoy SPV, LLC membership interest in lending SPV during the year ended December 31, 2021, relative to the year ended December 31, 2020.

For the year ended December 31, 2020 as compared to the year ended December 31, 2019

Investment income increased to $1,824,127 for the year ended December 31, 2020 from $1,495,724 for the year ended December 31, 2019. The increase was due to an increase in dividend income received from GreenAcreage Real Estate Investment Trust, Inc. and guaranteed interest from Palantir Lending Trust SPV I, partially offset by a decrease in accrued interest income due to the placement of some debt investments on non-accrual status and decreased Treehouse Real Estate Investment Trust, Inc. dividends, relative to the year ended December 31, 2019.

Operating Expenses

For the year ended December 31, 2021 as compared to the year ended December 31, 2020

Total operating expenses decreased to $11,401,661 for the year ended December 31, 2021 from $16,338,543 for the year ended December 31, 2020. The decrease in operating expense was primarily due to the decrease in 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, as well as a decrease in interest expense, professional fees, income tax expense, and other expenses during the year ended December 31, 2021, relative to the year ended December 31, 2020.

For the year ended December 31, 2020 as compared to the year ended December 31, 2019

Total operating expenses increased to $16,338,543 for the year ended December 31, 2020, from $10,946,792 for the year ended December 31, 2019. The increase in operating expense was primarily due to the accelerated recognition of compensation cost related to the cancellation of unvested options on April 28, 2020, as well as reversal of the incentive fee accrual as a result of the Internalization. The notable increase was partially offset by removal of management and professional fees related to the termination of the Investment Advisory Agreement and Administration Agreements.

Net Investment Loss

For the year ended December 31, 2021 as compared to the year ended December 31, 2020

For the year ended December 31, 2021, we recognized net investment loss of $9,930,819, compared to net investment loss of $14,514,416 for the year ended December 31, 2020. The change between periods resulted from the decrease in operating expenses between periods during the year ended December 31, 2021, relative to the year ended December 31, 2020.

For the year ended December 31, 2020 as compared to the year ended December 31, 2019

For the year ended December 31, 2020, we recognized net investment loss of $14,514,416, compared to net investment loss of $9,451,068 for the year ended December 31, 2019. The change between periods resulted from the increase in operating expenses, as discussed above, and an increase in total investment income between periods.

Net Realized Gain on Investments

For the year ended December 31, 2021 as compared to the year ended December 31, 2020

For the year ended December 31, 2021, we recognized a net realized gain on our investments of $218,735,504, compared to a net realized gain of $16,441,223 for the year ended December 31, 2020. The components of our net realized gains on portfolio investments for the year ended December 31, 2021 and 2020, excluding U.S. Treasury investments, are reflected in the tables above, under "—Portfolio and Investment Activity."

For the year ended December 31, 2020 as compared to the year ended December 31, 2019

For the year ended December 31, 2020, we recognized net realized gain on our investments of $16,441,223, compared to net realized gain of $19,179,340 for the year ended December 31, 2019. The components of our net realized gains/losses on portfolio investments for the year ended December 31, 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 year ended December 31, 2021, we had a net change in unrealized appreciation/(depreciation) of $(61,732,964). For the year ended December 31, 2020, we had a net change in unrealized appreciation/(depreciation) of $73,410,631. For the year ended December 31, 2019, we had a net change in unrealized appreciation/(depreciation) of $13,339,859. The following tables summarize, by portfolio company, the significant changes in unrealized appreciation/(depreciation) of our investment portfolio for the year ended December 31, 2021, 2020, and 2019.

Portfolio Company		Net Change in Unrealized Appreciation/(Depreciation) For the Year Ended December 31, 2021
Course Hero, Inc.	$	42,752,699
Forge Global, Inc.		10,976,202
Aspiration Partners, Inc.		7,597,596
Rover Group, Inc.		6,290,626
StormWind, LLC		3,872,381
CUX, Inc. (d/b/a CorpU)(1)		3,654,203
NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.)(1)		1,905,116
Varo Money, Inc.		(1,463,873)
Palantir Lending Trust SPV I		(1,620,240)
Enjoy Technology, Inc.		(2,514,243)
Rent the Runway, Inc.		(2,581,146)
Ozy Media, Inc.		(10,098,381)
Coursera, Inc.(1)		(35,822,601)
Palantir Technologies, Inc.(1)		(81,760,272)
Other(2)		(2,921,031)
Total	**$**	**(61,732,964)**

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

Portfolio Company		Net Change in Unrealized Appreciation/(Depreciation) For the Year Ended December 31, 2020	Portfolio Company		Net Change in Unrealized Appreciation/(Depreciation) For the Year Ended December 31, 2019
Palantir Technologies, Inc.(1)	$	66,368,123	Declara, Inc.(1)	$	12,334,151
Coursera, Inc.		16,772,218	Ozy Media, Inc.		12,218,812
Course Hero, Inc.		9,405,053	Course Hero, Inc.		11,567,394
Forge Global, Inc.(1)		7,513,356	Coursera, Inc.		10,458,012
Palantir Lending Trust SPV I(1)		2,550,762	Parchment, Inc.		4,745,425
Nextdoor Holdings, Inc.		1,968,755	Aspiration Partners, Inc.		3,511,682
4C Insights (f/k/a The Echo Systems Corp.)(1)		1,414,905	Knewton, Inc.(1)		2,979,116
Aspiration Partners, Inc.		(1,334,698)	Enjoy Technology, Inc.		1,155,396
StormWind, LLC		(1,342,526)	CUX, Inc. (d/b/a CorpU)		(1,804,892)
NestGSV, Inc. (d/b/a GSV Labs, Inc.)		(2,326,760)	Palantir Technologies, Inc.		(2,471,310)
Treehouse Real Estate Investment Trust, Inc.		(4,063,112)	A Place for Rover Inc. (f/k/a DogVacay, Inc.)		(2,548,128)
SharesPost, Inc.(1)		(4,693,514)	NestGSV, Inc. (d/b/a OneValley, Inc.)		(3,663,624)
Ozy Media, Inc.		(5,585,800)	Dropbox, Inc.(1)		(4,219,119)
Neutron Holdings, Inc. (d/b/a/ Lime)		(6,515,508)	Stormwind, LLC		(4,343,218)
Parchment, Inc.(1)		(6,895,603)	Lyft, Inc.(1)		(11,313,418)
Other(2)		174,980	Spotify Technology S.A.(1)		(16,711,276)
			Other(2)		1,444,856
Total	**$**	**73,410,631**	**Total**	**$**	**13,339,859**

(1) The change in unrealized appreciation/(depreciation) reflected for these investments resulted from the full or partial exit of the investment, which resulted in the reversal of previously accrued unrealized appreciation/(depreciation), as applicable.
(2) “Other” represents investments (including U.S. Treasury bills) for which individual change in unrealized appreciation/(depreciation) was less than $1.0 million for the year ended December 31, 2020 and 2019.

Recent Developments

Portfolio Activity

Please refer to "Note 12—Subsequent Events" to our consolidated financial statements as of December 31, 2021 for details regarding activity in our investment portfolio from January 1, 2022 through March 10, 2022.

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 March 8, 2022, the Company's Board of Directors declared a cash dividend of $0.11 per share, payable on April 15, 2022 to stockholders of record as of the close of business on March 25, 2022.

At-the-Market Offering

From January 1, 2022 through March 10, 2022, the Company issued and sold 17,807 Shares under the ATM Program at a weighted-average price of $13.01 per share, for gross proceeds of $231,677 and net proceeds of $229,896, after deducting commissions to the Agents on Shares sold. As of March 10, 2022, up to $98.8 million in aggregate amount of the Shares remain available for sale under the ATM Program. Refer to "Note 5—Common Stock" to our consolidated financial statements as of December 31, 2021 for more information regarding 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 December 31, 2021, 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 crisis, 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 March 10, 2022, there is no indication of a reportable subsequent event impacting the Company's financial statements for the year ended December 31, 2021. The Company continues to observe and respond to the evolving COVID-19 environment and its potential impact on areas across its business.

Other

On March 9, 2022, Keri Findley, who served as a senior managing director of the Company, tendered her resignation from the Company effective as of the same day. Ms. Findley will leave the Company to pursue other opportunities and her departure is not a result of any disagreement relating to the Company's business, operations, policies or practices.

Liquidity and Capital Resources

Our liquidity and capital resources are generated primarily from the sales of our investments and the net proceeds from public offerings of our equity and debt securities, including pursuant to our continuous at-the-market offering of shares of our common stock as discussed below under "At-the-Market Offering". Our $12.0 million senior secured revolving Credit Facility with Western Alliance Bank (the "Credit Facility") matured and expired on May 31, 2019 and no amounts were outstanding under the Credit Facility as of such date. In addition, on March 28, 2018, we issued $40.0 million aggregate principal amount of 4.75% Convertible Senior Notes due 2023, the outstanding principal amount of which we redeemed in full on March 29, 2021. On December 17, 2021, we issued $75.0 million aggregate principal amount of 6.00% Notes due 2026, all of which remain outstanding. For additional information, see below and "Note 10—Debt Capital Activities" to our consolidated financial statements as of December 31, 2021.

Our primary uses of cash are to make investments, pay our operating expenses, and make distributions to our stockholders. For the year ended December 31, 2021, our operating expenses were $11,401,661. For the years ended December 31, 2020 and 2019, our operating expenses were $16,338,543 and $10,946,792, respectively.

Cash Reserves and Liquid Securities	December 31, 2021	December 31, 2020	December 31, 2019
Cash	$ 198,437,078	$ 45,793,724	$ 44,861,263
Securities of publicly traded portfolio companies:			
Unrestricted securities[(1)]	16,970,411	—	—
Subject to other sales restrictions[(2)]	27,602,814	94,635,398	—
Securities of publicly traded portfolio companies	44,573,225	94,635,398	—
Total Cash Reserves and Liquid Securities	$ 243,010,303	$ 140,429,122	$ 44,861,263

(1) "Unrestricted securities" represents common stock of our publicly traded companies that are not subject to any restrictions upon sale. We may incur losses if we liquidate these positions to pay operating expenses or fund new investments.
(2) Securities of publicly traded portfolio companies "subject to other sales restrictions" represents common stock of our publicly traded companies that are subject to certain lock-up restrictions.

During the year ended December 31, 2021, cash increased to $198,437,078 from $45,793,724 at the beginning of the year. The increase in cash was primarily due to proceeds from the sale of our investments in Palantir Technologies, Inc., Coursera, Inc. and other investment monetizations in addition to the proceeds received from the issuance of our 6.00% Notes due 2026, offset by cash used to purchase investments, pay dividends, and pay our 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 December 31, 2021 is as follows:

	Payments Due By Period *(in millions)*				
	Total	**Less than 1 year**	**1–3 years**	**3–5 years**	**More than 5 years**
Notes[(1)]	75.0	—	—	75.0	—
Operating lease liability	0.5	0.2	0.3	—	—
Total	$ 75.5	$ 0.2	$ 0.3	$ 75.0	$ —

(1) The balance shown for the "Notes" reflects the principal balance payable to investors for the 6.00% Notes due 2026 as of December 31, 2021. Refer to “Note 10—Debt Capital Activities” to our consolidated financial statements as of December 31, 2021 for more information.

Share Repurchase Program

During the year ended December 31, 2021, we did not repurchase shares of our common stock pursuant to the Share Repurchase Program. As of December 31, 2021, the dollar value of shares that remained available to be purchased under the Share Repurchase Program was approximately $9.6 million. During the year ended December 31, 2020, the Company repurchased 1,655,848 shares of the Company's 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. For more information on the Share Repurchase Program, see "Part II, Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities" and “Note 5—Common Stock” to our condensed consolidated financial statements as of December 31, 2021.

Off-Balance Sheet Arrangements

As of December 31, 2021, 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 $50.0 million in aggregate amount of shares of its common stock (the "Shares") from time to time through the Agents or to them as principal for their own account (the "ATM Program"). On September 23, 2020, the Company increased the maximum amount of Shares to be sold through the ATM Program to $150.0 million from $50.0 million. In connection with the upsize of the ATM Program to $150.0 million, 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 year ended December 31, 2021, the Company issued and sold 5,900 Shares under the ATM Program at a weighted-average price of $13.42 per share, for gross proceeds of $79,198 and net proceeds of $78,608, after deducting commissions to the Agents on Shares sold. As of December 31, 2021, up to $99.0 million in aggregate amount of the Shares remain available for sale under the ATM Program. Refer to “Note 5—Common Stock” to our consolidated financial statements as of December 31, 2021 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 bore 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 approximately $38.2 million in proceeds from the offering, net of underwriting discounts and commissions and other offering expenses. The 4.75% Convertible Senior Notes due 2023 had a maturity date of March 28, 2023, unless previously repurchased or converted in accordance with their terms. We did not have the right to redeem the 4.75% Convertible Senior Notes due 2023 prior to March 27, 2021.

On March 29, 2021, the Company redeemed $0.3 million in aggregate principal amount of the 4.75% Convertible Senior Notes due 2023 at a redemption price equal to 100% of their principal amount ($1,000 per convertible note), plus accrued and unpaid interest thereon, which amounted to approximately $0.8 million. As a result of this redemption and prior conversions of the 4.75% Convertible Senior Notes due 2023 into shares of our common stock by the holders thereof, the 4.75% Convertible Senior Notes due 2023 were no longer outstanding as of March 29, 2021.

During the year ended December 31, 2021, the Company issued 4,097,808 shares of its common stock and cash for fractional shares upon the conversion of approximately $37.9 million in aggregate principal amount of the 4.75% Convertible Senior Notes due 2023. The Company also redeemed approximately $0.3 million of aggregate principal amount for cash plus accrued and unpaid interest on March 29, 2021. During the year ended December 31, 2020, the Company issued 174,888 shares of its common stock and cash for fractional shares upon the conversion of $1,785,000 in aggregate principal amount of the 4.75% Convertible Senior Notes due 2023.

Refer to “Note 10—Debt Capital Activities” to our consolidated financial statements as of December 31, 2021 for more information regarding the 4.75% Convertible Senior Notes due 2023.

6.00% Notes due 2026

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

Refer to “Note 10—Debt Capital Activities” to our consolidated financial statements as of December 31, 2021 for more information regarding the 6.00% Notes due 2026.

Distributions

The timing and amount of our distributions, if any, will be determined by our Board of Directors and will be declared out of assets legally available for distribution. See “Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities” in Part II, Item 5 of this Form 10-K for a list of our past distributions, including dividends and returns of capital, if any, per share that we have declared since our formation through December 31, 2021.

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 consolidated financial statements as of December 31, 2021 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 consolidated financial statements as of December 31, 2021 for more information.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Market Risk

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

Valuation Risk

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

Interest Rate Risk

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

As of December 31, 2021, all of our debt investments and outstanding borrowings bore fixed rates of interest.

Item 8. Financial Statements and Supplementary Data

Index to Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of assets and liabilities of SuRo Capital Corp. and subsidiaries (the "Company") including the consolidated schedule of investments as of December 31, 2021 and 2020, the related consolidated statements of operations, cash flows, and changes in net assets for each of the three years in the period ended December 31, 2021, the financial highlights (presented in Note 8) for each of the three years in the period then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements and financial highlights present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations, changes in net assets, and cash flows for each of the three years in the period ended December 31, 2021 and the financial highlights for each of the three years in the period then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our procedures included confirmation of investments owned as of December 31, 2021 and 2020, by correspondence with the custodian, loan agents, and borrowers; when replies were not received, we performed other auditing procedures. We believe that our audits provides a reasonable basis for our opinion.

Critical Audit Matter

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

Valuation of Investments – Level 3 Investments in Preferred Stock and Common Stock

As described in Note 4 to the consolidated financial statements, approximately 79% of the Company's $260 million total investments in securities as of December 31, 2021 represents investments in level 3 common stock and preferred stock issued by private companies whose fair value, as disclosed by management, is determined in good faith by the Board of Directors. Management applied significant judgment in determining the fair value of these level 3 investments, which involved the use of significant unobservable inputs with respect to the revenue and/or other multiples utilized, discounts rates and precedent transactions.

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

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

(i) testing the completeness and accuracy of management's valuations, including evaluating the appropriateness of management's methodologies, evaluating the reasonableness of assumptions and significant unobservable inputs, including revenue and/or other multiples utilized, discounts rates and precedent transactions; and

(ii) the involvement of professionals with specialized skills and knowledge to assist in the assessment of the fair values for a sample of investments, including reviewing the valuation methodologies, assessing the assumptions utilized in developing the estimates, and evaluating the reasonableness of management's conclusions in deriving the valuations.

/s/ Marcum LLP

San Francisco, CA
March 11, 2022

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

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

	December 31, 2021	December 31, 2020
ASSETS		
Investments at fair value:		
Non-controlled/non-affiliate investments (cost of $146,360,300 and $105,339,169, respectively)	$ 231,768,290	$ 249,804,803
Non-controlled/affiliate investments (cost of $41,211,183 and $53,865,346, respectively)	14,609,089	30,165,773
Controlled investments (cost of $19,883,894 and $7,161,412, respectively)	13,758,874	809,198
Total Portfolio Investments	260,136,253	280,779,774
Investments in U.S. Treasury bills (cost of $0 and $150,000,000, respectively)	—	150,000,000
Total Investments (cost of $207,455,377 and $316,365,927, respectively)	260,136,253	430,779,774
Cash	198,437,078	45,793,724
Proceeds receivable	52,493	—
Escrow proceeds receivable	2,046,645	852,462
Interest and dividends receivable	83,655	166,998
Deferred financing costs	621,719	297,196
Prepaid expenses and other assets(1)	937,984	985,550
Total Assets	462,315,827	478,875,704
LIABILITIES		
Accounts payable and accrued expenses(1)	875,047	762,312
Accrued interest payable	175,000	453,803
Dividends payable	23,390,048	4,395,229
Payable for securities purchased	—	134,250,000
Income tax payable	—	35,850
4.75% Convertible Senior Notes due March 28, 2023(2)	—	37,395,437
6.00% Notes due December 30, 2026(3)	73,029,108	—
Total Liabilities	97,469,203	177,292,631
Commitments and contingencies (Notes 7 and 10)		
Net Assets	$ 364,846,624	$ 301,583,073
NET ASSETS		
Common stock, par value $0.01 per share (100,000,000 authorized; 31,118,556 and 19,914,023 issued and outstanding, respectively)	$ 311,185	$ 199,140
Paid-in capital in excess of par	350,079,409	221,802,592
Accumulated net investment loss	(50,124,597)	(40,193,778)
Accumulated net realized gain on investments, net of distributions	11,899,742	5,361,270
Accumulated net unrealized appreciation of investments	52,680,885	114,413,849
Net Assets	$ 364,846,624	$ 301,583,073
Net Asset Value Per Share	$ 11.72	$ 15.14

See accompanying notes to consolidated financial statements.

(1) This balance includes a right of use asset and corresponding operating lease liability, respectively. Refer to "Note 7—Commitments and Contingencies—*Operating Leases and Related Deposits*" for more detail.
(2) As of December 31, 2021, the 4.75% Convertible Senior Notes due March 28, 2023 had been fully converted into the Company's common stock or redeemed in cash by the Company. As of December 31, 2020, the 4.75% Convertible Senior Notes due March 28, 2023 (effective interest rate of 5.57%) had a face value $38,215,000. Refer to "Note 10—Debt Capital Activities" for a reconciliation of the carrying value to the face value.
(3) As of December 31, 2021, the 6.00% Notes due December 30, 2026 (effective interest rate of 6.13%) had a face value $75,000,000. Refer to "Note 10—Debt Capital Activities" for a reconciliation of the carrying value to the face value.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
INVESTMENT INCOME			
Non-controlled/non-affiliate investments:			
Interest income	$ 507,772	$ 1,035,694	$ 828,392
Dividend income	470,438	50,000	100,000
Non-controlled/affiliate investments:			
Interest income/(reversal of accrued interest)	—	(29,184)	108,395
Dividend income	102,632	317,617	—
Controlled investments:			
Interest income	390,000	—	58,937
Dividend income	—	450,000	400,000
Total Investment Income	1,470,842	1,824,127	1,495,724
OPERATING EXPENSES			
Management fees(1)	—	—	848,723
Incentive fees/(reversal of incentive fee accrual)(1)	—	—	(4,660,472)
Costs incurred under Administration Agreement(1)	—	—	306,084
Compensation expense(2)	6,162,716	8,801,841	4,286,972
Directors' fees(3)	752,442	445,000	383,370
Professional fees	2,665,689	2,962,781	5,290,329
Interest expense	693,526	2,247,817	2,372,570
Income tax expense	9,347	43,574	33,825
Other expenses	1,117,941	1,837,530	2,085,391
Total Operating Expenses	11,401,661	16,338,543	10,946,792
Net Investment Loss	(9,930,819)	(14,514,416)	(9,451,068)
Realized Gain/(Loss) on Investments:			
Non-controlled/non-affiliated investments	216,870,940	16,441,223	32,625,663
Non-controlled/affiliate investments	1,864,564	—	(13,446,323)
Net Realized Gain on Investments	218,735,504	16,441,223	19,179,340
Change in Unrealized Appreciation/(Depreciation) of Investments:			
Non-controlled/non-affiliated investments	(59,057,641)	82,163,227	(1,907,148)
Non-controlled/affiliate investments	(2,902,517)	(8,786,596)	21,489,014
Controlled investments	227,194	34,000	(6,242,007)
Net Change in Unrealized Appreciation/(Depreciation) of Investments	(61,732,964)	73,410,631	13,339,859
Benefit from taxes on unrealized depreciation of investments	—	—	885,566
Net Change in Net Assets Resulting from Operations	**$ 147,071,721**	**$ 75,337,438**	**$ 23,953,697**
Net Change in Net Assets Resulting from Operations per Common Share:			
Basic	$ 5.69	$ 4.21	$ 1.24
Diluted(4)	$ 5.52	$ 3.56	$ 1.14
Weighted-Average Common Shares Outstanding			
Basic	25,861,642	17,910,353	19,328,414
Diluted(4)	26,758,367	21,790,898	23,069,622

See accompanying notes to consolidated financial statements.

(1) This balance references a related-party transaction. Refer to "Note 3—Related-Party Arrangements" for more detail.
(2) For the year ended December 31, 2020, this balance includes $1,962,431 of accelerated recognition of compensation cost related to the cancellation of unvested options on April 28, 2020.
(3) For the year ended December 31, 2021, this balance includes $209,360 of stock-based compensation expense related to the 2020 annual non-employee director grants. Refer to "Note 11— Stock-Based Compensation" for more detail.
(4) As of December 31, 2021, there were no potentially dilutive securities outstanding.

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

	Year Ended December 31,		
	2021	2020	2019
Change in Net Assets Resulting from Operations			
Net investment loss	$ (9,930,819)	$ (14,514,416)	$ (9,451,068)
Net realized gains on investments	218,735,504	16,441,223	19,179,340
Net change in unrealized appreciation/(depreciation) of investments	(61,732,964)	73,410,631	13,339,859
Benefit from taxes on unrealized depreciation of investments	—	—	885,566
Net Change in Net Assets Resulting from Operations	147,071,721	75,337,438	23,953,697
Distributions			
Dividends declared	(212,197,025)	(16,947,366)	(5,620,558)
Total Distributions	(212,197,025)	(16,947,366)	(5,620,558)
Change in Net Assets Resulting from Capital Transactions			
Issuance of common stock from public offering	78,608	49,882,319	—
Stock-based compensation(1)	1,306,615	1,962,431	998,355
Issuance of common stock from conversion of 4.75% Convertible Notes due 2023	37,259,819	1,810,956	—
Issuance of common stock from stock dividend	89,743,813	—	—
Repurchases of common stock	—	(10,379,994)	(14,792,364)
Net Change in Net Assets Resulting from Capital Transactions	128,388,855	43,275,712	(13,794,009)
Total Change in Net Assets	63,263,551	101,665,784	4,539,130
Net Assets at Beginning of Year	301,583,073	199,917,289	195,378,159
Net Assets at End of Year	$ 364,846,624	$ 301,583,073	$ 199,917,289
Capital Share Activity			
Shares outstanding at beginning of year	19,914,023	17,564,244	19,762,647
Issuance of common stock from public offering	5,900	3,808,979	—
Issuance of common stock under restricted stock plan	369,298	21,760	—
Issuance of common stock from conversion of 4.75% Convertible Notes due 2023	4,097,808	174,888	—
Issuance of common stock from stock dividend	6,731,527	—	—
Shares repurchased	—	(1,655,848)	(2,198,403)
Shares Outstanding at End of Year	31,118,556	19,914,023	17,564,244

See accompanying notes to consolidated financial statements.

(1) For the year ended December 31, 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.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2021	2020	2019
Cash Flows from Operating Activities			
Net change in net assets resulting from operations	$ 147,071,721	$ 75,337,438	$ 23,953,697
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	(218,735,504)	(16,441,223)	(19,179,340)
Net change in unrealized (appreciation)/depreciation of investments	61,732,964	(73,410,631)	(13,339,859)
Change in deferred tax liability	—	—	(885,566)
Amortization of discount on 4.75% Convertible Senior Notes due 2023	76,927	376,802	369,124
Amortization of discount on 6.00% Notes due 2026	16,310	—	—
Amortization of fixed income security premiums and discounts	—	—	(5,066)
Write-off of deferred offering costs	—	—	267,541
Stock-based compensation[(1)]	1,306,615	1,962,431	998,355
Paid-in-kind interest	—	—	(383,980)
Adjustments to escrow proceeds receivable	1,934,622	844,825	29,178
Forfeited interest on 4.75% Convertible Senior Notes due 2023	102,917	25,996	—
Purchases of investments in:			
Portfolio investments	(81,716,039)	(31,433,027)	(25,569,685)
U.S. Treasury bills	—	(450,000,084)	(299,930,250)
Proceeds from sales or maturity of investments in:			
Portfolio investments	257,427,478	31,245,944	65,603,252
U.S. Treasury bills	150,000,000	350,000,000	350,000,000
Change in operating assets and liabilities:			
Prepaid expenses and other assets	47,566	770,383	(1,548,164)
Interest and dividends receivable	83,343	(82,368)	171,040
Deferred credit facility costs	—	—	(11,382)
Proceeds receivable	(52,493)	—	—
Escrow proceeds receivable	(1,194,183)	(587,154)	2,229,279
Payable for securities purchased	(134,250,000)	89,503,340	(44,733,443)
Accounts payable and accrued expenses	112,735	(381,611)	653,236
Payable to executive officers	—	(1,369,873)	1,369,873
Income tax payable	(35,850)	35,850	—
Accrued incentive fees[(2)]	—	—	(4,660,472)
Accrued management fees[(2)]	—	—	(415,056)
Accrued interest payable	(278,803)	(21,197)	—
Net Cash Provided by/(Used in) Operating Activities	183,650,326	(23,624,159)	34,982,312
Cash Flows from Financing Activities			
Proceeds from the issuance of common stock, net	78,608	49,882,319	—
Proceeds from the issuance of 6.00% Notes due 2026	75,000,000	—	—
Redemption of 4.75% Convertible Senior Notes due 2023	(290,000)	—	—
Deferred debt issuance costs	(1,970,892)	—	—
Repurchases of common stock	—	(10,379,995)	(14,792,364)
Cash dividends paid	(103,458,098)	(14,659,850)	(3,512,849)
Cash paid for fractional shares	(399)	(40)	—
Deferred financing costs	(366,191)	(285,814)	—
Net Cash Provided by/(Used in) Financing Activities	(31,006,972)	24,556,620	(18,305,213)
Total Increase in Cash Balance	152,643,354	932,461	16,677,099
Cash Balance at Beginning of Year	45,793,724	44,861,263	28,184,163
Cash Balance at End of Year	198,437,078	45,793,724	44,861,262

SURO CAPITAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS - continued

	Year Ended December 31,		
	2021	**2020**	**2019**
Supplemental Information:			
Interest paid	794,206	1,874,294	2,018,336
Taxes paid	43,499	5,859	33,825
Conversion of 4.75% Convertible Senior Notes due 2023	37,925,000	1,785,000	—

See accompanying notes to consolidated financial statements.

(1) For the year ended December 31, 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
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2021

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
NON-CONTROLLED/NON-AFFILIATE						
Course Hero, Inc.	Redwood City, CA					
Preferred shares, Series A 8%	Online Education	9/18/2014	2,145,509	$ 5,000,001	$ 77,831,772	21.33 %
Preferred shares, Series C 8%		11/5/2021	275,659	9,999,971	9,999,971	2.74 %
Total				14,999,972	87,831,743	24.07 %
Forge Global, Inc.	San Francisco, CA					
Common shares, Class AA	Online Marketplace Finance	7/20/2011	625,520	266,507	16,430,555	4.50 %
Junior Preferred shares		7/19/2011	160,534	2,259,716	4,216,752	1.16 %
Junior Preferred warrants, Strike Price $12.42, Expiration Date 11/9/2025		7/19/2011	73,695	—	368,474	0.10 %
Total				2,526,223	21,015,781	5.76 %
Blink Health, Inc.	New York, NY					
Preferred shares, Series A	Pharmaceutical Technology	10/27/2020	238,095	5,000,423	4,315,552	1.18 %
Preferred shares, Series C		10/27/2020	261,944	10,003,917	9,999,974	2.74 %
Total				15,004,340	14,315,526	3.92 %
Nextdoor Holdings, Inc.**	San Francisco, CA					
Common shares(3)	Social Networking	9/27/2018	1,801,850	10,002,666	12,439,522	3.41 %
Aspiration Partners, Inc.	Marina Del Rey, CA					
Preferred shares, Series A	Financial Services	8/11/2015	540,270	1,001,815	10,556,306	2.89 %
Preferred shares, Series C-3		8/12/2019	24,912	281,190	499,437	0.14 %
Total				1,283,005	11,055,743	3.03 %
Trax Ltd.**	Singapore, Singapore					
Common shares	Retail Technology	6/9/2021	55,591	2,781,148	2,882,476	0.79 %
Preferred shares, Investec series		6/9/2021	144,409	7,224,600	7,487,823	2.05 %
Total				10,005,748	10,370,299	2.84 %
Orchard Technologies, Inc.	New York, NY					
Preferred shares, Series D	Real Estate Platform	8/9/2021	1,488,139	10,004,034	9,999,996	2.74 %
Skillsoft Corp.(18)**	Nashua, NH					
Common shares(3)	Online Education	6/8/2021	981,843	9,818,430	8,983,863	2.46 %
Varo Money, Inc.	San Francisco, CA					
Common shares	Financial Services	8/11/2021	1,079,266	10,005,548	8,541,676	2.34 %
NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.)**	New York, NY					
Common shares***(3)(16)	Cannabis REIT	8/12/2019	278,471	5,653,375	7,986,548	2.19 %
Rover Group, Inc.(13)**	Seattle, WA					
Common shares(3)	Peer-to-Peer Pet Services	11/3/2014	838,381	2,506,119	7,765,504	2.13 %
Shogun Enterprises, Inc.	Austin, TX					
Preferred shares, Series B-1	Home Improvement Finance	2/26/2021	436,844	3,501,657	3,531,447	0.97 %
Preferred shares, Series B-2		2/26/2021	301,750	3,501,661	3,499,998	0.96 %
Total				7,003,318	7,031,445	1.93 %
Enjoy Technology, Inc.**	Menlo Park, CA					
Common shares(3)	On-Demand Commerce	10/16/2014	1,070,919	5,526,777	4,576,572	1.25 %
Neutron Holdings, Inc. (d/b/a/ Lime)	San Francisco, CA					
Junior Preferred shares, Series 1-D	Micromobility	1/25/2019	41,237,113	10,007,322	3,485,014	0.96 %
Junior Preferred Convertible Note 4% Due 5/11/2027***		5/11/2020	$ 506,339	506,339	506,339	0.14 %
Common Warrants, Strike Price $0.01, Expiration Date 5/11/2027		5/11/2020	2,032,967	—	—	— %
Total				10,513,661	3,991,353	1.10 %

See accompanying notes to consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS - continued
December 31, 2021

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
Residential Homes for Rent, LLC (d/b/a Second Avenue)	Chicago, IL					
Preferred shares, Series A[6]	Real Estate Platform	12/23/2020	150,000	$ 1,500,000	$ 1,500,000	0.41 %
Term loan 15%, Due 12/23/2023***[14]		12/23/2020	$ 2,000,000	2,000,000	2,000,000	0.55 %
Total				3,500,000	3,500,000	0.96 %
PayJoy, Inc.	San Francisco, CA					
Preferred shares	Mobile Access Technology	7/23/2021	244,117	2,501,570	2,500,002	0.69 %
Rent the Runway, Inc.**	New York, NY					
Common shares[3]	Subscription Fashion Rental	6/17/2020	339,191	5,153,945	2,418,856	0.66 %
Aventine Property Group, Inc.[12]	Chicago, IL					
Common shares***	Cannabis REIT	9/11/2019	312,500	2,580,750	2,190,978	0.60 %
Commercial Streaming Solutions Inc. (d/b/a BettorView)[2]	Las Vegas, NV					
Simple Agreement for Future Equity	Interactive Media & Services	3/26/2021	1	1,002,720	1,000,000	0.27 %
Rebric, Inc. (d/b/a Compliable)[7]	Denver, CO					
Preferred shares, Series Seed-4	Gaming Licensing	10/12/2021	2,064,409	1,002,755	1,000,000	0.27 %
Palantir Lending Trust SPV I **[11]	Palo Alto, CA					
Equity Participation in Underlying Collateral[3]	Data Analysis	6/19/2020	—	—	930,524	0.26 %
True Global Ventures 4 Plus Pte Ltd[8]**	Singapore, Singapore					
Limited Partner Fund Investment	Venture Investment Fund	8/27/2021	1	713,505	670,000	0.18 %
YouBet Technology, Inc. (d/b/a PickUp)[7]	New York, NY					
Preferred shares, Series Seed-2	Digital Media Technology	8/26/2021	385,353	502,232	499,999	0.14 %
Kahoot! ASA[19]**	Oslo, Norway					
Common shares[3]	Education Software	12/5/2014	86,800	458,138	402,360	0.11 %
Churchill Sponsor VII LLC[17]**	New York, NY					
Common share units	Special Purpose Acquisition Company	2/25/2021	292,100	205,820	205,820	0.06 %
Warrant units		2/25/2021	277,000	94,180	94,180	0.03 %
Total				300,000	300,000	0.09 %
AltC Sponsor LLC[17]**	New York, NY					
Share units	Special Purpose Acquisition Company	7/21/2021	239,300	250,855	250,000	0.07 %
Churchill Sponsor VI LLC[17]**	New York, NY					
Common share units	Special Purpose Acquisition Company	2/25/2021	195,000	134,297	134,297	0.04 %
Warrant units		2/25/2021	199,100	65,703	65,703	0.02 %
Total				200,000	200,000	0.06 %
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][20]		3/3/2016	$ 2,270,458	2,270,858	—	— %
Total				8,421,364	—	— %
Treehouse Real Estate Investment Trust, Inc.[12]	Chicago, IL					
Common shares***	Cannabis REIT	9/11/2019	312,500	4,919,250	—	— %
Kinetiq Holdings, LLC	Philadelphia, PA					
Common shares, Class A	Social Data Platform	3/30/2012	112,374	—	—	— %
Total Non-controlled/Non-affiliate				**$ 146,360,300**	**$ 231,768,290**	**63.53 %**

See accompanying notes to consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS - continued
December 31, 2021

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
NON-CONTROLLED/AFFILIATE[1]						
StormWind, LLC[5]	Scottsdale, AZ					
Preferred shares, Series D 8%	Interactive Learning	11/26/2019	329,337	$ 257,267	$ 621,093	0.17 %
Preferred shares, Series C 8%		1/7/2014	2,779,134	4,000,787	6,496,729	1.78 %
Preferred shares, Series B 8%		12/16/2011	3,279,629	2,019,687	4,423,607	1.21 %
Preferred shares, Series A 8%		2/25/2014	366,666	110,000	289,293	0.08 %
Total				6,387,741	11,830,722	3.24 %
OneValley, Inc. (f/k/a NestGSV, Inc.)	San Mateo, CA					
Derivative Security, Expiration Date 8/23/2024[10]	Global Innovation Platform	8/23/2019	1	8,555,124	2,268,268	0.62 %
Convertible Promissory Note 8% Due 8/23/2024[4][10]		2/17/2016	$ 1,010,198	1,030,176	505,099	0.14 %
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	5,000	0.01 %
Total				9,660,759	2,778,367	0.77 %
Ozy Media, Inc.	Mountain View, CA					
Preferred shares, Series C-2 6%	Digital Media Platform	8/31/2016	683,482	2,414,178	—	— %
Common Warrants, Strike Price $0.01, Expiration Date 4/9/2028		4/9/2018	295,565	30,647	—	— %
Preferred shares, Series B 6%		10/3/2014	922,509	4,999,999	—	— %
Preferred shares, Series A 6%		12/11/2013	1,090,909	3,000,200	—	— %
Preferred shares, Series Seed 6%		11/2/2012	500,000	500,000	—	— %
Total				10,945,024	—	— %
Maven Research, Inc.	San Francisco, CA					
Preferred shares, Series C 8%	Knowledge Networks	7/2/2012	318,979	2,000,447	—	— %
Preferred shares, Series B 5%		2/28/2012	49,505	217,206	—	— %
Total				2,217,653	—	— %
Curious.com, Inc.	Menlo Park, CA					
Common shares	Online Education	11/22/2013	1,135,944	12,000,006	—	— %
Total Non-controlled/Affiliate				**$ 41,211,183**	**$ 14,609,089**	**4.01 %**

See accompanying notes to consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS - continued
December 31, 2021

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
CONTROLLED[(2)]						
Architect Capital PayJoy SPV, LLC**	San Francisco, CA					
Membership Interest in Lending SPV***[(15)]	Mobile Finance Technology	3/24/2021	$ 10,000,000	$ 10,006,745	$ 10,000,000	2.74 %
Colombier Sponsor LLC[(17)]**	New York, NY					
Class B Units	Special Purpose Acquisition Company	4/1/2021	1,976,033	1,556,587	1,554,354	0.43 %
Class W Units		4/1/2021	2,700,000	1,159,150	1,157,487	0.32 %
Total				2,715,737	2,711,841	0.75 %
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)	Cupertino, CA					
Preferred shares, Class A[(9)]	Clean Technology	4/15/2014	14,300,000	7,151,412	1,047,033	0.29 %
Common shares		4/15/2014	100,000	10,000	—	— %
Total				7,161,412	1,047,033	0.29 %
Total Controlled				**$ 19,883,894**	**$ 13,758,874**	**3.78 %**
Total Portfolio Investments				**$ 207,455,377**	**$ 260,136,253**	**71.32 %**

See accompanying notes to 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, 2021, 26.91% 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. Refer to "Note 4—Investments at Fair Value".

(4) As of December 31, 2021, the investments noted had been placed on non-accrual status.

(5) SuRo Capital Corp.'s investments in StormWind, LLC are held through SuRo Capital Corp.'s wholly owned subsidiary, GSVC SW Holdings, Inc.

(6) SuRo Capital Corp.'s investments in preferred shares in Residential Homes for Rent, LLC (d/b/a Second Avenue) are held through SuRo Capital Corp.'s wholly owned subsidiary, GSVC AV Holdings, Inc.

(7) SuRo Capital Corp.'s investments in Commercial Streaming Solutions Inc. (d/b/a BettorView), YouBet Technology, Inc. (d/b/a PickUp), and Rebric Inc. (d/b/a Compliable) are held through SuRo Capital Corp.'s wholly owned subsidiary, SuRo Capital Sports, LLC ("SuRo Sports").

(8) SuRo Capital Corp.'s investments in True Global Ventures 4 Plus Pte Ltd are held through SuRo Capital Corp.'s wholly owned subsidiary, GSVC SVDS Holdings, Inc. As of December 31, 2021, $0.7 million of a $2.0 million capital commitment to True Global Ventures 4 Plus Fund LP had been called and funded.

(9) The SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.) preferred shares held by SuRo Capital Corp. do not entitle SuRo Capital Corp. to a preferred dividend. SuRo Capital Corp. does not anticipate that SPBRX, INC. will pay distributions on a quarterly or regular basis or become a predictable distributor of distributions.

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

(11) As of December 31, 2021, 512,290 Class A common shares remain in Palantir Lending Trust SPV I, none of which are subject to lock-up restrictions.

(12) On January 1, 2021, Treehouse Real Estate Investment Trust, Inc. completed its spin off of 34.4% of its assets into Aventine Property Group, Inc. During the year ended December 31, 2021, Aventine Property Group, Inc. declared an aggregate of $0.1 million in dividend distributions. During the year ended December 31, 2021, Treehouse Real Estate Investment Trust, Inc. declared an aggregate of $0.2 million in dividend distributions.

(13) On July 30, 2021, A Place for Rover, Inc. executed a business combination, through Nebula Caravel Acquisition Corp., a special purpose acquisition company. Following the merger, A Place for Rover, Inc. changed its name to Rover Group, Inc. and SuRo Capital Corp. received 130,390 additional common shares as a result of the exchange ratio prescribed in the transaction. As of December 31, 2021, SuRo Capital Corp.'s common shares in Rover Group, Inc. were subject to certain lock-up restrictions.

(14) During the year ended December 31, 2021, approximately $1.4 million has been received from Residential Homes for Rent, LLC (d/b/a Second Avenue) related to the 15% term loan due December 23, 2023. Of the proceeds received, approximately $1.0 million repaid a portion of the outstanding principal and approximately $0.4 million was attributed to interest.

(15) As of December 31, 2021, the total $10.0 million capital commitment representing SuRo Capital Corp.'s Membership Interest in Architect Capital PayJoy SPV, LLC had been called and funded.

(16) During the year ended December 31, 2021, NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.) declared an aggregate of approximately $0.3 million in dividend distributions. SuRo Capital Corp. does not anticipate that NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.) will pay distributions on a recurring or regular basis or become a predictable distributor of distributions. On August 20, 2021, NewLake Capital Partners, Inc.(f/k/a GreenAcreage Real Estate Corp.) went public via an initial public offering on the OTCQX. As of December 31, 2021, none of SuRo Capital Corp.'s common shares in NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.) were subject to lock-up restrictions.

(17) Denotes an investment that is the sponsor of a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses.

(18) On June 11, 2021, Churchill Capital Corp. II, a special purpose acquisition company, executed a private investment in public equity transaction in order to acquire shares of Software Luxembourg Holding S.A. alongside the merger of Software Luxembourg Holding S.A. and Churchill Capital Corp. II. Following the merger, Software Luxembourg Holding S.A. changed its name to Skillsoft Corp. As of December 31, 2021, none of SuRo Capital Corp.'s common shares in Skillsoft Corp. were subject to lock-up restrictions.

(19) On September 3, 2021, Clever, Inc. completed its sale to Kahoot! ASA. In connection with this transaction, SuRo Capital Corp. received 86,800 common shares in Kahoot! ASA in addition to cash proceeds and amounts currently held in escrow. SuRo Capital Corp. is also eligible to receive cash and Kahoot! ASA common shares subject to certain earn-out provisions and contingencies. As of December 31, 2021, SuRo Capital Corp.'s common shares in Kahoot! ASA were subject to certain lock-up restrictions.

(20) During the year ended December 31, 2021, Fullbridge, Inc.'s obligations under its financing arrangements with the Company became past due.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2020

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
NON-CONTROLLED/NON-AFFILIATE						
Palantir Technologies, Inc.****	Palo Alto, CA					
Common shares, Class A[3][13]	Data Analysis	5/7/2012	4,618,952	$ 12,875,126	$ 94,635,398	31.38 %
Coursera, Inc.	Mountain View, CA					
Preferred shares, Series F 8%	Online Education	7/15/2020	166,962	2,840,017	2,838,354	0.94 %
Preferred shares, Series B 8%		6/9/2013	2,961,399	14,519,519	50,343,783	16.69 %
Total				17,359,536	53,182,137	17.63 %
Course Hero, Inc.	Redwood City, CA					
Preferred shares, Series A 8%	Online Education	9/18/2014	2,145,509	5,000,001	35,079,072	11.63 %
Nextdoor.com, Inc.	San Francisco, CA					
Common shares	Social Networking	9/27/2018	580,360	10,002,666	12,832,208	4.25 %
Blink Health, Inc.	New York, NY					
Preferred shares, Series A	Pharmaceutical Technology	10/27/2020	238,095	5,000,423	4,999,995	1.66 %
Preferred shares, Series C		10/27/2020	130,972	5,002,932	4,999,987	1.66 %
Total				10,003,355	9,999,982	3.32 %
Forge Global, Inc.[15]	San Francisco, CA					
Common shares, Class AA	Online Marketplace Finance	7/20/2011	614,042	123,987	7,624,437	2.53 %
Junior Preferred shares		7/19/2011	160,534	2,259,716	1,993,319	0.66 %
Junior Preferred warrants, Strike Price $12.42, Expiration Date 11/9/2025		7/19/2011	73,695	—	279,303	0.09 %
Total				2,383,703	9,897,059	3.28 %
Enjoy Technology, Inc.	Menlo Park, CA					
Preferred shares, Series B 6%	On-Demand Commerce	7/29/2015	1,681,520	4,000,280	5,032,724	1.67 %
Preferred shares, Series A 6%		10/16/2014	879,198	1,002,440	1,536,980	0.51 %
Convertible Promissory Note 14% Due 1/30/2024***		11/30/2020	$ 521,112	524,057	521,112	0.17 %
Total				5,526,777	7,090,816	2.35 %
Rent the Runway, Inc.	New York, NY					
Preferred shares, Series G	Subscription Fashion Rental	6/17/2020	339,191	5,153,945	5,000,001	1.66 %
Residential Homes for Rent, LLC (d/b/a Second Avenue)[16]	Chicago, IL					
Preferred shares, Series A	Real Estate Platform	12/23/2020	150,000	1,500,000	1,500,000	0.50 %
Term loan 15%, Due 12/23/2023***		12/23/2020	$ 3,000,000	3,000,000	3,000,000	0.99 %
Total				4,500,000	4,500,000	1.49 %
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	1.16 %
Junior Preferred Convertible Note 4% Due 5/11/2027***		5/11/2020	$ 506,339	506,339	506,339	0.17 %
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	1.33 %
Aspiration Partners, Inc.	Marina Del Rey, CA					
Preferred shares, Series A	Financial Services	8/11/2015	540,270	1,001,815	3,288,548	1.09 %
Preferred shares, Series C-3 [12]		8/12/2019	24,912	281,190	169,599	0.06 %
Total				1,283,005	3,458,147	1.15 %
Treehouse Real Estate Investment Trust, Inc.	Chicago, IL					
Common shares***[8]	Cannabis REIT	9/11/2019	312,500	7,500,000	3,321,626	1.10 %
Palantir Lending Trust SPV I **[10]	Palo Alto, CA					
Equity Participation in Underlying Collateral	Data Analysis	6/19/2020	—	—	2,550,764	0.85 %

See accompanying notes to consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS - continued
December 31, 2020

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
Clever, Inc.	San Francisco, CA					
Preferred shares, Series B 8%	Education Software	12/5/2014	1,799,047	$ 2,000,601	$ 2,000,001	0.66 %
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	1,474,878	0.49 %
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	0.26 %
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	—	— %
SP Holdings Group, Inc.(15)	San Francisco, CA					
Preferred shares, Series B 6%	Online Marketplace Finance	7/19/2011	1,771,653	—	—	— %
Common shares		7/20/2011	770,934	—	—	— %
Total				—	—	— %
Kinetiq Holdings, LLC(14)	Philadelphia, PA					
Common shares, Class A	Social Data Platform	3/30/2012	112,374	—	—	— %
Total Non-controlled/Non-affiliate				**$ 105,339,169**	**$ 249,804,803**	**82.83 %**
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	$ 1,865,547	0.62 %
Common Warrants, Strike Price $0.01, Expiration Date 4/9/2028		4/9/2018	295,565	30,647	762,558	0.25 %
Preferred shares, Series B 6%		10/3/2014	922,509	4,999,999	3,350,952	1.11 %
Preferred shares, Series A 6%		12/11/2013	1,090,909	3,000,200	2,824,679	0.94 %
Preferred shares, Series Seed 6%		11/2/2012	500,000	500,000	1,294,645	0.43 %
Total				10,945,024	10,098,381	3.35 %
GreenAcreage Real Estate Corp.	New York, NY					
Common shares***(9)	Cannabis REIT	8/12/2019	422,586	8,509,633	8,937,690	2.96 %
StormWind, LLC(5)	Scottsdale, AZ					
Preferred shares, Series D 8%	Interactive Learning	11/26/2019	329,337	257,267	440,515	0.15 %
Preferred shares, Series C 8%		1/7/2014	2,779,134	4,000,787	4,804,218	1.59 %
Preferred shares, Series B 8%		12/16/2011	3,279,629	2,019,687	2,625,365	0.87 %
Preferred shares, Series A 8%		2/25/2014	366,666	110,000	88,248	0.03 %
Total				6,387,741	7,958,346	2.64 %
NestGSV, Inc. (d/b/a OneValley, Inc.)	San Mateo, CA					
Derivative Security, Expiration Date 8/23/2024(7)	Global Innovation Platform	8/23/2019	1	8,555,124	2,173,148	0.72 %
Convertible Promissory Note 8% Due 8/23/2024(4)(7)		2/17/2016	$ 1,010,198	1,030,176	505,099	0.17 %
Preferred Warrants Series A-3, Strike Price $1.33, Expiration Date 4/4/2021		4/4/2014	187,500	—	4,687	— %
Preferred Warrants Series A-4, Strike Price $1.33, Expiration Date 10/6/2021		10/6/2014	500,000	—	65,000	0.02 %
Preferred Warrants Series A-4, Strike Price $1.33, Expiration Date 7/18/2021		7/8/2016	250,000	74,380	27,500	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	9,250	0.00 %
Total				9,764,414	2,784,684	0.92 %

See accompanying notes to consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS - continued
December 31, 2020

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
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	$ 312,790	0.10 %
Convertible preferred shares, Series D 6%		5/31/2013	169,033	778,607	73,882	0.02 %
Convertible preferred shares, Series C 8%		3/29/2012	615,763	2,006,077	—	— %
Total				4,040,875	386,672	0.12 %
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				**$ 53,865,346**	**$ 30,165,773**	**10.00 %**
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	$ 809,198	0.27 %
Common shares		4/15/2014	100,000	10,000	—	— %
Total				7,161,412	809,198	0.27 %
Total Controlled				**$ 7,161,412**	**$ 809,198**	**0.27 %**
Total Portfolio Investments				**$ 166,365,927**	**$ 280,779,774**	**93.10 %**
U.S. Treasury						
U.S. Treasury bill, 0%, due 1/2/2021***[(3)]		12/30/2020	$ 150,000,000	150,000,000	150,000,000	49.74 %
TOTAL INVESTMENTS				**$ 316,365,927**	**$ 430,779,774**	**142.83 %**

See accompanying notes to 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, 2020, 22.56% 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, 2020, 1 portfolio investment held by SuRo Capital Corp. was considered Level 1 or Level 2. Refer to "Note 4—Investments at Fair Value".

(4) As of December 31, 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 year ended December 31, 2020, SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.) declared, and SuRo Capital Corp. received, an aggregate of $450,000 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.

(7) On August 23, 2019, SuRo Capital Corp. amended the structure of its investment in NestGSV, Inc. (d/b/a OneValley, 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 OneValley,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 OneValley, Inc.) at the end of the five year period.

(8) During the year ended December 31, 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 year ended December 31, 2020, GreenAcreage Real Estate Corp. declared an aggregate of $317,617 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 $6,900,000, 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. As of December 31, 2020, $8,671,618 has been received from Palantir Lending Trust SPV I. Of the proceeds received, $6,900,000 fully repaid the outstanding principal, $782,125 was attributed to the accrued guaranteed interest, and $989,494 was generated by the Equity Participation in Underlying Collateral. As of December 31, 2020, the balance of the loan and all guaranteed interest has been fully repaid, and SuRo Capital Corp. retains the right to upside on 1,312,290 shares as captured in the Equity Participation in Underlying Collateral security.

(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 Technologies, 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. As of December 31, 2020, SuRo Capital Corp. holds 4,618,952 public shares of Palantir Technologies, Inc. common stock, all of which are subject to certain lock-up restrictions.

(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.

(15) On November 9, 2020, SharesPost, Inc. completed its merger with Forge Global, Inc. As part of the merger, SuRo Capital Corp. received Class AA Common Shares, Junior Preferred Stock and Junior Warrants of Forge. In addition, as part of the merger, certain assets held by SharesPost, Inc. that were not acquired by Forge were spun-out into a new entity called SP Holdings Group, Inc. In addition to the shares received from Forge, SuRo Capital Corp. also received Series B Preferred Stock and Common Shares in SP Holdings Group, Inc.

(16) SuRo Capital Corp.'s investments in Residential Homes for Rent, LLC (d/b/a Second Avenue) are held through SuRo Capital Corp.'s wholly owned subsidiary, GSVC AV Holdings, Inc.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

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 Global Select Market under the symbol “SSSS” (formerly "GSVC"). Prior to November 24, 2021, our common stock traded on the Nasdaq Capital Market under the same symbol ("SSSS"). The Company began its investment operations during the second quarter of 2011.

The table below displays the Company’s subsidiaries as of December 31, 2021, which, other than GSV Capital Lending, LLC (“GCL”) and SuRo Capital Sports, LLC, are collectively referred to as the “Taxable Subsidiaries.” The Taxable Subsidiaries were formed to hold portfolio investments. The Taxable Subsidiaries, including their associated portfolio investments, are consolidated with the Company for accounting purposes, but have elected to be treated as separate entities for U.S. federal income tax purposes. GCL was formed to originate portfolio loan investments within the state of California and is consolidated with the Company for accounting purposes. Refer to “Note 2—Significant Accounting Policies—*Basis of Consolidation*” below for further detail.

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

The Company’s investment objective is to maximize its portfolio’s total return, principally by seeking capital gains on its equity and equity-related investments, and to a lesser extent, income from debt investments. The Company invests principally in the equity securities of what it believes to be rapidly growing venture-capital-backed emerging companies. The Company may 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. In addition, the Company may invest in private credit and in founders equity, founders warrants, forward purchase agreements, and private investment in public equity transactions of special purpose acquisition companies. 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.

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Basis of Consolidation

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

Use of Estimates

The preparation of consolidated financial statements in accordance with GAAP requires the Company’s management to make a number of significant estimates. These include estimates of the fair value of certain assets and liabilities and other estimates that affect the reported amounts of certain assets and liabilities as of the date of the consolidated financial statements and the reported amounts of certain revenues and expenses during the reporting period. It is likely that changes in these estimates 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-K for a detailed discussion of the risks and uncertainties inherent in the nature of the Company’s operations. Refer to “Note 4—Investments at Fair Value” for an overview of the Company’s industry and geographic concentrations.

Investments at Fair Value

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

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

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

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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 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 recognized as a realized loss on investments in the Consolidated Statements of Operations and Consolidated Statements of Cash Flows. In the event these securities are exercised into common or preferred stock, the cost associated with these securities is reassigned to the cost basis of the new common or preferred stock. These conversions are noted as non-cash operating items on the Consolidated Statements of Cash Flows.

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.

Special Purpose Acquisition Companies

The Company's Board of Directors measures its Special Purpose Acquisition Company ("SPAC") investments at fair value, which is equivalent to cost until a SPAC transaction is announced. After a SPAC transaction is announced, the Company's Board of Directors will ascribe value to SPAC investments based on fair value analyses that can include option pricing models, probability-weighted expected return method analyses and other techniques as deemed appropriate. Upon completion of the SPAC transaction, the Company utilizes the public share price of the entity, less a discount for lack of marketability if there are restrictions on selling. The Company's SPAC investments 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 Consolidated Schedules of Investments as of December 31, 2021 and December 31, 2020, 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.

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., Bridge Bank (a subsidiary of 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 are held in escrow as a recourse for indemnity claims that may arise under the sale agreement or other related transaction contingencies. Amounts held in escrow are held at estimated realizable value and included in net realized gains (losses) on investments in the Consolidated Statements of Operations for the period in which they occurred and are adjusted as needed. Any remaining escrow proceeds balances from these transactions reasonably expected to be received are reflected on the Consolidated Statement of Assets and Liabilities as escrow proceeds receivable. Escrow proceeds receivable resulting from contingent consideration is to be recognized when the amount of the contingent consideration becomes realized or realizable. As of December 31, 2021 and December 31, 2020, the Company had $2,046,645 and $852,462, respectively, in escrow proceeds receivable.

Deferred Financing Costs

The Company records origination costs related to lines of credit as deferred financing costs. These costs are deferred and amortized as part of interest expense using the straight-line method over the respective life of the line of credit. For modifications to a line of credit, any unamortized origination costs are expensed. Included within deferred financing costs are offering costs incurred relating to the Company's shelf registration statement on Form N-2. The Company defers these offering costs until capital is raised pursuant to the shelf registration statement or until the shelf registration statement expires. For equity capital raised, the offering costs reduce paid-in capital resulting from the offering. For debt capital raised, the associated offering costs are amortized over the life of the debt instrument. As of December 31, 2021 and December 31, 2020, the Company had deferred financing costs of $621,719 and $297,196, respectively, on the Consolidated Statement of Assets and Liabilities.

	December 31, 2021	December 31, 2020
Deferred debt issuance costs	$ 1,970,892	$ —
Deferred offering costs	621,719	297,196
Deferred Financing Costs	$ 2,592,611	$ 297,196

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.

Stock-based Compensation

Using the fair value recognition provisions as prescribed by ASC 718, *Stock Compensation*, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the appropriate service period. Determining the fair value of stock-based awards requires considerable judgment, including estimating the expected term of stock options and the expected volatility of 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 Consolidated Statement of Assets and Liabilities as escrow deposits. As of December 31, 2021 and December 31, 2020, 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 the sum of 90% of our investment company taxable income ("ICTI"), including payment-in-kind interest income, as defined by the Code, and 90% of our 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.

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

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

Recently Issued or Adopted Accounting Standards

In April 2020, as part of the *Securities Offering Reform for Closed-End Investment Companies* final rule, the SEC adopted certain structured data reporting requirements for BDCs to submit financial statement information using Inline eXtensible Business Reporting Language (XBRL) format to the extent required of operating companies. BDCs that are eligible to file a short-form registration statement will be subject to the above structuring requirements with respect to Forms filed on or after August 1, 2022. Other BDCs will be subject in to the requirements with respect to Forms filed on or after February 1, 2023. The Company is currently assessing the impact of this standard on our financial condition and results of operations.

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

In October 2020, the FASB issued ASU 2020-10, Codification Improvements, which made various technical changes and corrections intended to provide clarifications to existing guidance, as well as simplifications to wording or structure of existing guidance. The Company adopted the modified disclosure requirements during the period ended March 31, 2021.

In December 2020, the SEC adopted rule 2a-5, which established requirements for satisfying a fund board's obligation to determine fair value in good faith for purposes of the Investment Company Act of 1940. The rule permits boards to assign the determination to a “valuation designee,” who may be the fund’s investment adviser or, if the fund is internally managed, an officer of the fund. The rule also defines a market quotation as “readily available” only when that quotation is a quoted price (unadjusted) in active markets for identical investments that the fund can access at the measurement date. In connection with the adoption of new rule 2a-5, the Commission also adopted new rule 31a-4, which requires funds to maintain documentation to support fair value determinations and documentation related to the designation of the valuation designee. The Company is evaluating the impact of adopting these new rules and intends to comply with their requirements on or before the compliance date in September 2022.

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

NOTE 3—RELATED-PARTY ARRANGEMENTS

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.

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.

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 provided 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 included 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 continued for eighteen months in accordance with its terms. Pursuant to the Consulting Agreement, we paid 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 years ended December 31, 2021, 2020, and 2019, the Company incurred $0, $582,438 and $667,563, respectively, of consulting expense, as included in "professional fees" on the Consolidated Statements of Operations, related to the Consulting Agreement.

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 continued for eighteen months in accordance with its terms. Pursuant to the Amended and Restated License Agreement, we paid 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 years ended December 31, 2021, 2020, and 2019, the Company incurred $0, $582,438 and $667,563, respectively, of licensing expense, as included in "other expenses" on the Consolidated Statements of Operations, related to the Amended and Restated License Agreement.

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 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.

For the years ended December 31, 2021 and 2020, the Company did not accrue or waive any management fees due to the termination of the Investment Advisory Agreement, effective March 12, 2019. GSV Asset Management earned $848,723 in management fees for the year ended December 31, 2019, and waived $0 in management fees for the year ended December 31, 2019.

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

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 years ended December 31, 2021 and 2020, the Company did not accrue any incentive fees due to the termination of the Investment Advisory Agreement, effective March 12, 2019. For the year ended December 31, 2019, the Company reversed previously accrued incentive fees of $4,660,472, 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 December 31, 2021, 2020, and 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.

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 years ended December 31, 2021 and 2020, the Company did not incur any costs under the Administration Agreement due to the termination of the Investment Advisory Agreement, effective March 12, 2019. For the year ended

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December 31, 2019, the Company incurred $306,084 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

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

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

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

The Company’s investment in Churchill Sponsor VI LLC, the sponsor of Churchill Capital Corp VI, a special purpose acquisition company, constituted a “remote-affiliate” transaction for purposes of the 1940 Act in light of the fact that Mark D. Klein, our Chairman, Chief Executive Officer and President, has a non-controlling interest in the entity that controls Churchill Sponsor VI LLC, and is a non-controlling member of the board of directors of Churchill Capital Corp VI. The Company’s investment in Churchill Sponsor VII LLC, the sponsor of Churchill Capital Corp VII, a special purpose acquisition company, also constituted a “remote-affiliate” transaction for purposes of the 1940 Act in light of the fact that Mr. Klein has a non-controlling interest in the entity that controls Churchill Sponsor VII LLC, and is a non-controlling member of the board of directors of Churchill Capital Corp VII. In addition, Mr. Klein's brother, Michael Klein, is a control person of such Churchill entities. As of December 31, 2021, the fair values of the Company’s investments in Churchill Sponsor VI LLC and Churchill Sponsor VII LLC were $200,000 and $300,000, respectively.

The Company's investment in Skillsoft Corp. (f/k/a Software Luxembourg Holding S.A.) (“Skillsoft”) constituted a “remote-affiliate” transaction for purposes of the 1940 Act in light of the fact that Mr. Klein has a non-controlling interest in the entity that controls Churchill Sponsor II LLC, the sponsor of Churchill Capital Corp II, a special purpose acquisition company, and is a non-controlling member of the board of directors of Churchill Capital Corp II, through which the Company executed a

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private investment in public equity transaction in order to acquire common shares of Skillsoft alongside the merger of Skillsoft and Churchill Capital Corp II. In addition, Mr. Klein's brother, Michael Klein, is a control person of such Churchill entities. As of December 31, 2021, the fair value of the Company’s investment in Skillsoft Corp. was $8,983,863.

Keri Findley, a senior managing director of the Company, is a non-controlling member of the board of directors of Shogun Enterprises, Inc., one of the Company’s portfolio companies, and holds a minority equity interest in such portfolio company. Ms. Findley also is a non-controlling member of the board of directors of the investment manager to Architect Capital PayJoy SPV, LLC, one of the Company’s portfolio companies, and holds a minority equity interest in such investment manager. As of December 31, 2021, the fair values of the Company’s investments in Shogun Enterprises, Inc. and Architect Capital PayJoy SPV, LLC were $7,031,445 and $10,000,000, respectively.

In addition, Keri Findley and Claire Councill, an investment professional of the Company, are non-controlling members of the board of directors of Colombier Acquisition Corp., a special purpose acquisition company, which is sponsored by Colombier Sponsor LLC, one of the Company's portfolio companies. The Company's investment in AltC Sponsor LLC, the sponsor of AltC Acquisition Corp, a special purpose acquisition company, constituted a “remote-affiliate” transaction for purposes of the 1940 Act in light of the fact that Mark D. Klein, the Company's Chairman, Chief Executive Officer and President, has a non-controlling interest in one of the entities that controls AltC Sponsor LLC, and Allison Green, the Company's Chief Financial Officer, Chief Compliance Officer, Treasurer and Secretary, is a non-controlling member of the board of directors of AltC Acquisition Corp. As of December 31, 2021, the fair values of the Company’s investments in Colombier Sponsor LLC and AltC Sponsor LLC were $2,711,841 and $250,000, respectively.

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NOTE 4—INVESTMENTS AT FAIR VALUE

Investment Portfolio Composition

The Company’s investments in portfolio companies consist primarily of equity securities (such as common stock, preferred stock and options to purchase common and preferred stock) and to a lesser extent, debt securities, issued by private and publicly traded companies. The Company may also, from time to time, invest in U.S. Treasury securities. Non-portfolio investments represent investments in U.S. Treasury securities. As of December 31, 2021, the Company had 64 positions in 38 portfolio companies. As of December 31, 2020, the Company had 57 positions in 27 portfolio companies.

The following tables summarize the composition of the Company’s investment portfolio by security type at cost and fair value as of December 31, 2021 and December 31, 2020:

	December 31, 2021			December 31, 2020		
	Cost	Fair Value	Percentage of Net Assets	Cost	Fair Value	Percentage of Net Assets
Private Portfolio Companies						
Preferred Stock	$ 99,964,047	$ 163,801,798	44.9 %	$ 89,335,378	$ 141,235,987	46.9 %
Common Stock	51,581,524	42,860,156	11.7 %	46,802,917	34,190,839	11.3 %
Debt Investments	5,807,373	3,011,438	0.8 %	8,587,621	4,845,340	1.6 %
Options	10,982,983	4,959,112	1.4 %	8,764,885	5,872,210	1.9 %
Total Private Portfolio Companies	168,335,927	214,632,504	58.8 %	153,490,801	186,144,376	61.7 %
Publicly Traded Portfolio Companies						
Common Stock	39,119,450	44,573,225	12.2 %	12,875,126	94,635,398	31.4 %
Options	—	930,524	0.3 %	—	—	— %
Total Publicly Traded Portfolio Companies	39,119,450	45,503,749	12.5 %	12,875,126	94,635,398	31.4 %
Total Portfolio Investments	207,455,377	260,136,253	71.3 %	166,365,927	280,779,774	93.1 %
Non-Portfolio Investments						
U.S. Treasury Bills	—	—	— %	150,000,000	150,000,000	49.7 %
Total Investments	$ 207,455,377	$ 260,136,253	71.3 %	$ 316,365,927	$ 430,779,774	142.8 %

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The geographic and industrial compositions of the Company's portfolio at fair value as of December 31, 2021 and December 31, 2020 were as follows:

	As of December 31, 2021			As of December 31, 2020		
	Fair Value	Percentage of Portfolio	Percentage of Net Assets	Fair Value	Percentage of Portfolio	Percentage of Net Assets
Geographic Region						
West	$ 188,304,542	72.4 %	51.6 %	$ 248,633,803	88.5 %	82.4 %
Northeast	47,666,629	18.3 %	13.1 %	24,324,345	8.7 %	8.1 %
Mid-west	12,722,423	4.9 %	3.5 %	7,821,626	2.8 %	2.6 %
International	11,442,659	4.4 %	3.1 %	—	— %	— %
Total	$ 260,136,253	100.0 %	71.3 %	$ 280,779,774	100.0 %	93.1 %

	As of December 31, 2021			As of December 31, 2020		
	Fair Value	Percentage of Portfolio	Percentage of Net Assets	Fair Value	Percentage of Portfolio	Percentage of Net Assets
Industry						
Education Technology	$ 109,048,688	41.9 %	29.9 %	$ 99,397,589	35.4 %	33.0 %
Financial Technology	71,954,012	27.7 %	19.7 %	25,614,522	9.1 %	8.5 %
Marketplaces	49,346,174	19.0 %	13.5 %	34,841,714	12.4 %	11.6 %
Social/Mobile	16,439,523	6.3 %	4.5 %	22,930,589	8.2 %	7.6 %
Big Data/Cloud	12,300,823	4.7 %	3.4 %	97,186,162	34.6 %	32.1 %
Sustainability	1,047,033	0.4 %	0.3 %	809,198	0.3 %	0.3 %
Total	$ 260,136,253	100.0 %	71.3 %	$ 280,779,774	100.0 %	93.1 %

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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
	Interactive Learning
	Online Education
Big Data/Cloud	Data Analysis
	Gaming Licensing
	Retail Technology
Marketplaces	Global Innovation Platform
	Knowledge Networks
	Micromobility
	On-Demand Commerce
	Peer-to-Peer Pet Services
	Pharmaceutical Technology
	Real Estate Platform
	Subscription Fashion Rental
Financial Technology	Cannabis REIT
	Financial Services
	Home Improvement Finance
	Mobile Finance Technology
	Online Marketplace Finance
	Retail Technology
	Special Purpose Acquisition Company
	Venture Investment Fund
Social/Mobile	Digital Media Platform
	Digital Media Technology
	Interactive Media & Services
	Mobile Access Technology
	Social Data Platform
	Social Networking
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 December 31, 2021 and December 31, 2020 are as follows:

	As of December 31, 2021			
	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	$ —	$ —	$ 163,801,798	$ 163,801,798
Common Stock	—	—	42,860,156	42,860,156
Debt Investments	—	—	3,011,438	3,011,438
Options	—	—	4,959,112	4,959,112
Private Portfolio Companies	—	—	214,632,504	214,632,504
Publicly Traded Portfolio Companies				
Common Stock	16,970,411	27,602,814	—	44,573,225
Options	—	930,524	—	930,524
Publicly Traded Portfolio Companies	16,970,411	28,533,338	—	45,503,749
Total Investments at Fair Value	$ 16,970,411	$ 28,533,338	$ 214,632,504	$ 260,136,253

	As of December 31, 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	$ —	$ —	$ 141,235,987	$ 141,235,987
Common Stock	—	—	34,190,839	34,190,839
Debt Investments	—	—	4,845,340	4,845,340
Options	—	—	5,872,210	5,872,210
Private Portfolio Companies	—	—	186,144,376	186,144,376
Publicly Traded Portfolio Companies				
Common Stock	—	94,635,398	—	94,635,398
Total Portfolio Investments	—	94,635,398	186,144,376	280,779,774
Non-Portfolio Investments				
U.S. Treasury bills	150,000,000	—	—	150,000,000
Total Investments at Fair Value	$ 150,000,000	$ 94,635,398	$ 186,144,376	$ 430,779,774

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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 December 31, 2021 and December 31, 2020. 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 December 31, 2021 and December 31, 2020. Significant changes in the inputs in isolation would result in a significant change in the fair value measurement, depending on the input and the materiality of the investment. Refer to "Note 2—Significant Accounting Policies—*Investments at Fair Value*" for more detail.

As of December 31, 2021

Asset	Fair Value	Valuation Approach/ Technique(1)	Unobservable Inputs(2)	Range (Weighted Average)(3)
Common stock in private companies	$42,860,156	Market approach	Revenue multiples	1.80x - 9.62x (6.00x)
		Discounted cash flow	Discount rate	15.0% (15.0%)
		PWERM(5)	DLOM(6)	10.0% (10.0%)
			AFFO(4) multiple	23.03 - 36.28x (23.03x)
			Financing Risk	10.0% (10.0%)
Preferred stock in private companies	$163,801,798	Market approach	Revenue multiples	0.53x - 9.62x (6.63x)
		Discounted cash flow	Discount rate	15.0% (15.0%)
		PWERM(5)	Revenue multiples	1.05x - 9.62x (3.04x)
			DLOM(6)	10.0% (10.0%)
			Financing Risk	10.0% (10.0%)
Debt investments	$3,011,438	Market approach	Revenue multiples	1.74x - 2.91x (1.95x)
Options	$4,959,112	Option pricing model	Term to expiration (Years)	0.17 - 6.61 (3.08)
			Volatility	37.7% - 56.5% (37.7%)
		Discounted cash flow	Discount Rate	15.0% (15.0%)

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(1) As of December 31, 2021, 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. In considering multiple valuation approaches (and consequently, multiple valuation techniques), the valuation approaches and techniques are not likely to change from one period of measurement to the next; however, the weighting of each in determining the final fair value of a Level 3 investment may change based on recent events or transactions. The hybrid approach may also consider certain risk weightings to account for the uncertainty of future events. Refer to "Note 2—Significant Accounting Policies—*Investments at Fair Value*" for more detail.

(2) The 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"
(6) Discount for Lack of Marketability, or "DLOM"

As of December 31, 2020

Asset	Fair Value	Valuation Approach/ Technique[1]	Unobservable Inputs[2]	Range (Weighted Average)[3]
Common stock in private companies	$34,190,839	Market approach	AFFO[4] multiple	27.53x (27.53x)
			Revenue multiples	2.12x -6.95x (6.39x)
			Liquidation value	N/A
		Discounted cash flow	Discount rate	12.0% (12.0%)
Preferred stock in private companies	$141,235,987	Market approach	Revenue multiples	1.03x - 4.35x (2.66x)
			Precedent transactions	N/A
		Discounted cash flow	Discount rate	12.0% (12.0%)
		PWERM[5]	Revenue multiples	1.28x - 2.27x (2.06x)
			Precedent transactions	N/A
Debt investments	$4,845,340	Market approach	Revenue multiples	2.12x - 4.35x (2.32x)
		PWERM[5]	Revenue multiples	N/A
			Liquidation value	N/A
Options	$5,872,210	Option pricing model	Term to expiration (Years)	0.26 - 7.36 (4.51)
			Volatility	34.9% - 56.3% (36.8%)
		Discounted cash flow	Discount Rate	12.0% (12.0%)

(1) As of December 31, 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 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 year ended December 31, 2021 as follows:

	Year Ended December 31, 2021				
	Common Stock	Preferred Stock	Debt Investments	Options	Total
Assets:					
Fair Value as of December 31, 2020	$ 34,190,839	$ 141,235,987	$ 4,845,340	$ 5,872,210	$ 186,144,376
Transfers out of Level 3[1]	(31,652,675)	(155,414,652)	(5,211,120)	(1,619,463)	(193,897,910)
Purchases, capitalized fees and interest	36,154,823	43,239,463	—	2,321,752	81,716,038
Sales/Maturity of investments	(61,675)	(10,646,457)	(2,344,979)	—	(13,053,111)
Realized gains/(losses)	204,195	5,551,864	88,788	(103,655)	5,741,192
Net change in unrealized appreciation/(depreciation) included in earnings	4,024,649	139,835,593	5,633,409	(1,511,732)	147,981,919
Fair Value as of December 31, 2021	$ 42,860,156	$ 163,801,798	$ 3,011,438	$ 4,959,112	$ 214,632,504
Net change in unrealized appreciation/ (depreciation) of Level 3 investments still held as of December 31, 2021	$ 6,117,069	$ 46,943,434	$ —	$ (586,899)	$ 52,473,604

(1) During the year ended December 31, 2021, the Company's portfolio investments had the following corporate actions which are reflected above:

o Company	Conversion from	Conversion to
a, Inc.	Preferred shares, Series F 8% Preferred shares, Series B 8%	Public Common shares (Level 2)
ll Capital Corp. II	Common shares, Class A	Skillsoft Corp. Public Common shares (Level 2)
:e Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.)	Common shares	Public Common shares (Level 2)
for Rover, Inc. (f/k/a DogVacay, Inc.)	Common shares	Rover Group, Inc. Public Common shares (Level 2)
'echnology, Inc.	Preferred shares, Series B 6% Preferred shares, Series A 6% Convertible Promissory Note 14% Due 1/30/2024	Public Common shares (Level 2)
ɔr Holdings, Inc.	Common shares	Public Common shares (Level 2)
: Runway, Inc.	Preferred shares, Series G	Public Common shares (Level 2)

SURO CAPITAL CORP. AND SUBSIDIARIES

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The aggregate values of Level 3 assets and liabilities changed during the year ended December 31, 2020 as follows:

	Year Ended December 31, 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[(1)]	(57,736,900)	—	—	—	(57,736,900)
Purchases, capitalized fees, and interest	1,004,190	19,497,839	10,930,996	—	31,433,025
Sales/Maturity of investments	(807,953)	(10,876,624)	(6,899,999)	(989,494)	(19,574,070)
Exercises and conversions[(1)]	—	281,190	(281,190)	—	—
Realized gains/(losses)	(628,452)	6,875,639	(602)	989,494	7,236,079
Net change in unrealized appreciation/(depreciation) included in earnings	33,150,395	9,585	(548,020)	588,704	33,200,664
Fair Value as of December 31, 2020	$ 34,190,839	$ 141,235,987	$ 4,845,340	$ 5,872,210	$ 186,144,376
Net change in unrealized appreciation/ (depreciation) of Level 3 investments still held as of December 31, 2020	$ 6,347,026	$ 10,825,549	$ (508,045)	$ 588,704	$ 17,253,234

(1) During the year ended December 31, 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)
SharesPost, Inc.	Preferred shares, Series B	Forge Global Inc. Junior Preferred shares SP Holdings Group, Inc. Preferred shares Series B
SharesPost, Inc.	Common shares	Forge Global Inc. Common shares, Class AA Forge Junior Warrants, Strike price $12.42, Expiration Date 11/9/2025 SP Holdings Group, Inc. Common Shares

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Schedule of Investments In, and Advances to, Affiliates

Transactions during the year ended December 31, 2021 involving the Company's controlled investments and non-controlled/affiliate investments were as follows:

Type/Industry/Portfolio Company/Investment	Principal/ Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2020	Transfer In/ (Out)	Purchases, Capitalized Fees, Interest and Amortization	Sales	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at December 31, 2021	P of A
CONTROLLED INVESTMENTS*[2]										
Options										
Special Purpose Acquisition Company										
Colombier Sponsor LLC**–Class W Units[9]	2,700,000	$ —	$ —	$ —	$ 1,159,150	$ —	$ —	$ (1,663)	$ 1,157,487	0.
Total Options		—	—	—	1,159,150	—	—	(1,663)	1,157,487	0.
Preferred Stock										
Clean Technology										
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)–Preferred shares, Class A[4]	14,300,000	—	809,198	—	—	—	—	237,835	1,047,033	0.
Total Preferred Stock		—	809,198	—	—	—	—	237,835	1,047,033	0.
Common Stock										
Clean Technology										
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)–Common shares	100,000	—	—	—	—	—	—	—	—	-
Mobile Finance Technology										
Architect Capital PayJoy SPV, LLC**–Membership Interest in Lending SPV***[7]	$ 10,000,000	390,000	—	—	10,006,745	—	—	(6,745)	10,000,000	2.
Special Purpose Acquisition Company										
Colombier Sponsor LLC**–Class B Units[9]	1,976,033	—	—	—	1,556,587	—	—	(2,233)	1,554,354	0.
Total Common Stock		390,000	—	—	11,563,332	—	—	(8,978)	11,554,354	3.
TOTAL CONTROLLED INVESTMENTS*[2]		**$ 390,000**	**$ 809,198**	**$ —**	**$ 12,722,482**	**$ —**	**$ —**	**$ 227,194**	**$ 13,758,874**	**3.**
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	$ —	$ —	$ 312,790	$ —	$ —	$ (1,344,981)	$ 88,789	$ 943,402	$ —	-

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Type/Industry/Portfolio Company/Investment	Principal/ Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2020	Transfer In/ (Out)	Purchases, Capitalized Fees, Interest and Amortization	Sales	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at December 31, 2021	Percentag of Net Assets
Global Innovation Platform										
OneValley, Inc. (f/k/a NestGSV, Inc.) –Convertible Promissory Note 8% Due 8/23/2024[3][6]	$ 1,010,198	$ —	$ 505,099	$ —	$ —	$ —	$ —	$ —	$ 505,099	0.14
Total Debt Investments		—	817,889	—	—	(1,344,981)	88,789	943,402	505,099	0.14
Preferred Stock										
Corporate Education										
CUX, Inc. (d/b/a CorpU)–Convertible preferred shares, Series D 6%	—	—	73,882	—	—	(1,159,243)	380,636	704,725	—	—
CUX, Inc. (d/b/a CorpU) - Convertible preferred shares, Series C 8%	—	—	—	—	—	(3,504,871)	1,498,794	2,006,077	—	—
Total Corporate Education		—	73,882	—	—	(4,664,114)	1,879,430	2,710,802	—	—
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	—	1,865,547	—	—		—	(1,865,547)	—	—
OzyMedia, Inc.–Preferred shares, Series B 6%	922,509	—	3,350,952	—	—	—	—	(3,350,952)	—	—
OzyMedia, Inc.–Preferred shares, Series A 6%	1,090,909	—	2,824,679	—	—	—	—	(2,824,679)	—	—
OzyMedia, Inc.–Preferred shares, Series Seed 6%	500,000	—	1,294,645	—	—	—	—	(1,294,645)	—	—
Total Digital Media Platform		—	9,335,823	—	—	—	—	(9,335,823)	—	—
Interactive Learning										
StormWind, LLC–Preferred shares, Series D 8%[5]	329,337	—	440,515	—	—		—	180,578	621,093	0.17
StormWind, LLC–Preferred shares, Series C 8%[5]	2,779,134	—	4,804,218	—	—	—	—	1,692,511	6,496,729	1.78
StormWind, LLC–Preferred shares, Series B 8%[5]	3,279,629	—	2,625,365	—	—	—	—	1,798,242	4,423,607	1.21

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Type/Industry/Portfolio Company/Investment	Principal/ Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2020	Transfer In/ (Out)	Purchases, Capitalized Fees, Interest and Amortization	Sales	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at December 31, 2021	Percentage of Net Assets
StormWind, LLC–Preferred shares, Series A 8%[5]	366,666	$ —	$ 88,248	$ —	$ —	$ —	$ —	$ 201,045	$ 289,293	0.08
Total Interactive Learning		—	7,958,346	—	—	—	—	3,872,376	11,830,722	3.24
Total Preferred Stock		—	17,368,051	—	—	(4,664,114)	1,879,430	(2,752,645)	11,830,722	3.24
Options										
Digital Media Platform										
Ozy Media, Inc.–Common Warrants, Strike Price $0.01, Expiration Date 4/9/2028	295,565	—	762,558	—	—	—	—	(762,558)	—	—
Global Innovation Platform										
OneValley, Inc. (f/k/a NestGSV, Inc.)–Preferred Warrant Series A-3 - Strike Price $1.33, Expiration Date 4/4/2021	—	—	4,687	—	—	—	—	(4,687)	—	—
OneValley, Inc. (f/k/a NestGSV, Inc.)–Preferred Warrant Series A-4, Strike Price $1.33, Expiration Date 7/18/2021	—	—	27,500	—	—	—	(74,380)	46,880	—	—
OneValley, Inc. (f/k/a NestGSV, Inc.)–Preferred Warrant Series A-4, Strike Price $1.33, Expiration Date 10/6/2021	—	—	65,000	—	—	—	—	(65,000)	—	—
OneValley, Inc. (f/k/a NestGSV, Inc.)–Preferred Warrant Series B, Strike Price $2.31, Expiration Date 11/29/2021	—	—	—	—	—	—	(29,275)	29,275	—	—
OneValley, Inc. (f/k/a NestGSV, Inc.)–Preferred Warrant Series B, Strike Price $2.31, Expiration Date 5/29/2022	125,000	—	—	—	—	—	—	—	—	—
OneValley, Inc. (f/k/a NestGSV, Inc.)–Preferred Warrant Series B, Strike Price $2.31, Expiration Date 12/31/2023	250,000	—	9,250	—	—	—	—	(4,250)	5,000	0.01
Derivative Security, Expiration Date 8/23/2024[6]	1	—	2,173,148	—	—	—	—	95,120	2,268,268	0.62
Total Global Innovation Platform		—	2,279,585	—	—		(103,655)	97,338	2,273,268	0.63
Total Options		—	3,042,143	—	—	—	(103,655)	(665,220)	2,273,268	0.63
Common Stock										
Online Education										
Curious.com, Inc.–Common shares	1,135,944	—	—	—	—	—	—	—	—	—

SURO CAPITAL CORP. AND SUBSIDIARIES

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Type/Industry/Portfolio Company/Investment	Principal/ Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2020	Transfer In/ (Out)	Purchases, Capitalized Fees, Interest and Amortization	Sales	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at December 31, 2021
Cannabis REIT									
NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.)**–Common shares***(8)	—	$ 102,632	$ 8,937,690	$ (9,009,952)	$ 500,319	$ —	$ —	$ (428,057)	$ —
Total Common Stock		102,632	8,937,690	(9,009,952)	500,319	—	—	(428,057)	—
TOTAL NON-CONTROLLED/AFFILIATE INVESTMENTS*(1)		**$ 102,632**	**$ 30,165,773**	**$ (9,009,952)**	**$ 500,319**	**$ (6,009,095)**	**$ 1,864,564**	**$ (2,902,520)**	**$ 14,609,089**

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

** Indicates assets that SuRo Capital Corp. believes do not represent "qualifying assets" under Section 55(a) of the Investment Company Act of 1940, as amended (the "1940 Act"). Of the Company's total investments as of December 31, 2021, 26.91% 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 December 31, 2021, the investments noted had been placed on non-accrual status.

(4) The SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.) preferred shares held by SuRo Capital Corp. do not entitle SuRo Capital Corp. to a preferred dividend rate. SuRo Capital Corp. does not anticipate that SPBRX, INC. will pay distributions on a quarterly or regular basis or become a predictable distributor of distributions.

(5) SuRo Capital Corp.'s investments in StormWind, LLC are held through SuRo Capital Corp.'s wholly owned subsidiary, GSVC SW Holdings, Inc.

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

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(7) As of December 31, 2021, the total $10.0 million capital commitment representing SuRo Capital Corp.'s Membership Interest in Architect Capital PayJoy SPV, LLC had been called and funded.

(8) During the year ended December 31, 2021, NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.) declared an aggregate of approximately $0.3 million in dividend distributions, of which approximately $0.1 million reflects the dividend income earned while NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.) was a non-controlled/affiliate investment. SuRo Capital Corp. does not anticipate that NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.) will pay distributions on a recurring or regular basis or become a predictable distributor of distributions. On August 20, 2021, NewLake Capital Partners, Inc.(f/k/a GreenAcreage Real Estate Corp.) went public via an initial public offering on the OTCQX. As of December 31, 2021, none of SuRo Capital Corp.'s common shares in NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.) were subject to lock-up restrictions.

(9) Colombier Sponsor LLC is the sponsor of Colombier Acquisition Corp., a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses.

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Schedule of Investments In, and Advances to, Affiliates

Transactions during the year ended December 31, 2020 involving the Company's controlled investments and non-controlled/affiliate investments were as follows:

Type/Industry/Portfolio Company/Investment	Principal/ Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2019	Purchases, Capitalized Fees, Interest and Amortization	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at December 31, 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	$ 450,000	$ 775,198	$ —	$ —	$ 34,000	$ 809,198	0.27 %
Total Preferred Stock		450,000	775,198	—	—	34,000	809,198	0.27 %
Common Stock								
Clean Technology								
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)–Common shares	100,000	—	—	—	—	—	—	— %
Total Common Stock		—	—	—	—	—	—	— %
TOTAL CONTROLLED INVESTMENTS*[(2)]		**$ 450,000**	**$ 775,198**	**$ —**	**$ —**	**$ 34,000**	**$ 809,198**	**0.27 %**
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	$ —	$ —	$ 1	$ 312,790	0.10 %
Global Innovation Platform								
NestGSV, Inc. (d/b/a OneValley, Inc.) –Convertible Promissory Note 8% Due 8/23/2024[(3)(6)]	$ 1,010,198	(29,184)	1,010,198	—	—	(505,099)	505,099	0.17 %
Total Debt Investments		(29,184)	1,322,987	—	—	(505,098)	817,889	0.27 %
Preferred Stock								
Corporate Education								
CUX, Inc. (d/b/a CorpU)–Convertible preferred shares, Series D 6%	169,033	—	34,980	—	—	38,902	73,882	0.02 %
CUX, Inc. (d/b/a CorpU) -Convertible preferred shares, Series C 8%	615,763	—	—	—	—	—	—	— %
Total Corporate Education		—	34,980	—	—	38,902	73,882	0.02 %

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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 December 31, 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	—	—	(1,104,705)	1,865,547	0.62 %
OzyMedia, Inc.–Preferred shares, Series B 6%	922,509	—	5,001,420	—	—	(1,650,468)	3,350,952	1.11 %
OzyMedia, Inc.–Preferred shares, Series A 6%	1,090,909	—	4,528,107	—	—	(1,703,428)	2,824,679	0.94 %
OzyMedia, Inc.–Preferred shares, Series Seed 6%	500,000	—	2,002,143	—	—	(707,498)	1,294,645	0.43 %
Total Digital Media Platform		—	14,501,922	—	—	(5,166,099)	9,335,823	3.10 %
Interactive Learning								
StormWind, LLC–Preferred shares, Series D 8%(5)	329,337	—	503,120	—	—	(62,605)	440,515	0.15 %
StormWind, LLC–Preferred shares, Series C 8%(5)	2,779,134	—	5,391,000	—	—	(586,782)	4,804,218	1.59 %
StormWind, LLC–Preferred shares, Series B 8%(5)	3,279,629	—	3,248,804	—	—	(623,439)	2,625,365	0.87 %
StormWind, LLC–Preferred shares, Series A 8%(5)	366,666	—	157,949	—	—	(69,701)	88,248	0.03 %
Total Interactive Learning		—	9,300,873	—	—	(1,342,527)	7,958,346	2.64 %
Total Preferred Stock		—	23,837,775	—	—	(6,469,724)	17,368,051	5.76 %
Options								
Digital Media Platform								
OzyMedia, Inc.–Common Warrants, Strike Price $0.01, Expiration Date 4/9/2028	295,565	—	1,182,260	—	—	(419,702)	762,558	0.25 %
Global Innovation Platform								
NestGSV, Inc. (d/b/a OneValley, Inc.)–Preferred Warrant Series A-3, Strike Price $1.33, Expiration Date 4/4/2021	187,500	—	20,625	—	—	(15,938)	4,687	— %
NestGSV, Inc. (d/b/a OneValley, Inc.)–Preferred Warrant Series A-4, Strike Price $1.33, Expiration Date 10/6/2021	500,000	—	135,000	—	—	(70,000)	65,000	0.02 %
NestGSV, Inc. (d/b/a OneValley, Inc.)–Preferred Warrant Series A-4, Strike Price $1.33, Expiration Date 7/18/2021	250,000	—	62,500	—	—	(35,000)	27,500	0.01 %
NestGSV, Inc. (d/b/a OneValley, Inc.)–Preferred Warrant Series B, Strike Price $2.31, Expiration Date 11/29/2021	100,000	—	—	—	—	—	—	— %

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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 December 31, 2020	Percentage of Net Assets
NestGSV, Inc. (d/b/a OneValley, Inc.)–Preferred Warrant Series B, Strike Price $2.31, Expiration Date 5/29/2022	125,000	$ —	$ —	$ —	$ —	$ —	$ —	— %
NestGSV, Inc. (d/b/a OneValley, Inc.)–Preferred Warrant Series B, Strike Price $2.31, Expiration Date 12/31/2023	250,000	—	2,500	—	—	6,750	9,250	— %
Derivative Security, Expiration Date 8/23/2024[6]	1	—	3,880,621	—	—	(1,707,473)	2,173,148	0.72 %
Total Global Innovation Platform		—	4,101,246	—	—	(1,821,661)	2,279,585	0.75 %
Total Options		—	5,283,506	—	—	(2,241,363)	3,042,143	1.00 %
Common Stock								
Online Education								
Curious.com, Inc.–Common shares	1,135,944	—	—	—	—	—	—	— %
Cannabis REIT								
GreenAcreage Real Estate Corp. -Common shares***[7]	422,586	317,617	7,500,000	1,008,103	—	429,587	8,937,690	2.96 %
Total Common Stock		317,617	7,500,000	1,008,103	—	429,587	8,937,690	2.96 %
TOTAL NON-CONTROLLED/AFFILIATE INVESTMENTS*[(1)]		**$ 288,433**	**$ 37,944,268**	**$ 1,008,103**	**$ —**	**$ (8,786,598)**	**$ 30,165,773**	**10.00 %**

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

** Indicates assets that SuRo Capital Corp. believes do not represent "qualifying assets" under Section 55(a) of the Investment Company Act of 1940, as amended (the "1940 Act"). Of the Company's total investments as of December 31, 2020, 22.56% 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 December 31, 2020, the investments noted had been placed on non-accrual status.

(4) The SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.) preferred shares held by SuRo Capital Corp. do not entitle SuRo Capital Corp. to a preferred dividend rate. During the year ended December 31, 2020, SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.) declared, and SuRo Capital Corp. received, an aggregate of $450,000 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 OneValley, 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 OneValley,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 OneValley, Inc.) at the end of the five year period.

(7) During the year ended December 31, 2020, GreenAcreage Real Estate Corp. declared an aggregate of $317,617 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.

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. 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 our common stock. On October 27, 2021, our Board of Directors approved an extension of the Share Repurchase Program until the earlier of (i) October 31, 2022 or (ii) the repurchase of $40.0 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 year ended December 31, 2021, the Company did not repurchase shares of common stock under the Share Repurchase Program. During the year ended December 31, 2020, the Company repurchased 1,655,848 shares of the Company's common stock. As of December 31, 2021, the dollar value of shares that remained available to be purchased by the Company under the Share Repurchase Program was approximately $9.6 million.

Amended and Restated 2019 Equity Incentive Plan

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

Dividends Paid in Common Stock

On May 4, 2021, the Company's Board of Directors declared a dividend of $2.50 per share that was paid on June 30, 2021 to stockholders of record as of the close of business on May 18, 2021. The ex-dividend date was May 17, 2021. The dividend was paid in cash and shares of the Company's common stock at the election of the stockholders, although the total amount of cash to be distributed to all stockholders was limited to no more than 50% of the total dividend paid to all stockholders. The total dividend amount paid to all stockholders consisted of approximately $30.0 million in cash and 2,335,527 in shares of common stock issued.

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On August 3, 2021, the Company's Board of Directors declared a dividend of $2.25 per share that was paid on September 30, 2021 to stockholders of record as of the close of business on August 18, 2021. The ex-dividend date was August 17, 2021. The dividend was paid in cash and shares of the Company's common stock at the election of the stockholders, although the total amount of cash to be distributed to all stockholders was limited to no more than 50% of the total dividend paid to all stockholders. The total dividend amount paid to all stockholders consisted of approximately $29.6 million in cash and 2,225,193 in shares of common stock issued.

On November 2, 2021, the Company's Board of Directors declared a dividend of $2.00 per share that was paid on December 30, 2021 to stockholders of record as of the close of business on November 17, 2021. The ex-dividend date was November 16, 2021. The dividend was paid in cash and shares of the Company's common stock at the election of the stockholders, although the total amount of cash to be distributed to all stockholders was limited to no more than 50% of the total dividend paid to all stockholders. The total dividend amount paid to all stockholders consisted of approximately $28.5 million in cash and 2,170,807 in shares of common stock issued.

Conversion of 4.75% Convertible Senior Notes due 2023

During the year ended December 31, 2021, the Company issued 4,097,808 shares of its common stock and cash for fractional shares upon the conversion of approximately $37.9 million in aggregate principal amount of the 4.75% Convertible Senior Notes due 2023. The Company also redeemed approximately $0.3 million of aggregate principal amount for cash plus accrued and unpaid interest on March 29, 2021. During the year ended December 31, 2020, the Company issued 174,888 shares of its common stock and cash for fractional shares upon the conversion of $1,785,000 in aggregate principal amount of the 4.75% Convertible Senior Notes due 2023. Refer to “Note 10—Debt Capital Activities” 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 $50.0 million in aggregate amount of shares of its common stock (the “Shares”) from time to time through the Agents or to them as principal for their own account (the "ATM Program"). On September 23, 2020, the Company increased the maximum amount of Shares to be sold through the ATM Program to $150.0 million from $50.0 million. In connection with the upsize of the ATM Program to $150.0 million, 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 Global Select Market or sales made to or through a market maker other than on an exchange, at market prices prevailing at the time of sale, at prices related to prevailing market prices or at other negotiated prices. Actual sales in the ATM Program will depend on a variety of factors to be determined by the Company from time to time.

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

During the year ended December 31, 2021, the Company issued and sold 5,900 Shares under the ATM Program at a weighted-average price of $13.42 per share, for gross proceeds of $79,198 and net proceeds of $78,608, after deducting commissions to the Agents on Shares sold. As of December 31, 2021, up to approximately $99.0 million in aggregate amount of the Shares remain available for sale under the ATM Program.

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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 years ended December 31, 2021 and 2020.

	Year Ended December 31,		
	2021	2020	2019
Earnings per common share–basic:			
Net change in net assets resulting from operations	$ 147,071,721	$ 75,337,438	$ 23,953,697
Weighted-average common shares–basic	25,861,642	17,910,353	19,328,414
Earnings per common share–basic	$ 5.69	$ 4.21	$ 1.24
Earnings per common share–diluted:			
Net change in net assets resulting from operations	$ 147,071,721	$ 75,337,438	$ 23,953,697
Adjustment for interest and amortization on 4.75% Convertible Senior Notes due 2023[(1)]	501,065	2,239,210	2,269,124
Net change in net assets resulting from operations, as adjusted	$ 147,572,786	$ 77,576,648	$ 26,222,821
Adjustment for dilutive effect of 4.75% Convertible Senior Notes due 2023[(1)]	896,725	3,880,545	3,741,208
Weighted-average common shares outstanding–diluted	26,758,367	21,790,898	23,069,622
Earnings per common share–diluted	$ 5.52	$ 3.56	$ 1.14

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

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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 December 31, 2021 and December 31, 2020, the Company had $1,330,000 and $10,000,000, 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 December 31, 2021 and December 31, 2020, the Company booked a right of use asset and operating lease liability of $470,508 and $633,736, respectively, on the Consolidated Statement of Assets and Liabilities. As of December 31, 2021 and December 31, 2020, the Company recorded a security deposit of $16,574 and $16,574, respectively, on the Consolidated Statement of Assets and Liabilities. For the years ended December 31, 2021 and 2020, the Company incurred $186,738 and $180,254, respectively, of operating lease expense. The amounts reflected on the Consolidated Statement of Assets and Liabilities have been discounted using the rate implicit in the lease. As of December 31, 2021, the remaining lease term was 2.6 years and the discount rate was 3.00%.

The following table shows future minimum payments under the Company's operating lease as of December 31, 2021:

For the Years Ended December 31,	Amount
2022	185,194
2023	190,750
2024	113,603
2025	—
2026	—
	$ 489,547

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NOTE 8—FINANCIAL HIGHLIGHTS

	Year Ended December 31,				
	2021	**2020**	**2019**	**2018**	**2017**
Per Basic Share Data					
Net asset value at beginning of the year	$ 15.14	$ 11.38	$ 9.89	$ 9.64	$ 8.66
Net investment loss[1]	(0.38)	(0.81)	(0.49)	(0.37)	(0.95)
Net realized gain/(loss) on investments[1]	8.46	0.92	0.99	(0.36)	0.04
Realized loss on partial repurchase of 5.25% Convertible Senior Notes due 2018[1]	—	—	—	(0.02)	—
Net change in unrealized appreciation/(depreciation) of investments[1]	(2.39)	3.78	0.69	0.47	1.59
Benefit from taxes on unrealized depreciation of investments[1]	—	—	0.05	0.33	0.13
Dividends declared	(8.00)	(0.87)	(0.32)	—	—
Issuance of common stock from stock dividend[1]	0.74	—	—	—	—
Issuance of common stock from public offering	0.01	0.30	—	—	—
Issuance of common stock from conversion of 4.75% Convertible Notes due 2023[1]	(1.91)	(0.11)	—	—	—
Repurchase of common stock[1]	—	0.43	0.52	0.20	0.18
Stock-based compensation[1]	0.05	0.12	0.05	—	—
Net asset value at end of year	$ 11.72	$ 15.14	$ 11.38	$ 9.89	$ 9.64
Per share market value at end of year	$ 12.95	$ 13.09	$ 6.55	$ 5.22	$ 5.45
Total return based on market value[2]	60.05 %	99.85 %	31.61 %	(4.22)%	8.35 %
Total return based on net asset value[2]	30.25 %	33.04 %	15.08 %	2.59 %	11.32 %
Shares outstanding at end of year	31,118,556	19,914,023	17,564,244	19,762,647	21,246,345
Ratios/Supplemental Data:					
Net assets at end of year	$364,846,624	$301,583,073	$199,917,289	$195,378,159	$204,762,866
Average net assets	$396,209,139	$205,430,809	$209,261,190	$208,678,731	$199,457,678
Ratio of gross operating expenses to average net assets[3]	2.88 %	7.95 %	6.08 %	7.09 %	11.25 %
Ratio of incentive fee waiver to average net assets	— %	— %	— %	(2.40)%	— %
Ratio of management fee waiver to average net assets	— %	— %	— %	(0.43)%	(0.36)%
Ratio of income tax provision to average net assets	— %	— %	(0.42)%	(3.22)%	(1.38)%
Ratio of net operating expenses to average net assets[3]	2.88 %	7.95 %	5.66 %	1.04 %	9.51 %
Ratio of net investment loss to average net assets[3]	(2.51)%	(7.07)%	(4.52)%	(3.66)%	(10.47)%
Portfolio Turnover Ratio	28.34 %	14.87 %	12.95 %	5.01 %	0.07 %

(1) Based on weighted-average number of shares outstanding for the relevant period.
(2) Total return based on market value is based upon the change in market price per share between the opening and ending market values per share in the period, adjusted for dividends and equity issuances. Total return based on net asset value is based upon the change in net asset value per share between the opening and ending net asset values per share in the period, adjusted for dividends and equity issuances.
(3) For the year ended December 31, 2021, the Company excluded $100,274 of non-recurring expenses. For the year ended December 31, 2020, the Company excluded $1,962,431 of non-recurring expenses. For the year ended December 31, 2019, the Company excluded $1,769,820 of non-recurring expenses. For the year ended December 31, 2018, the Company excluded $352,667 of non-recurring expenses. Because the ratios are calculated for the Company's common stock taken as a whole, an individual investor's ratios may vary from these ratios.

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 year ended December 31, 2021, the Company declared distributions of $8.00 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 December 31, 2021, 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 2021 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

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result of their ownership of certain portfolio investments. Any income generated by these taxable subsidiaries generally would be subject to tax at normal corporate tax rates based on its taxable income.

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

As of December 31, 2021 and December 31, 2020, the Company recorded a deferred tax liability of $0. The Company is required to include net deferred tax provision/benefit in calculating its total expenses even though these net deferred taxes are not currently payable/receivable. Taxable income generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized appreciation or depreciation, as such gains or losses are not included in taxable income until they are realized.

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 2018–2021 and 2017–2021, respectively. Further, the Company and the Taxable Subsidiaries accrue all interest and penalties related to uncertain tax positions as incurred. As of December 31, 2021, there were no material interest or penalties incurred related to uncertain tax positions.

Permanent differences between ICTI and net investment income for financial reporting purposes are reclassified among capital accounts in the consolidated financial statements to reflect their tax character. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes. During the years ended December 31, 2021 and 2020, the Company reclassified for book purposes amounts arising from permanent book/tax differences related as follows:

	Year Ended December 31,	
	2021	2020
Capital in excess of par value	$ (9,931,831)	$ (14,516,336)
Accumulated undistributed net investment loss	8,007,039	13,524,191
Accumulated net realized gains from investments	(1,924,792)	(992,145)

For income tax purposes, distributions paid to stockholders are reported as ordinary income, return of capital, long term capital gains or a combination thereof. The tax character of distributions declared in the years ended December 31, 2021, 2020, and 2019 was as follows:

	Year Ended December 31,		
	2021	2020	2019
Ordinary income	$ —	$ —	$ —
Long-term capital gain	212,197,026	16,947,370	5,620,558
Return of capital	—	—	—
Distributions on a tax basis	—	—	—

For federal income tax purposes, the tax cost of investments owned at December 31, 2021 and 2020, was $201,067,636 and $309,978,186, respectively. The gross unrealized appreciation and gross unrealized depreciation on investments owned at December 31, 2021 was $123,319,904 and $65,056,699, respectively, and on investments owned at December 31, 2020 was $175,168,002 and $54,366,414, respectively. The net unrealized appreciation/(depreciation) on investments owned at December 31, 2021 and 2020, was $58,263,205 and $120,801,588, respectively.

At December 31, 2021 and 2020, the components of distributable earnings on a tax basis detailed below differ from the amounts reflected in the Company's Consolidated Statements of Assets and Liabilities by temporary and other book/tax differences, primarily relating to the tax treatment of certain investments in partnerships and wholly-owned subsidiary corporations, and organizational expenses, as follows:

	Year Ended December 31, 2021	Year Ended December 31, 2020
Undistributed ordinary income	$ (35,883,906)	$ —
Accumulated net realized gains/(losses) on investments	3,489,058	(2,116,773)
Unrealized appreciation	58,263,205	120,801,588
Components of distributable earnings at year end	$ 25,868,357	$ 118,684,815

NOTE 10—DEBT CAPITAL ACTIVITIES

6.00% Notes due 2026

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

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

The 6.00% Notes due 2026 are listed for trading on the Nasdaq Global Select Market under the symbol "SSSSL". The reported closing market price of SSSSL on December 31, 2021 was $25.68 per note. As of December 31, 2021, the fair value of the 6.00% Notes due 2026 was $77.0 million. They are classified as Level 1 of the fair value hierarchy (Refer to "Note 2-Significant Accounting Policies"). As of December 31, 2021, the Company was in compliance with the terms of the Indenture.

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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 bore 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 due 2023 had a maturity date of March 28, 2023 (the "4.75% Convertible Senior Notes due 2023"), unless previously repurchased or converted in accordance with their terms. The Company did 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 could 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 was 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 had occurred which had 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, had occurred or existed.

All of these conditions were met and on February 19, 2021, the Company caused notices to be issued to the holders of the 4.75% Convertible Senior Notes due 2023 regarding the Company's exercise of its option to redeem, in whole, the issued and outstanding 4.75% Convertible Senior Notes due 2023, pursuant to the governing indenture. The Company established March 29, 2021 as the date on which all of the 4.75% Convertible Senior Notes due 2023 would be redeemed (the "Redemption Date"), at 100% of their principal amount ($1,000 per convertible note), plus the accrued and unpaid interest thereon from September 30, 2020, through, but excluding, the Redemption Date. Holders of the 4.75% Convertible Senior Notes due 2023 had the option to surrender their 4.75% Convertible Senior Notes due 2023 for conversion into shares of the Company's common stock at the then existing conversion rate, in lieu of receiving cash, at any time prior to the close of business on the business day immediately preceding the Redemption Date.

On the Redemption Date, the Company redeemed $0.3 million in aggregate principal amount of the 4.75% Convertible Senior Notes due 2023 at a redemption price equal to 100% of their principal amount ($1,000 per convertible note), plus accrued and unpaid interest thereon. Due to the election of certain holders to surrender their 4.75% Convertible Senior Notes due 2023 for conversion into shares of the Company's common stock prior to the Redemption Date, the Company issued a total of 4,272,696 shares since the 4.75% Convertible Senior Notes due 2023 were initially issued. As result of such redemption and conversions, the 4.75% Convertible Senior Notes due 2023 were no longer outstanding as of the Redemption Date.

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 had changed to 108.0505 shares of the Company's common stock for each $1,000 principal amount of the 4.75% Convertible Senior Notes due 2023, which represented a conversion price of approximately $9.25 per share.

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

For the year ended December 31, 2021, the Company issued 4,097,808 shares of its common stock and cash for fractional shares upon the conversion of approximately $37.9 million in aggregate principal amount of the 4.75% Convertible Senior Notes due 2023. The Company also redeemed approximately $0.3 million of aggregate principal amount for cash plus accrued and unpaid interest on March 29, 2021. During the year ended December 31, 2020, the Company issued 174,888 shares of its common stock and cash for fractional shares upon the conversion of $1,785,000 in aggregate principal amount of the 4.75% Convertible Senior Notes due 2023.

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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 Consolidated Statement of Assets and Liabilities.

	December 31, 2021	December 31, 2020
Initial aggregate principal amount of 4.75% Convertible Senior Notes due 2023	$ 38,215,000	$ 40,000,000
Conversion of 4.75% Convertible Senior Notes due 2023	(37,925,000)	(1,785,000)
Redemption of 4.75% Convertible Senior Notes due 2023	(290,000)	—
Direct deduction of deferred debt issuance costs	—	(819,563)
4.75% Convertible Senior Notes due 2023 Payable	$ —	$ 37,395,437

The 4.75% Convertible Senior Notes due 2023 were the Company's general, unsecured, senior obligations and ranked senior in right of payment to any future indebtedness that was 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 was 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 (defined below) matured on May 31, 2019 and was no longer outstanding as of such date. There were no borrowings by the Company from the Credit Facility during the year ended December 31, 2021 and the year ended December 31, 2020.

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 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 December 31, 2021 and December 31, 2020, 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 authorized 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 would be set on the grant date and could 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, owned 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 were eligible to receive incentive stock options under the Code (the “10% Shareholders”), the exercise price per share would 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 would be the closing price of the shares on the Nasdaq Global Select 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 had 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 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:

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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, 2019	1,155,000	$ 6.57	$ 2.57
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 December 31, 2021 and December 31, 2020	—		

For the years ended December 31, 2021 and 2020, we recognized stock-based compensation expense of $1,306,615 and $1,962,431, respectively. The stock-based compensation expense for the year ended December 31, 2020 related to the cancellation of all granted vested and unvested options, and the amount of cash received from the exercise of stock options in 2020 was $0. As of December 31, 2021, 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 year ended December 31, 2021, the Company granted 46,333 restricted shares to non-executive employees pursuant to the Amended & Restated 2019 Equity Incentive Plan. Additionally, the Company granted 15,080 restricted shares

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to its non-employee directors pursuant to the Amended & Restated 2019 Equity Incentive Plan. These restricted shares have a vesting period of 1 year. The Company also granted 307,885 restricted shares to the Company's officers pursuant to the Amended & Restated 2019 Equity Incentive Plan. These restricted shares have a vesting period of 3 years. The Company determined that the fair values, based on the grant date close price of such restricted shares granted under the Amended & Restated 2019 Equity Incentive Plan during the year ended December 31, 2021 were approximately $5,008,178 in the aggregate. On July 2, 2021, 21,760 restricted shares related to the 2020 non-employee director grants vested. The Company expensed the full value of restricted stock compensation related to annual non-employee director grants on the vesting date.

As of December 31, 2021, there were approximately $5,564,096 of total unrecognized compensation costs related to the restricted share grants. Compensation expense associated with the restricted shares is recognized on a quarterly basis over the respective vesting periods.

The following table summarizes the activities for the Company’s restricted share grants for the year ended December 31, 2021 under the Amended & Restated 2019 Equity Incentive Plan:

	Number of Restricted Shares
Outstanding as of December 31, 2020	21,760
Granted	369,298
Vested	(21,760)
Forfeited	—
Outstanding as of December 31, 2021	369,298
Vested as of December 31, 2021	21,760

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NOTE 12—SUBSEQUENT EVENTS

Portfolio Activity

From January 1, 2022 through March 10, 2022, the Company exited or received proceeds from the following investments:

Portfolio Company	Transaction Date	Shares Sold	Average Net Share Price [(1)]	Net Proceeds	Realized Gain[(2)]
NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.)	Various	27,352	$ 27.76	$ 759,225	$ 212,073
Rover Group, Inc.	1/31/2022	42,744	6.52	278,497	150,725
Residential Homes for Rent, LLC (d/b/a Second Avenue)[(3)]	Various	N/A	N/A	217,257	—
				$ 1,254,979	**$ 362,798**

(1) The average net share price is the net share price realized after deducting all commissions and fees on the sale(s), if applicable.
(2) Realized gain does not include adjustments to amounts held in escrow receivable.
(3) Subsequent to December 31, 2021, $217,257 has been received from Residential Homes for Rent, LLC (d/b/a Second Avenue) related to the 15% term loan due December 23, 2023. Of the proceeds received, $166,667 repaid a portion of the outstanding principal and $50,590 was attributed to interest.

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. From January 1, 2022 through March 10, 2022, the Company had $1.3 million in non-binding investment agreements that required it to make a future investment in a portfolio company.

Dividends

On March 8, 2022, the Company’s Board of Directors declared a cash dividend of $0.11 per share, payable on April 15, 2022 to stockholders of record as of the close of business on March 25, 2022.

At-the-Market Offering

From January 1, 2022 through March 10, 2022, the Company issued and sold 17,807 Shares under the ATM Program at a weighted-average price of $13.01 per share, for gross proceeds of $231,677 and net proceeds of $229,896, after deducting commissions to the Agents on Shares sold. As of March 10, 2022, up to $98.8 million in aggregate amount of the Shares remain available for sale under the ATM Program. Refer to “Note 5—Common Stock” to our consolidated financial statements as of December 31, 2021 for more information regarding 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. We have and continue to assess the impact of the COVID-19 pandemic on our portfolio companies. We cannot predict the full impact of the COVID-19 pandemic, including its duration in the United States and worldwide, the effectiveness of governmental responses designed to mitigate strain to businesses and the economy and the magnitude of the economic impact of the outbreak. The COVID-19 pandemic and preventative measures taken to contain or mitigate its spread have caused, and are continuing to cause, business shutdowns, cancellations of events and travel, significant reductions in demand for certain goods and services, reductions in business activity and financial transactions, supply chain interruptions and overall economic and financial market instability both globally and in the United States. Such effects will likely continue for the duration of the pandemic, which is uncertain, and for some period thereafter. Our portfolio companies and, by extension, our operating results may be adversely impacted by the COVID-19 pandemic and, depending on the duration and extent of the disruption to the operations of our portfolio companies, certain portfolio companies may experience financial distress and may possibly default on their financial obligations to us and their other capital providers. Some of our portfolio companies have significantly curtailed business operations, furloughed or laid off employees and terminated service providers, and deferred capital expenditures, which could impair their business on a permanent basis and additional portfolio companies may take similar actions. We continue to closely monitor our portfolio companies, which includes assessing each portfolio company's operational and liquidity exposure and outlook; however, any of these developments would likely result in a decrease in the value of our investment in any such portfolio company. In addition, to the extent that the impact to our portfolio companies results in reduced interest payments or permanent impairments on our investments, we could see a decrease in our net investment income, which would increase the percentage of our cash flows dedicated to our debt obligations and could impact the amount of any future distributions to our stockholders.

In response to the COVID-19 pandemic, we instituted a temporary work-from-home policy in March 2020, pursuant to which our employees primarily worked remotely without disruption to our operations. This policy was amended in February 2022 when it was deemed safe to return to our offices. As of March 10, 2022, there is no indication of a reportable subsequent event impacting the Company's financial statements for the year ended December 31, 2021. The Company continues to observe and respond to the evolving COVID-19 environment and its potential impact on areas across its business.

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NOTE 13—SELECTED QUARTERLY FINANCIAL DATA

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

	Quarter Ended			
	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Total Investment Income	$ 922,743	$ 408,107	$ 241,514	$ 251,763
Total Operating Expenses	5,177,327	2,995,998	4,908,902	3,256,316
Net Investment Loss	(4,254,584)	(2,587,891)	(4,667,388)	(3,004,553)
Net Realized Gain/(Loss) on Investments	7,108,580	2,378,390	(23,987)	6,978,240
Net Change in Unrealized Appreciation/(Depreciation) of Investments	58,424,928	16,129,442	26,522,195	(27,665,934)
Net Increase/(Decrease) in Net Assets Resulting from Operations	$ 61,278,924	$ 15,919,941	$ 21,830,820	$ (23,692,247)
Net Increase/(Decrease) in Net Assets from Operations per Common Share:				
Basic	$ 3.06	$ 0.89	$ 1.33	$ (1.36)
Diluted	$ 2.59	$ 0.76	$ 1.10	$ (1.36)
Weighted Average Common Shares Outstanding–Basic	19,999,989	17,795,538	16,383,188	17,440,994
Weighted Average Common Shares Outstanding–Diluted	23,884,529	21,598,403	20,300,980	17,440,994

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	Quarter Ended			
	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Total Investment Income	$ 400,296	$ 380,226	$ 487,952	$ 227,250
Total Operating Expenses	2,963,631	5,082,430	3,293,183	(392,452)
Net Investment Gain/(Loss)	(2,563,335)	(4,702,204)	(2,805,231)	619,702
Net Realized Gain/(Loss) on Investments	7,881,839	1,772,961	13,590,233	(4,065,693)
Net Change in Unrealized Appreciation/(Depreciation) of Investments	(3,110,267)	8,190,695	(12,440,320)	20,699,751
Benefit from/(Provision for) Taxes on Unrealized Depreciation/(Appreciation) of Investments	—	—	979,713	(94,147)
Net Increase/(Decrease) in Net Assets Resulting from Operations	$ 2,208,237	$ 5,261,452	$ (675,605)	$ 17,159,613
Net Increase/(Decrease) in Net Assets from Operations per Common Share:				
Basic	$ 0.12	$ 0.27	$ (0.03)	$ 0.87
Diluted	$ 0.12	$ 0.25	$ (0.03)	$ 0.75
Weighted Average Common Shares Outstanding–Basic	18,372,212	19,472,785	19,719,706	19,762,647
Weighted Average Common Shares Outstanding–Diluted	18,372,212	23,204,129	19,719,706	23,493,991

NOTE 14—SUPPLEMENTAL FINANCIAL DATA

Summarized Financial Information of Unconsolidated Subsidiaries

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

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

The Company's three controlled portfolio companies as of December 31, 2021, SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.), Architect Capital PayJoy SPV, LLC and Colombier Sponsor LLC, did not meet the definition of a "significant subsidiary" as set forth in Rule 1-02(w)(2). For comparability purposes, the Company has omitted the previously disclosed summarized financial information of the Company's significant subsidiaries for the quarter ended December 31, 2020 as the Company's significant subsidiaries would not have been considered significant subsidiaries under the Final Rules.

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

Not applicable.

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of December 31, 2021, our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified by the SEC and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

(b) Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act, and for performing an assessment of the effectiveness of internal control over financial reporting as of December 31, 2021. Internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors, as applicable; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the consolidated financial statements.

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

Management performed an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2021 based upon criteria in Internal Control—*Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, management determined that our internal control over financial reporting was effective as of December 31, 2021.

This annual report does not include an attestation report of the Company's registered public accounting firm pursuant to the rules of the Securities and Exchange Commission.

(c) Changes in Internal Control Over Financial Reporting

During the quarter ended December 31, 2021, we completed implementation of enhancements to the operating effectiveness of certain of our existing internal controls over the valuation of our portfolio company investments in successful remediation of the previously reported technical material weakness resulting from the delayed detection of the errors reported in the fiscal quarter ended June 30, 2021.

There were no other 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 December 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Item 1.01 Entry Into a Material Definitive Agreement

On and effective March 10, 2022, the Company entered into Amendment No. 1 to the Second Amended and Restated Employment Agreement with Allison Green, the Company's Chief Financial Officer, Chief Compliance Officer, Treasurer and Corporate Secretary (the “Amendment”). Certain material terms of the Amendment are described below in Item 5.02, which description is incorporated by reference into this Item 1.01.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers Compensatory Arrangements of Certain Officers

On and effective March 10, 2022, the Company entered into the Amendment. The Amendment modified the terms of the Second Amended and Restated Employment Agreement of Ms. Green, dated April 26, 2021 (the “Prior Employment Agreement”), to (i) increase the annual base salary payable thereunder from $450,000 to $500,000, and (ii) increase the discretionary annual bonus that could be awarded to Ms. Green by the Board of Directors from up to seventy percent (70%) to up to one hundred and twenty five percent (125%) of the Ms. Green's then-effective base salary. Other than the foregoing, no other terms of the Prior Employment Agreement have changed. For a description of the material terms of the Prior Employment Agreement, please refer to the Company's Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission on April 28, 2021 and the Company's definitive proxy statement filed with the U.S. Securities and Exchange Commission on April 30, 2021.

The Company has filed the Amendment as an exhibit to this Annual Report on Form 10-K. The foregoing description of the Amendment is qualified in its entirety by reference to the text of the Amendment.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by Item 10 will be contained in the 2022 Proxy Statement, to be filed with the SEC within 120 days after December 31, 2021, and is incorporated herein by reference. There have been no material changes to the procedures by which stockholders may recommend nominees to our Board of Directors.

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

Item 11. Executive Compensation

The information required by Item 11 will be contained in the 2022 Proxy Statement, to be filed with the SEC within 120 days after December 31, 2021, and is incorporated herein by reference.

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

The information required by Item 12 will be contained in the 2022 Proxy Statement, to be filed with the SEC within 120 days after December 31, 2021, and is incorporated herein by reference.

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

The information required by Item 13 will be contained in the 2022 Proxy Statement, to be filed with the SEC within 120 days after December 31, 2021, and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by Item 14 will be contained in the 2022 Proxy Statement, to be filed with the SEC within 120 days after December 31, 2021, and is incorporated herein by reference.

Item 15. Exhibits and Financial Statement Schedules

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

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

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

(3) Exhibits

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

3.1	Articles of Amendment and Restatement(1)
3.2	Articles of Amendment(2)
3.3	Articles of Amendment(3)
3.4	Articles of Amendment(4)
3.5	Second Amended and Restated Bylaws(4)
4.1	Form of Common Stock Certificate(5)
4.2	Base Indenture, dated March 28, 2018, by and between the Registrant and U.S. Bank National Association, as trustee(6)
4.3	Second Supplemental Indenture, dated December 17, 2021, relating to the 6.00% Notes due 2026, by and between the Company and U.S. Bank National Association, as trustee(7)
4.4	Form of 6.00% Notes due 2026 (incorporated by reference to Exhibit 4.3)(7)
4.5	Description of Securities*
10.1	Dividend Reinvestment Plan(1)
10.2	SuRo Capital Corp. Amended and Restated 2019 Equity Incentive Plan(8)
10.3	Form of SuRo Capital Corp. Restricted Stock Agreement (Non-Employee Directors)(8)
10.4	Form of SuRo Capital Corp. Restricted Stock Agreement (Employees and Officers)(8)
10.5	Form of SuRo Capital Corp. Non-Qualified Stock Option Award(8)
10.6	Custody Agreement dated April 14, 2011 by and between the Company and U.S. Bank National Association(9)
10.7	Form of Indemnification Agreement by and between the Company and each of its directors(1)
10.8	Second Amended and Restated Employment Agreement, dated April 26, 2021, by and between Sutter Rock Capital Corp. and Mark D. Klein(10)
10.9	Second Amended and Restated Employment Agreement, dated April 26, 2021, by and between Sutter Rock Capital Corp. and Allison Green(10)
10.10	Amendment No. 1 to Second Amended and Restated Employment Agreement, dated March 10, 2022, by and between SuRo Capital Corp. and Allison Green*
10.11	At-the-Market Sales Agreement dated as of July 29, 2020, by and among SuRo Capital Corp., BTIG LLC, JMP Securities LLC, and Ladenburg Thalmann & Co., Inc.(11)

10.12	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.(12)
14.1	Code of Ethics(13)
14.2	Code of Business Conduct and Ethics(13)
21.1	List of Subsidiaries (Included in the notes to the consolidated financial statements contained in this report)*
23.1	Consent of Marcum LLP*
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended*
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
99.1	Report of Marcum LLP regarding the Senior Securities table*
99.2	Report of Deloitte & Touche LLP regarding the Senior Securities table(6)

(1) Previously filed in connection with Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form N-2 (File No. 333-171578), filed on March 30, 2011, and incorporated by reference herein.
(2) Previously filed in connection with the Registrant's Current Report on Form 8-K (File No. 814-00852), filed on June 1, 2011, and incorporated by reference herein.

(3) Previously filed in connection with the Registrant's Current Report on Form 8-K (File No. 814-00852) filed on August 1, 2019, and incorporated by reference herein.

(4) Previously filed in connection with the Registrant's Current Report on Form 8-K (File No. 814-00852) filed on June 16, 2020, and incorporated by reference herein.

(5) Previously filed in connection with Pre-Effective Amendment No. 3 to the Registrant's Registration Statement on Form N-2 (File No. 333-175655), filed on September 20, 2011, and incorporated by reference herein.

(6) Previously filed in connection with the Registrant's Registration Statement on Form N-2 (File No. 333-239681), filed on July 2, 2020 and incorporated by reference herein.

(7) Previously filed in connection with the Registrant's Current Report on Form 8-K (File No. 814-00852) filed on December 17, 2021 and incorporated by reference herein.

(8) Previously filed in connection with the Registrant's Registration Statement on Form S-8 (File No. 333-239662) filed on July 2, 2020, and incorporated by reference herein.

(9) Previously filed in connection with Pre-Effective Amendment No. 3 to the Registrant's Registration Statement on Form N-2 (File No. 333-171578), filed on April 15, 2011, and incorporated by reference herein.

(10) Previously filed in connection with the Registrant's Quarterly Report on Form 10-Q (File No. 814-00852), filed on May 6, 2021 and incorporated by reference herein.

(11) Previously filed in connection with the Registrant's Current Report on Form 8-K (File No. 814-00852) filed on August 3, 2020 and incorporated by reference herein.

(12) 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.

(13) Previously filed in connection with the Registrant's Annual Report on Form 10-K (File No. 814-00852), filed on March 13, 2020 and incorporated by reference herein.

* Filed herewith.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

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

SURO CAPITAL CORP.

Date:	March 11, 2022	By:	/s/ Mark D. Klein **Mark D. Klein** Chairman, President and Chief Executive Officer (Principal Executive Officer)
Date:	March 11, 2022	By:	/s/ Allison Green **Allison Green** Chief Financial Officer, Chief Compliance Officer, Treasurer, and Corporate Secretary (Principal Financial and Accounting Officer)

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

Date: March 11, 2022	By:	/s/ Mark D. Klein **Mark D. Klein** Chairman, President and Chief Executive Officer (Principal Executive Officer)
Date: March 11, 2022	By:	/s/ Allison Green **Allison Green** Chief Financial Officer, Chief Compliance Officer, Treasurer, and Corporate Secretary (Principal Financial and Accounting Officer)
Date: March 11, 2022	By:	/s/ Leonard A. Potter **Leonard A. Potter** Director
Date: March 11, 2022	By:	/s/ Ronald M. Lott **Ronald M. Lott** Director
Date: March 11, 2022	By:	/s/ Marc Mazur **Marc Mazur** Director
Date: March 11, 2022	By:	/s/ Lisa Westley **Lisa Westley** Director

Exhibit 4.5

DESCRIPTION OF SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of December 31, 2021, SuRo Capital Corp., a Maryland corporation (the “Company,” "we," "our," or "us"), had two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”): (i) its common stock, par value $0.01 per share (“common stock”) and (ii) its 6.00% Notes due 2026 (“6.00% Notes due 2026”).

Description of Common Stock

The following description of our common stock is based on the relevant portions of the Maryland General Corporation Law (the “MGCL”) and on our articles of amendment and restatement, as amended (the “charter”), and our second amended and restated bylaws (the “bylaws”). This description may not contain all of the information that is important to you and is qualified in its entirety by, and should be read in conjunction with, the relevant portions of the MGCL and our charter and bylaws. We refer you to the MGCL and our charter and bylaws for a more detailed description of the provisions summarized below.

General

As of December 31, 2021, our authorized stock consisted solely of 100,000,000 shares of common stock, par value $0.01 per share, and no shares of preferred stock. Our common stock is listed on the Nasdaq Global Select Market under the ticker symbol “SSSS.” As of December 31, 2021, 1,627,967 shares of common stock were authorized for issuance under the SuRo Capital Corp. Amended and Restated 2019 Equity Incentive Plan. There are no outstanding options or warrants to purchase our common stock. Under Maryland law, our stockholders generally are not personally liable for our debts or obligations.

Under our charter our board of directors is authorized to classify and reclassify any unissued shares of stock into other classes or series of stock without obtaining stockholder approval. As permitted by the MGCL, our charter provides that the board of directors, without any action by our stockholders, may amend the charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue.

All shares of our common stock have equal rights as to earnings, assets, voting, and distributions and, when they are issued, will be duly authorized, validly issued, fully paid and nonassessable. Distributions may be paid to the holders of our common stock if, as and when authorized by our board of directors and declared by us out of assets legally available therefor. Shares of our common stock have no preemptive, conversion or redemption rights and are freely transferable, except where their transfer is restricted by federal and state securities laws or by contract. In the event of our liquidation, dissolution or winding up, each share of our common stock would be entitled to share ratably in all of our assets that are legally available for distribution after we pay all debts and other liabilities and subject to any preferential rights of holders of our preferred stock, if any preferred stock is outstanding at such time. Each share of our common stock is entitled to one vote on all matters submitted to a vote of stockholders, including the election of directors. Except as provided with respect to any other class or series of stock, the holders of our common stock will possess exclusive voting power. There is no cumulative voting in the election of directors, which means that holders of a majority of the outstanding shares of common stock can elect all of our directors, and holders of less than a majority of such shares will be unable to elect any director.

Limitation on Liability of Directors and Officers; Indemnification and Advance of Expenses

The MGCL permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty established by a final judgment as being material to the cause of action. Our charter contains such a provision which eliminates directors' and officers' liability to the maximum extent permitted by the MGCL, subject to the requirements of the Investment Company Act of 1940, as amended (the "1940 Act").

Our charter authorizes us, to the maximum extent permitted by the MGCL and subject to the requirements of the 1940 Act, to indemnify any present or former director or officer or any individual who, while serving as our director or officer and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee, from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her service in any such capacity and to pay or reimburse their reasonable expenses in advance of final disposition of a proceeding. Our bylaws obligate us, to the maximum extent permitted by the MGCL and subject to the requirements of the 1940 Act, to indemnify any present or former director or officer or any individual who, while serving as our director or officer and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee and who is made, or threatened to be made, a party to the proceeding by reason of his or her service in that capacity from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her service in any such capacity and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding. The charter and bylaws also permit us to indemnify and advance expenses to any person who served a predecessor of us in any of the capacities described above and any of our employees or agents or any employees or agents of our predecessor. In accordance with the 1940 Act, we will not indemnify any person for any liability to which such person would be subject by reason of such person's willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office.

The MGCL requires a corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service in that capacity. The MGCL permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made, or threatened to be made, a party by reason of their service in those or other capacities unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith or (2) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under the MGCL, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that a personal benefit was improperly received unless, in either, case a court orders indemnification, and then only for expenses. In addition, the MGCL permits a corporation to advance reasonable expenses to a director or officer in advance of final disposition of a proceeding upon the corporation's receipt of (a) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

Certain Provisions of the MGCL and Our Charter and Bylaws

The MGCL and our charter and bylaws contain provisions that could make it more difficult for a potential acquirer to acquire us by means of a tender offer, proxy contest or otherwise, the material ones of which are discussed below. These provisions are expected to discourage certain coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We expect the benefits of these provisions to outweigh the potential disadvantages of discouraging any such acquisition proposals because, among other things, the negotiation of such proposals may improve their terms.

Classified Board of Directors

Our board of directors is divided into three classes of directors serving staggered three-year terms. The current terms of the first, second and third classes will expire in 2024, 2022, and 2023, respectively, and in each case, those directors will serve until their successors are elected and qualify. Upon expiration of their terms, directors of each class will be elected to serve for three-year terms and until their successors are duly elected and qualify and each year one class of directors will be elected by the stockholders. A classified Board may render a change in control of us or removal of our incumbent management more difficult. We believe, however, that the longer time required to elect a majority of a classified board of directors will help to ensure the continuity and stability of our management and policies.

Election of Directors

Our bylaws, as authorized by our charter, provide that a plurality of all the votes cast at a meeting of stockholders duly called and at which a quorum is present is required to elect a director. Pursuant to our charter our board of directors may amend the bylaws to alter the vote required to elect directors.

Number of Directors; Vacancies; Removal

Our charter provides that the number of directors will be set only by the board of directors in accordance with our bylaws. Our bylaws provide that a majority of our entire board of directors may at any time increase or decrease the number of directors. However, unless our bylaws are amended, the number of directors may never be less than one nor more than nine. Our charter provides that, at such time as we have at least three independent directors and our common stock is registered under the Exchange Act, as amended, we elect to be subject to the provision of Subtitle 8 of Title 3 of the MGCL regarding the filling of vacancies on the board of directors. Accordingly, at such time, except as may be provided by the board of directors in setting the terms of any class or series of preferred stock, any and all vacancies on the board of directors may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy will serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is elected and qualifies, subject to any applicable requirements of the 1940 Act.

Our charter provides that a director may be removed only for cause, as defined in our charter, and then only by the affirmative vote of at least two-thirds of the votes entitled to be cast in the election of directors.

Action by Stockholders

Under the MGCL, stockholder action can be taken only at an annual or special meeting of stockholders or (unless the charter provides for stockholder action by less than unanimous written consent, which our charter does not) by unanimous written consent in lieu of a meeting. These provisions, combined with the requirements of our bylaws regarding the calling of a stockholder-requested special meeting of stockholders discussed below, may have the effect of delaying consideration of a stockholder proposal until the next annual meeting.

Advance Notice Provisions for Stockholder Nominations and Stockholder Proposals

Our bylaws provide that with respect to an annual meeting of stockholders, nominations of persons for election to the board of directors and the proposal of business to be considered by stockholders may be made only (1) pursuant to our notice of the meeting, (2) by the board of directors or (3) by a stockholder who is entitled to vote at the meeting and who has complied with the advance notice procedures of our bylaws. With respect to special meetings of stockholders, only the business specified in our notice of the meeting may be brought before the meeting. Nominations of persons for election to the board of directors at a special meeting may be made only (1) pursuant to our notice of the meeting, (2) by the board of directors or (3) provided that the board of directors has determined that directors will be elected at the meeting, by a stockholder who is entitled to vote at the meeting and who has complied with the advance notice provisions of the bylaws.

The purpose of requiring stockholders to give us advance notice of nominations and other business is to afford our board of directors a meaningful opportunity to consider the qualifications of the proposed nominees and the advisability of any other proposed business and, to the extent deemed necessary or desirable by our board of directors, to inform stockholders and make recommendations about such qualifications or business, as well as to provide a more orderly procedure for conducting meetings of stockholders. Although our bylaws do not give our board of directors any power to disapprove stockholder nominations for the election of directors or proposals recommending certain action, they may have the effect of precluding a contest for the election of directors or the consideration of stockholder proposals if proper procedures are not followed and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its own proposal without regard to whether consideration of such nominees or proposals might be harmful or beneficial to us and our stockholders.

Calling of Special Meetings of Stockholders

Our bylaws provide that special meetings of stockholders may be called by our board of directors and certain of our officers. Additionally, our bylaws provide that, subject to the satisfaction of certain procedural and informational requirements by the stockholders requesting the meeting, a special meeting of stockholders will be called by the secretary of the corporation upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast at such meeting.

Approval of Extraordinary Corporate Action; Amendment of Charter and Bylaws

Under the MGCL, a Maryland corporation generally cannot dissolve, amend its charter, merge, convert, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business, unless approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter. However, a Maryland corporation may provide in its charter for approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter. Our charter generally provides for approval of charter amendments and extraordinary transactions by the stockholders entitled to cast at least a majority of the votes entitled to be cast on the matter. Our charter also provides that the following matters require the approval of stockholders entitled to cast at least 80% of the votes entitled to be cast: (i) certain charter amendments; (ii) any proposal for our conversion, whether by merger or otherwise, from a closed-end company to an open-end company; (iii) any proposal for our liquidation or dissolution; or (iv) any proposal regarding a merger, consolidation, share exchange or sale or exchange of all or substantially all of our assets that the MGCL requires to be approved by our stockholders. However, if such amendment or proposal is approved by a majority of our continuing directors (in addition to approval by our board of directors), such amendment or proposal may be approved by a majority of the votes entitled to be cast on such a matter. The “continuing directors” are defined in our charter as (1) our current directors, (2) those directors whose nomination for election by the stockholders or whose election by the directors to fill vacancies is approved by a majority of our current directors then on the board of directors or (3) any successor directors whose nomination for election by the stockholders or whose election by the directors to fill vacancies is approved by a majority of continuing directors or the successor continuing directors then in office. In any event, in accordance with the requirements of the 1940 Act, any amendment or proposal that would have the effect of changing the nature of our business so as to cause us to cease to be, or to withdraw our election as, a business development company would be required to be approved by a majority of our outstanding voting securities, as defined under the 1940 Act.

Our charter and bylaws provide that the board of directors will have the exclusive power to make, alter, amend or repeal any provision of our bylaws.

No Appraisal Rights

Except with respect to appraisal rights arising in connection with the Control Share Act discussed below, as permitted by the MGCL, our charter provides that stockholders will not be entitled to exercise appraisal rights unless a majority of the board of directors shall determine such rights apply.

Control Share Acquisitions

The MGCL, pursuant to the Control Share Act (the "Control Share Act"), provides that control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquiror, by officers or by directors who are employees of the corporation are excluded from shares entitled to vote on the matter. Control shares are voting shares of stock which, if aggregated with all other shares of stock owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the increasing ranges of voting power listed in the Control Share Act. The requisite stockholder approval must be obtained each time an acquiror crosses one of the thresholds of voting power. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A control share acquisition means the acquisition of control shares, subject to certain exceptions.

Our bylaws contain a provision exempting from the Control Share Act any and all acquisitions by any person of our shares of stock. There can be no assurance that such provision will not be amended or eliminated at any time in the future. However, we will amend our bylaws to be subject to the Control Share Act only if our board of directors determines that it would be in our best interests and if the SEC staff does not object to our determination that our being subject to the Control Share Act does not conflict with the 1940 Act. The SEC staff has issued informal guidance setting forth its position that, if a closed-end investment company opts in to and triggers the Control Share Act, it would not violate Section 18(i) of the 1940 Act if the determination do so by the board of directors of the closed-end investment company was taken with reasonable care on a basis consistent with other applicable duties and laws, including those to the fund and its shareholders generally.

Business Combinations

Under the MGCL, "business combinations" between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder (the "Business Combination Act"). These business combinations include a merger, consolidation, share exchange or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns 10% or more of the voting power of the corporation's outstanding voting stock; or

- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an interested stockholder under this statute if the board of directors approved in advance the transaction by which the stockholder otherwise would have become an interested stockholder. However, in approving a transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board of directors.

After the five-year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and

- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These super-majority vote requirements do not apply if the corporation's common stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares.

The statute permits various exemptions from its provisions, including business combinations that are exempted by the board of directors before the time that the interested stockholder becomes an interested stockholder. Our board of directors has adopted a resolution that any business combination between us and any other person is exempted from the provisions of the Business Combination Act, provided that the business combination is first approved by the board of directors, including a majority of the directors who are not "interested pers as defined in the 1940 Act. This resolution may be altered or repealed in whole or in part at any time; however, our board of directors will adopt resolutions so as to make us subject to the provisions of the Business Combination Act only if the board of directors determines that it would be in our best interests and if the SEC staff does not object to our determination that our being subject to the Business Combination Act does not conflict with the 1940 Act. If this resolution is repealed, or the board of directors does not otherwise approve a business combination, the statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

Conflict with 1940 Act

Our bylaws provide that, if and to the extent that any provision of the MGCL, including the Control Share Act (if we amend our bylaws to be subject to such Act) and the Business Combination Act, or any provision of our charter or bylaws conflicts with any provision of the 1940 Act, the applicable provision of the 1940 Act will control.

Description of 6.00% Notes due 2026

The following description of our 6.00% Notes due 2026 is based on the material terms and provisions of such notes and the base indenture, dated as of March 28, 2018 (the "Base Indenture"), between the Company and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee (the "trustee"), as supplemented by the second supplemental indenture, dated as of December 17, 2021 (together with the Base Indenture, the "indenture"), between the Company and the trustee, which govern the 6.00% Notes due 2026. This description may not contain all of the information that is important to you and is qualified in its entirety by, and should be read in conjunction with, the relevant portions of the indenture and the 6.00% Notes due 2026. We refer you to the indenture and the 6.00% Notes due 2026 for a more detailed description of the terms and provisions summarized below.

General

On December 17, 2021, we issued $70.0 million in aggregate principal amount of the 6.00% Notes due 2026, and on December 21, 2021, we issued an additional $5.0 million in aggregate principal amount of the 6.00% Notes due 2026 pursuant to an overallotment option. As of December 31, 2021, we had $75.0 million in aggregate principal amount of the 6.00% Notes due 2026 outstanding and we were in compliance with the terms and provisions of the indenture. The 6.00% Notes due 2026 are listed on the Nasdaq Global Select Market under the ticker symbol "SSSSL."

As required by U.S. federal law for all bonds and notes of companies that are publicly offered, the 6.00% Notes due 2026 are governed by the indenture. An indenture is a contract between us and the financial institution acting as trustee on behalf of the holders, and is subject to and governed by the Trust Indenture Act of 1939, as amended. The trustee has two main roles. First, the trustee can enforce holders' rights against us if we default. However, there are some limitations on the extent to which the trustee acts on holders' behalf, which are described in the second paragraph under "- Events of Default - Remedies if an Event of Default Occurs" below. Second, the trustee performs certain administrative duties for us with respect to the 6.00% Notes due 2026.

The 6.00% Notes due 2026 mature on December 30, 2026. The principal payable at maturity will be 100% of the aggregate principal amount. The interest rate of the 6.00% Notes due 2026 is 6.00% per year, payable quarterly on every March 30, June 30, September 30, and December 30 of each year, beginning on March 30, 2022, and the regular record dates for interest payments are every March 15, June 15, September 15, and December 15 of each year, commencing on March 15, 2022. If an interest payment date falls on a non-business day, the applicable interest payment will be made on the next business day and no additional interest will accrue as a result of such delayed payment. The initial interest period is the period from and including December 17, 2021, to, but excluding, the initial interest payment date, and the subsequent interest periods are the periods from and including an interest payment date to, but excluding, the next interest payment date or the stated maturity date, as the case may be.

The 6.00% Notes due 2026 were issued in denominations of $25 and integral multiples of $25 in excess thereof. The 6.00% Notes due 2026 are not subject to any sinking fund and the holders do not have the option to have the 6.00% Notes due 2026 repaid prior to the stated maturity date.

The indenture does not limit the amount of debt (including secured debt) that may be issued by us or our subsidiaries under the indenture or otherwise, but does contain a covenant regarding our asset coverage that would have to be satisfied at the time of our incurrence of additional indebtedness. See "- Covenants" and "- Events of Default." Other than as described under "- Covenants" below, the indenture does not restrict us from paying dividends or issuing or repurchasing our other securities. Other than restrictions described under "- Merger or Consolidation" below, the indenture does not contain any covenants or other provisions designed to afford holders of the 6.00% Notes due 2026 protection in the event of a highly leveraged transaction involving us or if our credit rating declines as the result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect an investment in the 6.00% Notes due 2026.

We have the ability to issue indenture securities with terms different from the 6.00% Notes due 2026 and, without the consent of the holders of the 6.00% Notes due 2026, to reopen the 6.00% Notes due 2026 and issue additional 6.00% Notes due 2026.

Covenants

In addition to any other covenants described below, as well as standard covenants relating to payment of principal and interest, maintaining an office where payments may be made or securities can be surrendered for payment and related matters, the following covenants will apply to the 6.00% Notes due 2026:

- We agree that, for the period of time during which the 6.00% Notes due 2026 are outstanding, we will not violate Section 18(a)(1)(A) as modified by such provisions of Section 61(a) of the 1940 Act as may be applicable to us from time to time or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect, in either case, to any exemptive relief granted to us by the SEC. Currently, these provisions generally prohibit us from incurring additional borrowings, including through the issuance of additional debt securities, unless our asset coverage, as defined in the 1940 Act, equals at least 200% (or 150% if certain requirements are met) after such borrowings. Notwithstanding the foregoing, for the period of time during which the 6.00% Notes due 2026 are outstanding, we will not seek the requisite approval under the 1940 Act of our board of directors or our shareholders to reduce our asset coverage below 200%.

- We agree that, for the period of time during which the 6.00% Notes due 2026 are outstanding, we will not violate Section 18(a)(1)(B) as modified by (i) Section 61(a) of the 1940 Act or any successor provisions and after giving effect to any exemptive relief granted to us by the SEC and (ii) the two other exceptions set forth below. Section 18(a)(1)(B) as modified by Section 61(a) of the 1940 Act generally prohibits a BDC from declaring any cash dividend or distribution upon any class of its capital stock, or purchasing any such capital stock if its asset coverage, as defined in the 1940 Act, were below 200% (or 150% if certain requirements are met) at the time of the declaration of the dividend or distribution or the purchase and after deducting the amount of such dividend, distribution, or purchase. Under this covenant, we will be permitted to declare a cash dividend or distribution notwithstanding the prohibition contained in Section 18(a)(1)(B) as modified by Section 61(a) of the 1940 Act or any successor provisions, but only up to such amount as is necessary for us to maintain our status as a RIC under Subchapter M of the Code. Notwithstanding the foregoing, for the period of time during which the 6.00% Notes due 2026 are outstanding, we will not seek the requisite approval under the 1940 Act of our board of directors or our shareholders to reduce our asset coverage below 200%.

- We agree that, for the period of time during which the 6.00% Notes due 2026 are outstanding, we will not incur any indebtedness or purchase any shares of our outstanding capital stock, unless, in every such case, at the time of the incurrence of such indebtedness or at the time of any such purchase, we have an asset coverage, as defined in the 1940 Act, of at least 300% after giving effect to the incurrence of such indebtedness and the application of the net proceeds therefrom or after deducting the amount of such purchase price, as the case may be.

- If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act to file any periodic reports with the SEC, we agree to furnish to holders of the 6.00% Notes due 2026 and the trustee, for the period of time during which the 6.00% Notes due 2026 are outstanding, our audited annual consolidated financial statements, within 90 days of our fiscal year end, and unaudited interim consolidated financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with applicable U.S. GAAP.

- We agree that, for the period of time during which the 6.00% Notes due 2026 are outstanding, we will not incur any secured or unsecured indebtedness that would be senior to the 6.00% Notes due 2026 other than (i) indebtedness incurred to buy short term, investment grade fixed income securities and for hedging purposes or (ii) in connection with redeeming 100% of the 6.00% Notes due 2026 in accordance with the indenture. For the avoidance of any doubt, the foregoing shall not otherwise limit the Company's ability to partially redeem the 6.00% Notes due 2026 in accordance with the terms of the indenture.

- We agree that, for the period of time during which the 6.00% Notes due 2026 are outstanding, we will use commercially reasonable efforts to maintain a credit rating on the 6.00% Notes due 2026 by a “nationally recognized statistical rating organization,” as such term is defined in Section 3(a)(62) of the Exchange Act; provided that no minimum rating will be required.

Optional Redemption

The 6.00% Notes due 2026 may be redeemed, in whole or in part, at any time or from time to time, at our option on or after December 30, 2024, upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount of the 6.00% Notes due 2026 to be redeemed plus accrued and unpaid interest payments otherwise payable thereon for the then-current quarterly interest period accrued to, but excluding, the date fixed for redemption.

A holder may be prevented from exchanging or transferring the 6.00% Notes due 2026 when such notes are subject to redemption. In case any 6.00% Notes due 2026 are to be redeemed in part only, the redemption notice will provide that, upon surrender of such 6.00% Notes due 2026, the holder will receive, without a charge, a new note or notes of authorized denominations representing the principal amount of the holder’s remaining unredeemed 6.00% Notes due 2026. Any exercise of our option to redeem the 6.00% Notes due 2026 will be done in compliance with the 1940 Act, to the extent applicable.

If we redeem only some of the 6.00% Notes due 2026, the trustee or, with respect to global securities, DTC, will determine the method for selection of the particular 6.00% Notes due 2026 to be redeemed, in accordance with the indenture and the 1940 Act, to the extent applicable, and in accordance with the rules of any national securities exchange or quotation system on which the 6.00% Notes due 2026 are listed. Unless we default in payment of the redemption price, on and after the date of redemption, interest will cease to accrue on the 6.00% Notes due 2026 called for redemption.

Global Securities

Each 6.00% Notes due 2026 will be issued in book-entry form and represented by a global security that we deposit with and register in the name of DTC or its nominee. A global security may not be transferred to or registered in the name of anyone other than the depositary or its nominee, unless special termination situations arise. As a result of these arrangements, the depositary, or its nominee, will be the sole registered owner and holder of all the 6.00% Notes due 2026 represented by a global security, and investors will be permitted to own only beneficial interests in a global security. For more information about these arrangements, see "- Book-Entry Procedures" below.

Termination of a Global Security

If a global security is terminated for any reason, interests in it will be exchanged for certificates in non-book-entry form (certificated securities). After that exchange, the choice of whether to hold the certificated 6.00% Notes due 2026 directly or in street name will be up to the investor. Investors must consult their own banks or brokers to find out how to have their interests in a global security transferred on termination to their own names, so that they will be holders.

Conversion and Exchange

The 6.00% Notes due 2026 are not convertible into or exchangeable for other securities.

Payment and Paying Agents

We will pay interest to the person listed in the trustee's records as the owner of the 6.00% Notes due 2026 at the close of business on a particular day in advance of each due date for interest, even if that person no longer owns the 6.00% Notes due 2026 on the interest due date. That day, usually about two weeks in advance of the interest due date, is called the "record date." Because we will pay all the interest for an interest period to the holders on the record date, holders buying and selling the 6.00% Notes due 2026 must work out between themselves the appropriate purchase price. The most common manner is to adjust the sales price of the 6.00% Notes due 2026 to prorate interest fairly between buyer and seller based on their respective ownership periods within the particular interest period. This prorated interest amount is called "accrued interest."

Payments on Global Securities

We will make payments on the 6.00% Notes due 2026 so long as they are represented by a global security in accordance with the applicable policies of the depositary as in effect from time to time. Under those policies, we will make payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interests in the global security. An indirect holder's right to those payments will be governed by the rules and practices of the depositary and its participants, as described under "- Book-Entry Procedures" below.

Payments on Certificated Securities

In the event the 6.00% Notes due 2026 become represented by certificated securities, we will make payments on the 6.00% Notes due 2026 as follows. We will pay interest that is due on an interest payment date to the holder of the 6.00% Notes due 2026 as shown on the trustee's records as of the close of business on the regular record date. We will make all payments of principal and premium, if any, by check at the office of the applicable trustee and/or at other offices that may be specified in the indenture or a notice to holders against surrender of the 6.00% Notes due 2026.

Alternatively, if the holder asks us to do so, we will pay any amount that becomes due on the debt security by wire transfer of immediately available funds to an account at a bank in New York City, on the due date. To request payment by wire, the holder must give the applicable trustee or other paying agent appropriate transfer instructions at least 15 business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person who is the holder on the relevant regular record date. Any wire instructions, once properly given, will remain in effect unless and until new instructions are given in the manner described above.

Payment When Offices Are Closed

If any payment is due on the 6.00% Notes due 2026 on a day that is not a business day, we will make the payment on the next day that is a business day. Payments made on the next business day in this situation will be treated under the indenture as if they were made on the original due date. Such payment will not result in a default under the 6.00% Notes due 2026 or the indenture, and no interest will accrue on the payment amount from the original due date to the next day that is a business day.

Book-entry and other indirect holders should consult their banks or brokers for information on how they will receive payments on the 6.00% Notes due 2026.

Events of Default

A holder will have rights if an Event of Default occurs in respect of the 6.00% Notes due 2026 and the Event of Default is not cured, as described later in this subsection.

The term "Event of Default" in respect of the 6.00% Notes due 2026 means any of the following:

- We do not pay the principal of any 6.00% Notes due 2026 when due and payable at maturity;

- We do not pay interest on any 6.00% Notes due 2026 when due and payable, and such default is not cured within 30 days of its due date;

- We remain in breach of any other covenant in respect of the 6.00% Notes due 2026 for 60 days after we receive a written notice of default stating we are in breach (the notice must be sent by either the trustee or holders of at least 25% of the principal amount of the outstanding 6.00% Notes due 2026);

- We file for bankruptcy or certain other events of bankruptcy, insolvency or reorganization occur and remain undischarged or unstayed for a period of 60 days; or

- On the last business day of each of twenty-four consecutive calendar months, the 6.00% Notes due 2026 have an asset coverage (as such term is defined in the 1940 Act) of less than 100%, giving effect to any exemptive relief granted to us by the SEC.

An Event of Default for the 6.00% Notes due 2026 may, but does not necessarily, constitute an Event of Default for any other series of debt securities issued under the same or any other indenture. The trustee may withhold notice to the holders of the 6.00% Notes due 2026 of any default, except in the payment of principal or interest, if it in good faith considers the withholding of notice to be in the best interests of the holders.

Remedies if an Event of Default Occurs

If an Event of Default has occurred and is continuing, the trustee or the holders of not less than 25% in principal amount of the 6.00% Notes due 2026 may declare the entire principal amount of all the 6.00% Notes due 2026 to be due and immediately payable, but this does not entitle any holder of 6.00% Notes due 2026 to any redemption payout or redemption premium. This is called a declaration of acceleration of maturity. In certain circumstances, a declaration of acceleration of maturity may be canceled by the holders of a majority in principal amount of the 6.00% Notes due 2026 if (1) we have deposited with the trustee all amounts due and owing with respect to the 6.00% Notes due 2026 (other than principal or any payment that has become due solely by reason of such acceleration) and certain other amounts, and (2) any other Events of Default have been cured or waived.

Except in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the indenture at the request of any holders unless the holders offer the trustee protection from expenses and liability reasonably satisfactory to it (called an "indemnity"). If indemnity reasonably satisfactory to the trustee is provided, the holders of a majority in principal amount of the 6.00% Notes due 2026 may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. The trustee may refuse to follow those directions in certain circumstances. No delay or omission in exercising any right or remedy will be treated as a waiver of that right, remedy or Event of Default.

Before a holder is allowed to bypass the trustee and bring its own lawsuit or other formal legal action or take other steps to enforce its rights or protect its interests relating to the 6.00% Notes due 2026, the following must occur:

- The holder must give the trustee written notice that an Event of Default has occurred and remains uncured;
- The holders of at least 25% in principal amount of all the 6.00% Notes due 2026 must make a written request that the trustee take action because of the default and must offer the trustee indemnity, security, or both reasonably satisfactory to it against the cost and other liabilities of taking that action;
- The trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity and/or security; and
- The holders of a majority in principal amount of the 6.00% Notes due 2026 must not have given the trustee a direction inconsistent with the above notice during that 60-day period.

However, a holder is entitled at any time to bring a lawsuit for the payment of money due on its 6.00% Notes due 2026 on or after the due date.

Book-entry and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration of maturity.

Each year, we will furnish to the trustee a written statement of certain of our officers certifying that to their knowledge we are in compliance with the indenture and the 6.00% Notes due 2026, or else specifying any default.

Waiver of Default

The holders of a majority in principal amount of the 6.00% Notes due 2026 may waive any past defaults other than a default:

- in the payment of principal (or premium, if any) or interest; or
- in respect of a covenant that cannot be modified or amended without the consent of each holder of the 6.00% Notes due 2026.

Merger or Consolidation

Under the terms of the indenture, we are generally permitted to consolidate or merge with another entity. We are also permitted to sell all or substantially all of our assets to another entity. However, we may not take any of these actions unless all the following conditions are met:

- where we merge out of existence or convey or transfer our assets substantially as an entirety, the resulting entity must agree to be legally responsible for our obligations under the 6.00% Notes due 2026;
- immediately after giving effect to the transaction, no default or Event of Default shall have happened and be continuing; and

- we must deliver certain certificates and documents to the trustee.

Modification or Waiver

There are three types of changes we can make to the indenture and the 6.00% Notes due 2026 issued thereunder.

Changes Requiring Approval

First, there are changes that we cannot make to the 6.00% Notes due 2026 without a holder's specific approval. The following is a list of those types of changes:

- change the stated maturity of the principal of (or premium, if any, on) or any installment of principal of or interest on the 6.00% Notes due 2026;
- reduce any amounts due on the 6.00% Notes due 2026 or reduce the rate of interest on the 6.00% Notes due 2026;
- reduce the amount of principal payable upon acceleration of the maturity of the 6.00% Notes due 2026 following a default;
- change the place or currency of payment on the 6.00% Notes due 2026;
- impair a holder's right to sue for payment;
- reduce the percentage of holders of the 6.00% Notes due 2026 whose consent is needed to modify or amend the indenture; and
- reduce the percentage of holders of the 6.00% Notes due 2026 whose consent is needed to waive compliance with certain provisions of the indenture or to waive certain defaults or reduce the percentage of holders of the 6.00% Notes due 2026 required to satisfy quorum or voting requirements at a meeting of holders of the 6.00% Notes due 2026.

Changes Not Requiring Approval

The second type of change does not require any vote by the holders of the 6.00% Notes due 2026. This type is limited to clarifications and certain other changes that would not adversely affect holders of the 6.00% Notes due 2026 in any material respect.

Changes Requiring Majority Approval

Any other change to the indenture and the 6.00% Notes due 2026 would require the following approval:

- if the change affects only the 6.00% Notes due 2026, it must be approved by the holders of a majority in principal amount of the 6.00% Notes due 2026; and
- if the change affects more than one series of debt securities issued under the same indenture, it must be approved by the holders of a majority in principal amount of all of the series affected by the change, with all affected series voting together as one class for this purpose.

In each case, the required approval must be given by written consent.

The holders of a majority in principal amount of all of the series of debt securities issued under an indenture, voting together as one class for this purpose, may waive our compliance with some of our covenants in that indenture.

However, we cannot obtain a waiver of a payment default or of any of the matters covered by the bullet points included above under "- Changes Requiring Approval."

Further Details Concerning Voting

When taking a vote, we will use the following rules to decide how much principal to attribute to the 6.00% Notes due 2026.

The 6.00% Notes due 2026 will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust money for their payment or redemption or if we or any affiliate of ours own any 6.00% Notes due 2026. The 6.00% Notes due 2026 will also not be eligible to vote if they have been fully defeased as described later under "- Defeasance - Full Defeasance" below.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of the 6.00% Notes due 2026 that are entitled to vote or take other action under the indenture. However, the record date may not be earlier than 30 days before the date of the first solicitation of holders to vote on or take such action and not later than the date such solicitation is completed. If we set a record date for a vote or other action to be taken by holders of the 6.00% Notes due 2026, that vote or action may be taken only by persons who are holders of the 6.00% Notes due 2026 on the record date and must be taken within eleven months following the record date.

Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the indenture or the 6.00% Notes due 2026 or request a waiver.

Satisfaction and Discharge

The indenture will be discharged and will cease to be of further effect with respect to the 6.00% Notes due 2026 when:

- Either:
  - all the 6.00% Notes due 2026 that have been authenticated have been delivered to the trustee for cancellation; or
  - all the 6.00% Notes due 2026 that have not been delivered to the trustee for cancellation:
    - have become due and payable, or
      - will become due and payable at their stated maturity within one year, or
      - are to be called for redemption within one year,
    - and we, in the case of the first, second and third sub-bullets above, have irrevocably deposited or caused to be deposited with the trustee as trust funds in trust solely for the benefit of the holders of the 6.00% Notes due 2026, in amounts as will be sufficient, to pay and discharge the entire indebtedness (including all principal, premium, if any, and interest) on such 6.00% Notes due 2026 not previously delivered to the trustee for cancellation (in the case of 6.00% Notes due 2026 that have become due and payable on or prior to the date of such deposit) or to the stated maturity or redemption date, as the case may be;
- we have paid or caused to be paid all other sums payable by us under the indenture with respect to the 6.00% Notes due 2026; and

- we have delivered to the trustee an officers' certificate and legal opinion, each stating that all conditions precedent provided for in the indenture relating to the satisfaction and discharge of the indenture and the 6.00% Notes due 2026 have been complied with.

Defeasance

The following provisions will be applicable to the 6.00% Notes due 2026. "Defeasance" means that, by depositing with a trustee an amount of cash and/or government securities sufficient to pay all principal and interest, if any, on the 6.00% Notes due 2026 when due and satisfying any additional conditions noted below, we will be deemed to have been discharged from our obligations under the 6.00% Notes due 2026. In the event of a "covenant defeasance," upon depositing such funds and satisfying similar conditions discussed below we would be released from certain covenants under the indenture relating to the 6.00% Notes due 2026.

Covenant Defeasance

Under current U.S. federal income tax law and the indenture, we can make the deposit described below and be released from some of the restrictive covenants in the indenture under which the 6.00% Notes due 2026 were issued. This is called "covenant defeasance." In that event, holders would lose the protection of those restrictive covenants but would gain the protection of having money and government securities set aside in trust to repay its 6.00% Notes due 2026. In order to achieve covenant defeasance, the following must occur:

- Since the 6.00% Notes due 2026 are denominated in U.S. dollars, we must deposit in trust for the benefit of all holders of the 6.00% Notes due 2026 a combination of cash and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the 6.00% Notes due 2026 on their various due dates;

- We must deliver to the trustee a legal opinion of our counsel confirming that, under current U.S. federal income tax law, we may make the above deposit without causing holders to be taxed on the 6.00% Notes due 2026 any differently than if we did not make the deposit;

- We must deliver to the trustee a legal opinion of our counsel stating that the above deposit does not require registration by us under the 1940 Act, and a legal opinion and officers' certificate stating that all conditions precedent to covenant defeasance have been complied with;

- Defeasance must not result in a breach or violation of, or result in a default under, the indenture or any of our other material agreements or instruments; and

- No default or Event of Default with respect to the 6.00% Notes due 2026 shall have occurred and be continuing and no defaults or events of default related to bankruptcy, insolvency or reorganization shall occur during the next 90 days.

If we accomplish covenant defeasance, holders can still look to us for repayment of the 6.00% Notes due 2026 if there were a shortfall in the trust deposit or the trustee is prevented from making payment. In fact, if one of the remaining Events of Default occurred (such as our bankruptcy) and the 6.00% Notes due 2026 became immediately due and payable, there might be a shortfall. Depending on the event causing the default, holders may not be able to obtain payment of the shortfall.

Full Defeasance

If there is a change in U.S. federal income tax law, as described below, we can legally release ourselves from all payment and other obligations on the 6.00% Notes due 2026 (called "full defeasance") if we put in place the following other arrangements for holders to be repaid:

- Since the 6.00% Notes due 2026 are denominated in U.S. dollars, we must deposit in trust for the benefit of all holders of the 6.00% Notes due 2026 a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the 6.00% Notes due 2026 on their various due dates;

- We must deliver to the trustee a legal opinion confirming that there has been a change in current U.S. federal tax law or an Internal Revenue Service ("IRS") ruling that allows us to make the above deposit without causing holders to be taxed on the 6.00% Notes due 2026 any differently than if we did not make the deposit;

- We must deliver to the trustee a legal opinion of our counsel stating that the above deposit does not require registration by us under the 1940 Act, and a legal opinion and officers' certificate stating that all conditions precedent to defeasance have been complied with;

- Defeasance must not result in a breach or violation of, or constitute a default under, the indenture or any of our other material agreements or instruments; and

- No default or Event of Default with respect to the 6.00% Notes due 2026 shall have occurred and be continuing and no defaults or events of default related to bankruptcy, insolvency or reorganization shall occur during the next 90 days.

If we ever did accomplish full defeasance, as described above, holders would have to rely solely on the trust deposit for repayment of the 6.00% Notes due 2026. Holders could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever became bankrupt or insolvent.

Form, Exchange and Transfer of Certificated Registered Securities

If registered 6.00% Notes due 2026 cease to be issued in book-entry form, they will be issued:

- only in fully registered certificated form;

- without interest coupons; and

- unless we indicate otherwise, in denominations of $25 and amounts that are multiples of $25.

Holders may exchange their certificated securities for 6.00% Notes due 2026 of smaller denominations or combined into fewer 6.00% Notes due 2026 of larger denominations, as long as the total principal amount is not changed and as long as the denomination is equal to or greater than $25.

Holders may exchange or transfer their certificated securities at the office of the trustee. We have appointed the trustee to act as our agent for registering 6.00% Notes due 2026 in the names of holders transferring 6.00% Notes due 2026. We may appoint another entity to perform these functions or perform them ourselves.

Holders will not be required to pay a service charge to transfer or exchange their certificated securities, but they may be required to pay any tax or other governmental charge associated with the transfer or exchange. The transfer or exchange will be made only if our transfer agent is satisfied with the holder's proof of legal ownership.

We may appoint additional transfer agents or cancel the appointment of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If any certificated securities of a particular series are redeemable and we redeem less than all of the 6.00% Notes due 2026, we may block the transfer or exchange of those 6.00% Notes due 2026 selected for redemption during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers or exchanges of any certificated 6.00% Notes due 2026 selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any Note that will be partially redeemed.

If registered 6.00% Notes due 2026 are issued in book-entry form, only the depositary will be entitled to transfer and exchange the 6.00% Notes due 2026 as described in this subsection, since it will be the sole holder of the 6.00% Notes due 2026.

Indenture Provisions - Ranking

The 6.00% Notes due 2026 are be our direct unsecured obligations and rank:

- pari passu with our existing and future unsecured, unsubordinated indebtedness;
- senior to any of our future indebtedness that expressly provides it is subordinated to the 6.00% Notes due 2026;
- effectively subordinated to any future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness; provided, however, that we have agreed to not incur any secured or unsecured indebtedness that would be senior to the 6.00% Notes due 2026 while the 6.00% Notes due 2026 are outstanding, subject to certain exceptions; and
- structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries.

Governing Law

The indenture and the 6.00% Notes due 2026 will be governed by and construed in accordance with the laws of the State of New York.

The Trustee under the Indenture

U.S. Bank Trust Company, National Association (as successor in interest to U.S Bank National Association) serves as the trustee, paying agent, and security registrar under the indenture.

Resignation of Trustee

The trustee may resign or be removed with respect to the 6.00% Notes due 2026 provided that a successor trustee is appointed to act with respect to the 6.00% Notes due 2026. In the event that two or more persons are acting as trustee with respect to different series of indenture securities under the indenture, each of the trustees will be a trustee of a trust separate and apart from the trust administered by any other trustee.

Book-Entry Procedures

The 6.00% Notes due 2026 will be represented by global securities that will be deposited and registered in the name of DTC or its nominee. This means that, except in limited circumstances, holders will not receive certificates for the 6.00% Notes due 2026. Beneficial interests in the 6.00% Notes due 2026 will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the 6.00% Notes due 2026 through either DTC, if they are a participant, or indirectly through organizations that are participants in DTC.

The 6.00% Notes due 2026 will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each issuance of the 6.00% Notes due 2026, in the aggregate principal amount thereof, and will be deposited with DTC. Interests in the 6.00% Notes due 2026 will trade in DTC's Same Day Funds Settlement System, and any permitted secondary market trading activity in such 6.00% Notes due 2026 will, therefore, be required by DTC to be settled in immediately available funds. None of the Company, the trustee or the paying agent will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC").

DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's Ratings Services' rating of AA+. The DTC Rules applicable to its participants are on file with the SEC. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the 6.00% Notes due 2026 under the DTC system must be made by or through Direct Participants, which will receive a credit for the 6.00% Notes due 2026 on DTC's records. The ownership interest of each actual purchaser of each security, or the "Beneficial Owner," is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 6.00% Notes due 2026 are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 6.00% Notes due 2026, except in the event that use of the book-entry system for the 6.00% Notes due 2026 is discontinued.

To facilitate subsequent transfers, all 6.00% Notes due 2026 deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the 6.00% Notes due 2026 with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 6.00% Notes due 2026; DTC's records reflect only the identity of the Direct Participants to whose accounts the 6.00% Notes due 2026 are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 6.00% Notes due 2026 within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Redemption proceeds, distributions, and interest payments on the 6.00% Notes due 2026 will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from us or the trustee on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the trustee, or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of us or the trustee, but disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 6.00% Notes due 2026 at any time by giving reasonable notice to us or to the trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered. We may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but neither we nor the underwriters take any responsibility for its accuracy.

AMENDMENT NO. 1 TO
SECOND AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

This Amendment No. 1 to the Second Amended and Restated Employment Agreement (this "**Amendment**") is effective as of March 10, 2022, by and between SuRo Capital Corp., a Maryland corporation (the "**Company**"), and Allison Green (the "**Executive**").

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

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

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

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

1. AMENDMENT TO SECTION 4(a). Section 4(a) of the Second Amended and Restated Employment Agreement is hereby amended by deleting the first sentence thereof and by replacing it with the following:

"a. Base Salary. Effective as of March 10, 2022, the Executive shall be compensated for the Executive's services at an annual rate of base salary of five hundred thousand dollars ($500,000), which may be reviewed and increased (but not decreased) on an annual basis by the Board in its sole discretion, payable in accordance with the Company's regular payroll schedule (the "**Base Salary**"). Notwithstanding the foregoing, the Executive acknowledges and agrees that in the event that the Executive cease to act as the chief compliance officer for the Company, the Executive's compensation may be reduced accordingly but not below four hundred and fifty thousand dollars ($450,000) (the base salary in effect immediately prior to the effective date of this amendment)."

2. AMENDMENT TO SECTION 4(b). Section 4(b) of the Second Amended and Restated Employment Agreement is hereby amended by deleting the first sentence thereof and by replacing it with the following:

"b. Annual Bonus Arrangements. Effective as of March 10, 2022, the Executive will be eligible to receive annual bonus payments up to one hundred and twenty five percent (125%) of the Executive's then-effective Base Salary, payable in amounts and at such times as determined in good faith by the Board, based on meeting Company performance objectives, performance goals, and other objectives as mutually agreed upon by the Board and the Executive, and as may be amended from time to time (the "**Annual Bonus**")."

3. MISCELLANEOUS.

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

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

EXECUTIVE:

____

Allison Green

SURO CAPITAL CORP.:

By:________________________________

Name: Mark D. Klein
Title: President and Chief Executive Officer

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statement on Form N-2 (File No. 333-239681) of SuRo Capital Corp. (the "Company") and in the Registration Statement on Form S-8 (File No. 333-239662) of the Company (collectively, the "Registration Statements") of our report dated March 11, 2022, with respect to our audits of the consolidated financial statements of the Company as of December 31, 2021 and 2020, and for each of the three years in the period ended December 31 2021, which report is included in the Annual Report on Form 10-K of the Company for the year ended December 31, 2021 (the "Form 10-K"). We also consent to the reference to us under the heading "Senior Securities" in Part II, Item 5 of the Form 10-K.

We consent to the incorporation by reference in the Registration Statements of our report dated March 11, 2022, relating to the financial information set forth under the heading "Senior Securities" in Part II, Item 5 of the Form 10-K, which report is included as an exhibit to the Form 10-K.

/s/ Marcum LLP

San Francisco
March 11, 2022

Exhibit 31.1

Certification of Chief Executive Officer of SuRo Capital Corp.
pursuant to Rule 13a-14(a) under the Exchange Act,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Mark D. Klein, certify that:

1. I have reviewed this annual report on Form 10-K of SuRo Capital Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 11th day of March, 2022.

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

Exhibit 31.2

Certification of Chief Financial Officer of SuRo Capital Corp.
pursuant to Rule 13a-14(a) under the Exchange Act,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Allison Green, certify that:

1. I have reviewed this annual report on Form 10-K of SuRo Capital Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 11th day of March, 2022.

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 annual report on Form 10-K for the year ended December 31, 2021 (the “Report”) of SuRo Capital Corp. (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, Mark D. Klein, the Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Mark D. Klein

Name: Mark D. Klein
Date: March 11, 2022

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 annual report on Form 10-K for the year ended December 31, 2021 (the “Report”) of SuRo Capital Corp. (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, Allison Green, the Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Allison Green
Name: Allison Green
Date: March 11, 2022

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON SUPPLEMENTAL FINANCIAL INFORMATION

To the Board of Directors and Shareholders
of SuRo Capital Corp. (f/k/a Sutter Rock Capital Corp.)

We have audited the consolidated statements of assets and liabilities of SuRo Capital Corp. and subsidiaries (the "Company"), including the consolidated schedule of investments as of December 31, 2021 and 2020, and the related consolidated statements of operations, changes in net assets, cash flows, and financial highlights for the years then ended and have issued our report thereon dated March 11, 2022, which contained an unqualified opinion on those consolidated financial statements. The supplemental financial information set forth under the heading "Senior Securities" as of December 31, 2021 and 2020 included in Part II, Item 5 of the Company's Annual Report on Form 10-K has been subjected to audit procedures performed in conjunction with the audit of the Company's consolidated financial statements. The supplemental financial information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental financial information reconciles to the consolidated financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental financial information. In our opinion, such financial information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

/s/ Marcum LLP

San Francisco, California
March 11, 2022