

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

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED **June 30, 2024**

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

COMMISSION FILE NUMBER: 814-00852

SuRo Capital Corp.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

27-4443543

(I.R.S. Employer
Identification No.)

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

10019
(Zip Code)

(212) 931-6331

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES NO

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

Large accelerated filer

Non-accelerated filer

Emerging growth company

Accelerated filer

Smaller reporting company

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

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

The issuer had 23,378,002 shares of common stock, \$0.01 par value per share, outstanding as of August 7, 2024.

SURO CAPITAL CORP.

TABLE OF CONTENTS

	PAGE
<u>PART I. FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements</u>	1
<u>Condensed Consolidated Statements of Assets and Liabilities as of June 30, 2024 (Unaudited) and December 31, 2023</u>	1
<u>Condensed Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2024 and 2023 (Unaudited)</u>	2
<u>Condensed Consolidated Statements of Changes in Net Assets for the Six Months Ended June 30, 2024 and 2023 (Unaudited)</u>	3
<u>Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2024 and 2023 (Unaudited)</u>	4
<u>Condensed Consolidated Schedule of Investments as of June 30, 2024 (Unaudited)</u>	5
<u>Condensed Consolidated Schedule of Investments as of December 31, 2023</u>	9
<u>Notes to Condensed Consolidated Financial Statements as of June 30, 2024 (Unaudited)</u>	13
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	42
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	54
Item 4. <u>Controls and Procedures</u>	54
<u>PART II. OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	55
Item 1A. <u>Risk Factors</u>	55
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	55
Item 3. <u>Defaults Upon Senior Securities</u>	55
Item 4. <u>Mine Safety Disclosures</u>	55
Item 5. <u>Other Information</u>	55
Item 6. <u>Exhibits</u>	56
<u>Signatures</u>	57

PART I

Item 1. Financial Statements

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
ASSETS		
Investments at fair value:		
Non-controlled/non-affiliate investments (cost of \$195,251,769 and \$160,994,161, respectively)	\$ 161,548,344	\$ 147,167,535
Non-controlled/affiliate investments (cost of \$32,733,009 and \$32,775,940, respectively)	19,386,536	24,931,333
Controlled investments (cost of \$8,764,352 and \$18,771,097, respectively)	1,970,000	11,982,381
Total Portfolio Investments	182,904,880	184,081,249
Investments in U.S. Treasury bills (cost of \$0 and \$63,792,704, respectively)	—	63,810,855
Total Investments (cost of \$236,749,130 and \$276,333,902, respectively)	182,904,880	247,892,104
Cash	54,379,773	28,178,352
Escrow proceeds receivable	71,044	309,293
Interest and dividends receivable	83,844	132,607
Deferred financing costs	561,075	594,726
Prepaid expenses and other assets ⁽¹⁾	282,555	494,602
Total Assets	238,283,171	277,601,684
LIABILITIES		
Accounts payable and accrued expenses ⁽¹⁾	2,002,539	346,308
Dividends payable	44,700	152,523
6.00% Notes due December 30, 2026 ⁽²⁾	73,923,741	73,745,207
Total Liabilities	75,970,980	74,244,038
Commitments and contingencies (Notes 7 and 10)		
Net Assets	\$ 162,312,191	\$ 203,357,646
NET ASSETS		
Common stock, par value \$0.01 per share (100,000,000 authorized; 23,378,002 and 25,445,805 issued and outstanding, respectively)	\$ 233,780	\$ 254,458
Paid-in capital in excess of par	240,145,859	248,454,107
Accumulated net investment loss	(11,182,638)	(4,304,111)
Accumulated net realized loss on investments, net of distributions	(12,802,458)	(12,348,772)
Accumulated net unrealized appreciation/(depreciation) of investments	(54,082,352)	(28,698,036)
Net Assets	\$ 162,312,191	\$ 203,357,646
Net Asset Value Per Share	\$ 6.94	\$ 7.99

See accompanying notes to condensed consolidated financial statements.

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

(2) As of June 30, 2024, the 6.00% Notes due December 30, 2026 (the “6.00% Notes due 2026”) (effective interest rate of 6.53%) had a face value \$75,000,000. As of December 31, 2023, the 6.00% Notes due 2026 (effective interest rate of 6.53%) had a face value \$75,000,000. Refer to “Note 10 —Debt Capital Activities” for a reconciliation of the carrying value to the face value.

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

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
INVESTMENT INCOME				
Non-controlled/non-affiliate investments:				
Interest income ⁽¹⁾	\$ 290,750	\$ 40,394	\$ 532,757	\$ 89,869
Dividend income	—	63,145	21,875	126,290
Controlled investments:				
Interest income	376,667	318,425	811,667	554,425
Interest income from U.S. Treasury bills	359,936	950,254	1,189,145	1,900,716
Total Investment Income	<u>1,027,353</u>	<u>1,372,218</u>	<u>2,555,444</u>	<u>2,671,300</u>
OPERATING EXPENSES				
Compensation expense	2,198,509	2,117,872	4,383,827	4,254,626
Directors' fees	167,825	161,661	338,938	322,226
Professional fees	586,825	916,579	1,315,384	1,907,413
Interest expense	1,214,267	1,214,267	2,428,534	2,427,553
Income tax expense	52,794	90,826	54,894	620,606
Other expenses	462,758	676,353	912,394	1,165,981
Total Operating Expenses	<u>4,682,978</u>	<u>5,177,558</u>	<u>9,433,971</u>	<u>10,698,405</u>
Net Investment Loss	<u>(3,655,625)</u>	<u>(3,805,340)</u>	<u>(6,878,527)</u>	<u>(8,027,105)</u>
Realized Gain/(Loss) on Investments:				
Non-controlled/non-affiliated investments	(22,867)	(2,325,175)	(507,008)	(2,135,832)
Non-controlled/affiliate investments	—	(10,945,024)	60,067	(10,945,024)
Controlled investments	(6,745)	—	(6,745)	—
Net Realized Loss on Investments	<u>(29,612)</u>	<u>(13,270,199)</u>	<u>(453,686)</u>	<u>(13,080,856)</u>
Change in Unrealized Appreciation/(Depreciation) of Investments:				
Non-controlled/non-affiliated investments	(3,481,638)	(12,152,800)	(19,876,809)	(14,216,377)
Non-controlled/affiliate investments	(3,485,172)	11,220,424	(5,501,871)	9,900,060
Controlled investments	864	2,387,891	(5,636)	14,420,763
Net Change in Unrealized Appreciation/(Depreciation) of Investments	<u>(6,965,946)</u>	<u>1,455,515</u>	<u>(25,384,316)</u>	<u>10,104,446</u>
Net Change in Net Assets Resulting from Operations	<u>\$ (10,651,183)</u>	<u>\$ (15,620,024)</u>	<u>\$ (32,716,529)</u>	<u>\$ (11,003,515)</u>
Net Change in Net Assets Resulting from Operations per Common Share:				
Basic	<u>\$ (0.45)</u>	<u>\$ (0.60)</u>	<u>\$ (1.34)</u>	<u>\$ (0.41)</u>
Diluted ⁽²⁾	<u>\$ (0.45)</u>	<u>\$ (0.60)</u>	<u>\$ (1.34)</u>	<u>\$ (0.41)</u>
Weighted-Average Common Shares Outstanding				
Basic	23,410,235	25,952,447	24,401,863	27,158,786
Diluted ⁽²⁾	23,410,235	25,952,447	24,401,863	27,158,786

See accompanying notes to condensed consolidated financial statements.

(1) Includes interest income earned on cash.

(2) For the three and six months ended June 30, 2024 and June 30, 2023, there were no potentially dilutive securities outstanding. Refer to "Note 6 — Net Change in Net Assets Resulting from Operations per Common Share — Basic and Diluted".

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

	Six Months Ended June 30,	
	2024	2023
Net Assets at Beginning of Year	\$ 203,357,646	\$ 210,020,702
Change in Net Assets Resulting from Operations		
Net investment loss	(3,222,902)	(4,221,765)
Net realized gain/(loss) on investments	(424,074)	189,343
Net change in unrealized appreciation/(depreciation) of investments	(18,418,370)	8,648,931
Net Change in Net Assets Resulting from Operations	(22,065,346)	4,616,509
Change in Net Assets Resulting from Capital Transactions		
Stock-based compensation	428,835	405,858
Net Change in Net Assets Resulting from Capital Transactions	428,835	405,858
Total Change in Net Assets	(21,636,511)	5,022,367
Net Assets at March 31	\$ 181,721,135	\$ 215,043,069
Change in Net Assets Resulting from Operations		
Net investment loss	(3,655,625)	(3,805,340)
Net realized loss on investments	(29,612)	(13,270,199)
Net change in unrealized appreciation/(depreciation) of investments	(6,965,946)	1,455,515
Net Change in Net Assets Resulting from Operations	(10,651,183)	(15,620,024)
Change in Net Assets Resulting from Capital Transactions		
Stock-based compensation	642,239	769,679
Repurchases of common stock	(9,400,000)	(13,500,000)
Net Change in Net Assets Resulting from Capital Transactions	(8,757,761)	(12,730,321)
Total Change in Net Assets	(19,408,944)	(28,350,345)
Net Assets at June 30	\$ 162,312,191	\$ 186,692,724
Capital Share Activity		
Shares outstanding at beginning of year	25,445,805	28,429,499
Issuance of common stock under restricted stock plan, net ⁽¹⁾	(67,803)	(30,859)
Shares repurchased	(2,000,000)	(3,000,000)
Shares Outstanding at End of Period	23,378,002	25,398,640

See accompanying notes to condensed consolidated financial statements.

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

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

	Six Months Ended June 30,	
	2024	2023
Cash Flows from Operating Activities		
Net change in net assets resulting from operations	\$ (32,716,529)	\$ (11,003,515)
Adjustments to reconcile net change in net assets resulting from operations to net cash provided by/(used in) operating activities:		
Net realized loss on investments	453,686	13,080,856
Net change in unrealized (appreciation)/depreciation of investments	25,384,316	(10,104,446)
Amortization of discount on 6.00% Notes due 2026	212,187	142,894
Stock-based compensation	1,071,074	1,175,537
Adjustments to escrow proceeds receivable	(139,925)	211,918
Accrued interest on U.S. Treasury bills	18,150	(385,692)
Purchases of investments in:		
Portfolio investments	(35,073,044)	(12,514,713)
U.S. Treasury bills	—	(141,793,045)
Proceeds from sales or maturity of investments in:		
Portfolio investments	10,551,335	6,257,861
U.S. Treasury bills	63,792,704	151,313,976
Change in operating assets and liabilities:		
Prepaid expenses and other assets	212,047	241,835
Interest and dividends receivable	48,763	19,218
Proceeds receivable	—	(664,470)
Escrow proceeds receivable	238,249	252,367
Accounts payable and accrued expenses	1,656,231	1,802,373
Net Cash Provided by/(Used in) Operating Activities	35,709,244	(1,967,046)
Cash Flows from Financing Activities		
Repurchases of common stock	(9,400,000)	(13,500,000)
Cash dividends paid	(107,823)	(107,823)
Net Cash Used in Financing Activities	(9,507,823)	(13,607,823)
Total Increase/(Decrease) in Cash Balance	26,201,421	(15,574,869)
Cash Balance at Beginning of Year	28,178,352	40,117,598
Cash Balance at End of Period	\$ 54,379,773	\$ 24,542,729
Supplemental Information:		
	2024	2023
Interest paid	\$ 2,250,000	\$ 2,250,000
Taxes paid	54,894	530,556

See accompanying notes to condensed consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED)
June 30, 2024

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
NON-CONTROLLED/NON-AFFILIATE						
Learnco, Inc. (f/k/a Course Hero, Inc.)	Redwood City, CA					
Preferred shares, Series A 8%	Online Education	9/18/2014	2,145,509	\$ 5,000,001	\$ 19,037,916	11.73%
Preferred shares, Series C 8%		11/5/2021	275,659	9,999,971	9,999,971	6.16%
Total				14,999,972	29,037,887	17.89%
Blink Health, Inc.	New York, NY					
Preferred shares, Series A	Pharmaceutical Technology	10/27/2020	238,095	5,000,423	9,461,895	5.83%
Preferred shares, Series C		10/27/2020	261,944	10,003,917	10,409,653	6.41%
Total				15,004,340	19,871,548	12.24%
CW Opportunity 2 LP***(16)	Roseland, NJ					
Class A Interest	GPUs-as-a-Service	5/7/2024	1	15,010,290	15,000,000	9.24%
ServiceTitan, Inc.	Glendale, CA					
Common shares	Contractor Management Software	6/30/2023	151,515	10,008,233	14,445,601	8.90%
Locus Robotics Corp.	Wilmington, MA					
Preferred shares, Series F 6%	Warehouse Automation	11/30/2022	232,568	10,004,286	10,989,595	6.77%
Supplying Demand, Inc. (d/b/a Liquid Death)	Los Angeles, CA					
Preferred shares, Series F-1	Lifestyle Beverage Brand	1/18/2024	776,747	10,003,934	10,022,016	6.17%
Canva, Inc.**	Sydney, Australia					
Common shares	Productivity Software	4/17/2024	9,375	10,058,820	9,999,948	6.16%
Whoop, Inc.	Boston, MA					
Preferred shares, Series C	Fitness Technology	6/30/2022	13,293,450	10,011,460	9,432,242	5.81%
FourKites, Inc.	Chicago, IL					
Common shares	Supply Chain Technology	7/7/2023	1,398,024	8,530,389	8,830,199	5.44%
Shogun Enterprises, Inc. (d/b/a Hearth)	Austin, TX					
Preferred shares, Series B-1	Home Improvement Finance	2/26/2021	436,844	3,501,657	2,685,872	1.65%
Preferred shares, Series B-2		2/26/2021	301,750	3,501,661	2,685,876	1.65%
Preferred shares, Series B-3		5/2/2022	56,936	530,822	407,348	0.25%
Preferred shares, Series B-4		7/12/2023	48,267	366,606	348,680	0.21%
Common Warrants, Strike Price \$0.01, Expiration Date 7/12/2026		7/12/2023	86,076	140,060	—	—%
Total				8,040,806	6,127,776	3.78%
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	2.15%
Junior Preferred Convertible Note 4% Due 5/11/2027***		5/11/2020	\$ 506,339	506,339	506,339	0.31%
Common Warrants, Strike Price \$0.01, Expiration Date 5/11/2027		5/11/2020	2,032,967	—	20,330	0.01%
Total				10,513,661	4,011,683	2.47%
True Global Ventures 4 Plus Pte Ltd***(8)	Singapore, Singapore					
Limited Partner Fund Investment	Venture Investment Fund	8/27/2021	1	727,759	3,821,290	2.35%
Orchard Technologies, Inc.	New York, NY					
Preferred shares, Series D 8%	Real Estate Platform	8/9/2021	558,053	3,751,518	—	—%
Senior Preferred shares, Series 2		8/9/2021	58,771	587,951	—	—%
Senior Preferred shares, Series 1 7%		1/13/2023	441,228	4,418,406	3,695,935	2.28%
Common shares		8/9/2021	558,053	3,751,518	—	—%
Total				12,509,393	3,695,935	2.28%
PayJoy, Inc.	San Francisco, CA					
Preferred shares	Mobile Access Technology	7/23/2021	244,117	2,501,570	2,500,002	1.54%
Simple Agreement for Future Equity		5/25/2023	1	501,470	500,000	0.31%
Total				3,003,040	3,000,002	1.85%

See accompanying notes to condensed consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED) - continued
June 30, 2024

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
Xgroup Holdings Limited (d/b/a Xpoint) (7)(15)						
Preferred shares, Series A-1	Philadelphia, PA		454	136,114	244,324	0.15%
Series A-1 Warrants, Strike Price \$0.0001, Expiration Date 5/14/2044	Geolocation Technology	8/17/2022	3,286	985,180	1,768,389	1.09%
Series A Warrants, Strike Price \$0.0001, Expiration Date 5/14/2044			873	261,735	471,181	0.29%
Total				<u>1,383,029</u>	<u>2,483,894</u>	<u>1.53%</u>
Varo Money, Inc.**						
Common shares	San Francisco, CA					
	Financial Services	8/11/2021	1,079,266	10,005,548	1,698,861	1.05%
Forge Global, Inc.**						
Common shares ⁽³⁾	San Francisco, CA					
	Online Marketplace Finance	7/20/2011	1,145,875	2,093,988	1,672,978	1.03%
Oklo, Inc.**⁽¹²⁾						
Common shares, Class A ⁽³⁾	Santa Clara, CA					
	Advanced Nuclear Technology	7/21/2021	239,300	250,855	1,425,070	0.88%
Aventine Property Group, Inc.						
Common shares ^{***}	Chicago, IL					
	Cannabis REIT	9/11/2019	312,500	2,580,750	1,285,530	0.79%
Residential Homes for Rent, LLC (d/b/a Second Avenue)⁽⁶⁾						
Preferred shares, Series A	Chicago, IL					
	Real Estate Platform	12/23/2020	150,000	1,500,000	1,073,073	0.66%
Commercial Streaming Solutions Inc. (d/b/a BettorView)⁽⁷⁾						
Simple Agreement for Future Equity	Las Vegas, NV					
	Interactive Media & Services	3/26/2021	1	1,004,240	1,000,000	0.62%
Stake Trade, Inc. (d/b/a Prophet Exchange)⁽⁷⁾						
Simple Agreement for Future Equity	New York, NY					
	Sports Betting	7/26/2023	1	1,002,153	862,362	0.53%
Skillsoft Corp.**						
Common shares ⁽³⁾	Nashua, NH					
	Online Education	6/8/2021	49,092	9,818,428	678,942	0.42%
EDGE Markets, Inc.⁽⁷⁾						
Preferred shares, Series Seed	San Diego, CA					
	Gaming Technology	5/18/2022	456,704	501,330	500,000	0.31%
Churchill Sponsor VII LLC^{**⁽¹⁰⁾⁽¹⁴⁾}						
Common share units	New York, NY					
	Special Purpose Acquisition Company	2/25/2021	292,100	205,820	369,002	0.23%
Warrant units		2/25/2021	277,000	94,180	34,869	0.02%
Total				<u>300,000</u>	<u>403,871</u>	<u>0.25%</u>
Rebric, Inc. (d/b/a Compliant)⁽⁷⁾						
Preferred shares, Series Seed-4	Denver, CO					
	Gaming Licensing	10/12/2021	2,406,492	1,002,755	157,658	0.10%
Kinetiq Holdings, LLC						
Common shares, Class A	Philadelphia, PA					
	Social Data Platform	3/30/2012	112,374	—	20,383	0.01%
YouBet Technology, Inc. (d/b/a FanPower)⁽⁷⁾						
Preferred shares, Series Seed-2	New York, NY					
	Digital Media Technology	8/26/2021	578,029	752,943	—	—%
Trax Ltd.**						
Common shares	Singapore, Singapore					
	Retail Technology	6/9/2021	55,591	2,781,148	—	—%
Preferred shares, Investec Series		6/9/2021	144,409	7,224,600	—	—%
Total				<u>10,005,748</u>	<u>—</u>	<u>—%</u>
CTN Holdings, Inc. (d/b/a Catona Climate, f/k/a Aspiration Partners, Inc.)						
Preferred shares, Series A	Marina Del Rey, CA					
	Carbon Credit Services	8/11/2015	540,270	1,001,815	—	—%
Preferred shares, Series C-3		8/12/2019	24,912	281,190	—	—%
Total				<u>1,283,005</u>	<u>—</u>	<u>—%</u>
Fullbridge, Inc.						
Common shares	Cambridge, MA					
	Business Education	5/13/2012	517,917	6,150,506	—	—%
Promissory Note 1.47%, Due 11/9/2021 ⁽⁴⁾						
(11)		3/3/2016	\$ 2,270,458	2,270,858	—	—%
Total				<u>8,421,364</u>	<u>—</u>	<u>—%</u>

See accompanying notes to condensed consolidated financial statements.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED) - continued
June 30, 2024

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
Treehouse Real Estate Investment Trust, Inc.						
Common shares	Chicago, IL Cannabis REIT	9/11/2019	312,500	4,919,250	—	—%
Total Non-controlled/Non-affiliate				\$ 195,251,769	\$ 161,548,344	99.53%
NON-CONTROLLED/AFFILIATE⁽¹⁾						
StormWind, LLC⁽⁵⁾						
Preferred shares, Series D 8%	Scottsdale, AZ Interactive Learning	11/26/2019	329,337	\$ 257,267	\$ 478,581	0.29%
Preferred shares, Series C 8%		1/7/2014	2,779,134	4,000,787	5,161,003	3.18%
Preferred shares, Series B 8%		12/16/2011	3,279,629	2,019,687	3,004,438	1.85%
Preferred shares, Series A 8%		2/25/2014	366,666	110,000	130,629	0.08%
Total				<u>6,387,741</u>	<u>8,774,651</u>	<u>5.41%</u>
PSQ Holdings, Inc. (d/b/a PublicSquare)**						
Common shares, Class A ⁽³⁾⁽¹³⁾	West Palm Beach, FL E-Commerce Marketplace	4/1/2021	1,976,032	1,556,587	7,077,159	4.36%
Warrants, Strike Price \$11.50, Expiration Date 7/19/2028 ⁽³⁾		4/1/2021	2,296,037	985,722	889,714	0.55%
Total				<u>2,542,309</u>	<u>7,966,873</u>	<u>4.91%</u>
OneValley, Inc. (f/k/a NestGSV, Inc.)						
Derivative Security, Expiration Date 8/23/2024 ⁽⁹⁾	San Mateo, CA Global Innovation Platform	8/23/2019	1	8,555,124	1,366,707	0.84%
Convertible Promissory Note 8% Due 8/23/2024 ⁽⁴⁾		2/17/2016	\$ 1,010,198	1,030,176	1,278,305	0.79%
Total				<u>9,585,300</u>	<u>2,645,012</u>	<u>1.63%</u>
Maven Research, Inc.						
Preferred shares, Series C	San Francisco, CA Knowledge Networks	7/2/2012	318,979	2,000,447	—	—%
Preferred shares, Series B		2/28/2012	49,505	217,206	—	—%
Total				<u>2,217,653</u>	<u>—</u>	<u>—%</u>
Curious.com, Inc.						
Common shares	Menlo Park, CA Online Education	11/22/2013	1,135,944	12,000,006	—	—%
Total Non-controlled/Affiliate				\$ 32,733,009	\$ 19,386,536	11.94%
CONTROLLED⁽²⁾						
Colombier Sponsor II LLC**⁽¹⁰⁾						
Class B Units	Palm Beach, FL Special Purpose Acquisition Company	11/20/2023	1,040,000	1,103,719	1,101,695	0.68%
Class W Units			1,600,000	499,221	498,305	0.31%
Total				<u>1,602,940</u>	<u>1,600,000</u>	<u>0.99%</u>
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)						
Preferred shares, Class A	Cupertino, CA Clean Technology	4/15/2014	14,300,000	7,151,412	370,000	0.23%
Common shares		4/15/2014	100,000	10,000	—	—%
Total				<u>7,161,412</u>	<u>370,000</u>	<u>0.23%</u>
Total Controlled				\$ 8,764,352	\$ 1,970,000	1.21%
Total Portfolio Investments				\$ 236,749,130	\$ 182,904,880	112.69%

See accompanying notes to condensed consolidated financial statements.

* All portfolio investments are non-control/non-affiliated and non-income-producing, unless otherwise identified. Equity investments may be 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 June 30, 2024, 24.20% of its total investments are non-qualifying assets.

*** Investment is income-producing.

SURO CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED) - continued
June 30, 2024

- (1) “Affiliate Investments” are investments in those companies that are “Affiliated Companies” of SuRo Capital Corp., as defined in the 1940 Act. In general, a company is deemed to be an “Affiliate” of SuRo Capital Corp. if SuRo Capital Corp. beneficially owns, directly or indirectly, between 5% and 25% of the voting securities (*i.e.*, securities with the right to elect directors) of such company. For the Schedule of Investments In, and Advances To, Affiliates, as required by SEC Regulation S-X, Rule 12-14, refer to “Note 4—Investments at Fair Value”.
- (2) “Control Investments” are investments in those companies that are “Controlled Companies” of SuRo Capital Corp., as defined in the 1940 Act. In general, under the 1940 Act, the Company would “Control” a portfolio company if the Company beneficially owns, directly or indirectly, more than 25% of its outstanding voting securities (*i.e.*, securities with the right to elect directors) and/or had the power to exercise control over the management or policies of such portfolio company. For the Schedule of Investments In, and Advances To, Affiliates, as required by SEC Regulation S-X, Rule 12-14, refer to “Note 4—Investments at Fair Value”.
- (3) Denotes an investment considered Level 1 or Level 2 and valued using observable inputs. Refer to “Note 4—Investments at Fair Value”.
- (4) As of June 30, 2024, the investments noted had been placed on non-accrual status.
- (5) SuRo Capital Corp.’s investments in StormWind, LLC are held through SuRo Capital Corp.’s wholly owned subsidiary, GSVC SW Holdings, Inc.
- (6) SuRo Capital Corp.’s investment in Residential Homes for Rent, LLC (d/b/a Second Avenue) is held through SuRo Capital Corp.’s wholly owned subsidiary, GSVC AV Holdings, Inc.
- (7) SuRo Capital Corp.’s investments in Commercial Streaming Solutions Inc. (d/b/a BettorView), YouBet Technology, Inc. (d/b/a FanPower), Rebric, Inc. (d/b/a Compliant), EDGE Markets, Inc., Xgroup Holdings Limited (d/b/a Xpoint), and Stake Trade, Inc. (d/b/a Prophet Exchange) are held through SuRo Capital Corp.’s wholly owned subsidiary, SuRo Capital Sports, LLC (“SuRo Sports”).
- (8) SuRo Capital Corp.’s investments in True Global Ventures 4 Plus Pte Ltd are held through SuRo Capital Corp.’s wholly owned subsidiary, GSVC SVDS Holdings, Inc.
- (9) On August 23, 2019, SuRo Capital Corp. amended the structure of its investment in OneValley, Inc. (f/k/a NestGSV, Inc.). As part of the agreement, SuRo Capital Corp.’s equity holdings (warrants notwithstanding) were restructured into a derivative security. OneValley, Inc. (f/k/a NestGSV, Inc.) has the right to call the position at any time over a five year period, ending August 23, 2024, while SuRo Capital Corp. can put the shares to OneValley, Inc. (f/k/a NestGSV, Inc.) at the end of the five year period.
- (10) Denotes an investment that is the sponsor of a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses.
- (11) On November 9, 2021, Fullbridge, Inc.’s obligations under its financing arrangements with the Company became past due.
- (12) On May 7, 2024, AltC Acquisition Corp. (“AltC”) stockholders approved a business combination with Oklo, Inc. (“Oklo”) and related proposals at a special meeting. On May 9, 2024, Oklo announced that it had consummated the business combination with AltC pursuant to a merger agreement between the parties, creating the resultant combined company Oklo, Inc. Upon closing of the business combination with Oklo, SuRo Capital Corp.’s Class A common shares and Class B common shares were converted into Class A shares of the post-closing company. SuRo Capital Corp.’s shares of Oklo, Inc. are subject to certain vesting conditions.
- (13) SuRo Capital Corp.’s shares of PSQ Holdings, Inc. (d/b/a PublicSquare) Class A Common shares are subject to contractual sale restrictions in the form of a lock-up agreement applicable to the common shares after the company’s IPO. The lock-up agreement expires on July 19, 2024.
- (14) On August 1, 2023, Churchill Capital Corp. VII announced it signed a definitive agreement to merge with CorpAcq Holdings Limited. The fair value of SuRo Capital Corp.’s Churchill Sponsor VII LLC position is adjusted for certain lock-up provisions.
- (15) On May 14, 2024, as part of the most recent financing round, the 6% Convertible Note due October 17, 2024 which SuRo Capital Corp. previously extended to Xgroup Holdings Limited (d/b/a Xpoint) converted into Series A Warrants, Series A-1 Warrants, and Series A-1 Shares.
- (16) CW Opportunity 2 LP is a special purpose vehicle that is invested in the Series C Preferred Shares of CoreWeave, Inc.

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

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

See accompanying notes to condensed consolidated financial statements.

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

Portfolio Investments*	Headquarters/ Industry	Date of Initial Investment	Shares/ Principal	Cost	Fair Value	% of Net Assets
Aventine Property Group, Inc.	Chicago, IL					
Common shares***	Cannabis REIT	9/11/2019	312,500	2,580,750	1,418,723	0.70%
Xgroup Holdings Limited (d/b/a Xpoint)**(7)	Philadelphia, PA					
Convertible Note 6%, Due 10/17/2024 ⁽⁴⁾	Geolocation Technology	8/17/2022	\$ 1,000,000	1,338,976	1,325,000	0.65%
Commercial Streaming Solutions Inc. (d/b/a BettorView)(7)	Las Vegas, NV					
Simple Agreement for Future Equity	Interactive Media & Services	3/26/2021	1	1,004,240	1,000,000	0.49%
Stake Trade, Inc. (d/b/a Prophet Exchange)(7)	New York, NY					
Simple Agreement for Future Equity	Sports Betting	7/26/2023	1	1,002,153	1,000,000	0.49%
AltC Sponsor LLC**⁽¹⁰⁾⁽¹⁴⁾	New York, NY					
Common shares, Class B	Special Purpose Acquisition Company	7/21/2021	214,400	224,753	759,076	0.37%
Common shares, Class A		7/21/2021	24,900	26,102	176,315	0.09%
Total				<u>250,855</u>	<u>935,391</u>	<u>0.46%</u>
Skillsoft Corp.**	Nashua, NH					
Common shares ⁽³⁾	Online Education	6/8/2021	49,092	9,818,428	863,037	0.42%
Rebric, Inc. (d/b/a Compliant)(7)	Denver, CO					
Preferred shares, Series Seed-4	Gaming Licensing	10/12/2021	2,406,492	1,002,755	799,323	0.39%
EDGE Markets, Inc.(7)	San Diego, CA					
Preferred shares, Series Seed	Gaming Technology	5/18/2022	456,704	501,330	500,000	0.25%
Churchill Sponsor VII LLC**⁽¹⁰⁾	New York, NY					
Common share units	Special Purpose Acquisition Company	2/25/2021	292,100	205,820	344,097	0.17%
Warrant units		2/25/2021	277,000	94,180	18,929	0.01%
Total				<u>300,000</u>	<u>363,026</u>	<u>0.18%</u>
Nextdoor Holdings, Inc.**	San Francisco, CA					
Common shares, Class B ⁽³⁾	Social Networking	9/27/2018	112,420	626,470	212,474	0.10%
YouBet Technology, Inc. (d/b/a FanPower)(7)	New York, NY					
Preferred shares, Series Seed-2	Digital Media Technology	8/26/2021	578,029	752,943	187,500	0.09%
Kinetiq Holdings, LLC	Philadelphia, PA					
Common shares, Class A	Social Data Platform	3/30/2012	112,374	—	28,836	0.01%
Trax Ltd.**	Singapore, Singapore					
Common shares	Retail Technology	6/9/2021	55,591	2,781,148	—	—%
Preferred shares, Investec Series		6/9/2021	144,409	7,224,600	—	—%
Total				<u>10,005,748</u>	<u>—</u>	<u>—%</u>
Aspiration Partners, Inc.	Marina Del Rey, CA					
Preferred shares, Series A	Financial Services	8/11/2015	540,270	1,001,815	—	—%
Preferred shares, Series C-3		8/12/2019	24,912	281,190	—	—%
Total				<u>1,283,005</u>	<u>—</u>	<u>—%</u>
Fullbridge, Inc.	Cambridge, MA					
Common shares	Business Education	5/13/2012	517,917	6,150,506	—	—%
Promissory Note 1.47%, Due 11/9/2021 ⁽⁴⁾ ⁽¹¹⁾		3/3/2016	\$ 2,270,458	2,270,858	—	—%
Total				<u>8,421,364</u>	<u>—</u>	<u>—%</u>
Trehouse Real Estate Investment Trust, Inc.	Chicago, IL					
Common shares	Cannabis REIT	9/11/2019	312,500	4,919,250	—	—%
Total Non-controlled/Non-affiliate				\$ 160,994,161	\$ 147,167,535	72.37%

See accompanying notes to condensed consolidated financial statements.

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

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

See accompanying notes to condensed consolidated financial statements.

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

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

*** Investment is income-producing.

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

- (1) “Affiliate Investments” are investments in those companies that are “Affiliated Companies” of SuRo Capital Corp., as defined in the 1940 Act. In general, a company is deemed to be an “Affiliate” of SuRo Capital Corp. if SuRo Capital Corp. beneficially owns, directly or indirectly, between 5% and 25% of the voting securities (*i.e.*, securities with the right to elect directors) of such company. For the Schedule of Investments In, and Advances To, Affiliates, as required by SEC Regulation S-X, Rule 12-14, refer to “Note 4—Investments at Fair Value”.
- (2) “Control Investments” are investments in those companies that are “Controlled Companies” of SuRo Capital Corp., as defined in the 1940 Act. In general, under the 1940 Act, the Company would “Control” a portfolio company if the Company beneficially owns, directly or indirectly, more than 25% of its outstanding voting securities (*i.e.*, securities with the right to elect directors) and/or had the power to exercise control over the management or policies of such portfolio company. For the Schedule of Investments In, and Advances To, Affiliates, as required by SEC Regulation S-X, Rule 12-14, refer to “Note 4—Investments at Fair Value”.
- (3) Denotes an investment considered Level 1 or Level 2 and valued using observable inputs. Refer to “Note 4—Investments at Fair Value”.
- (4) As of December 31, 2023, the investments noted had been placed on non-accrual status.
- (5) SuRo Capital Corp.’s investments in StormWind, LLC are held through SuRo Capital Corp.’s wholly owned subsidiary, GSVC SW Holdings, Inc.
- (6) SuRo Capital Corp.’s investment in preferred shares of Residential Homes for Rent, LLC (d/b/a Second Avenue) are held through SuRo Capital Corp.’s wholly owned subsidiary, GSVC AV Holdings, Inc.
- (7) SuRo Capital Corp.’s investments in Commercial Streaming Solutions Inc. (d/b/a BettorView), YouBet Technology, Inc. (d/b/a FanPower), Rebric, Inc. (d/b/a Compliant), EDGE Markets, Inc., Xgroup Holdings Limited (d/b/a Xpoint), and Stake Trade, Inc. (d/b/a Prophet Exchange) are held through SuRo Capital Corp.’s wholly owned subsidiary, SuRo Capital Sports, LLC (“SuRo Sports”).
- (8) SuRo Capital Corp.’s investments in True Global Ventures 4 Plus Pte Ltd are held through SuRo Capital Corp.’s wholly owned subsidiary, GSVC SVDS Holdings, Inc. On March 31, 2023, the previously unfunded capital commitment of \$1.3 million was deemed fully contributed in lieu of cash distributions. On March 31, 2023, the full \$2.0 million capital commitment to True Global Ventures 4 Plus Fund LP had been called and funded.
- (9) On August 23, 2019, SuRo Capital Corp. amended the structure of its investment in OneValley, Inc. (f/k/a NestGSV, Inc.). As part of the agreement, SuRo Capital Corp.’s equity holdings (warrants notwithstanding) were restructured into a derivative security. OneValley, Inc. (f/k/a NestGSV, Inc.) has the right to call the position at any time over a five year period, ending August 23, 2024, while SuRo Capital Corp. can put the shares to OneValley, Inc. (f/k/a NestGSV, Inc.) at the end of the five year period.
- (10) Denotes an investment that is the sponsor of a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses.
- (11) On November 9, 2021, Fullbridge, Inc.’s obligations under its financing arrangements with the Company became past due.
- (12) On January 13, 2023, SuRo Capital Corp. invested \$2.0 million in Orchard Technologies, Inc.’s Series 1 Senior Preferred financing round. As part of the transaction, SuRo Capital Corp. exchanged a portion of its existing Series D Preferred shares investment for Series 1 Senior Preferred shares, Series 2 Senior Preferred shares, and Common shares. Additionally, SuRo Capital Corp.’s previous investment in the Simple Agreement for Future Equity was converted into additional Series 1 Senior Preferred shares.
- (13) On July 12, 2023, SuRo Capital Corp. invested \$0.5 million in Shogun Enterprises, Inc. (d/b/a Hearth)’s Series B-4 Preferred financing round. As part of the transaction, the previous investment in the Convertible Note was converted into Series B-3 Preferred shares. Additionally, SuRo Capital Corp. received Common Warrants as part of the transaction.
- (14) On July 11, 2023, AltC Acquisition Corp. announced it signed a definitive agreement to merge with Oklo, Inc. As part of the transaction, SuRo Capital Corp.’s Share units converted to 24,900 Class A Common shares and 214,400 Class B Common shares.
- (15) On July 19, 2023, Colombier Acquisition Corp. (“Colombier”) stockholders approved a business combination with PSQ Holdings, Inc. (d/b/a PublicSquare) and related proposals at a special meeting. Also on July 19, 2023, PSQ Holdings, Inc. announced that it had consummated the business combination with Colombier pursuant to a merger agreement between the parties, creating the resultant combined company PSQ Holdings, Inc. (d/b/a PublicSquare). SuRo Capital Corp.’s shares of PSQ Holdings, Inc. (d/b/a PublicSquare) Class A Common shares are subject to certain restrictions on transfer, while the Company’s PSQ Holdings, Inc. warrants are freely tradable.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

NOTE 1—NATURE OF OPERATIONS

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

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

The table below displays the Company’s subsidiaries as of June 30, 2024, which, other than GSV Capital Lending, LLC (“GCL”) and SuRo Capital Sports, LLC, are collectively referred to as the “Taxable Subsidiaries.” The Taxable Subsidiaries were formed to hold certain portfolio investments. The Taxable Subsidiaries, including their associated portfolio investments, are consolidated with the Company for accounting purposes, but have elected to be treated as separate entities for U.S. federal income tax purposes. GCL was formed to originate portfolio loan investments within the state of California and is consolidated with the Company for accounting purposes. Refer to “Note 2—Significant Accounting Policies—*Basis of Consolidation*” below for further detail.

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

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

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES**Basis of Presentation**

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

The results of operations for the current interim period are not necessarily indicative of results that ultimately may be achieved for any other interim period or for the year ending December 31, 2024. The interim unaudited condensed consolidated financial statements and notes hereto should be read in conjunction with the audited consolidated financial statements and notes thereto contained in the Company’s annual report on Form 10-K for the year ended December 31, 2023.

Basis of Consolidation

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

Use of Estimates

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

Uncertainties and Risk Factors

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

Investments at Fair Value

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

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

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

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

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

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

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

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

Securities for which market quotations are readily available on an exchange are valued at the most recently available closing price of such security as of the valuation date. If there are legal or contractual restrictions on the sale or use of such security that under ASC 820-10-35, as modified by ASU 2022-03 (as defined below), 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 consider those restrictions in the fair value determination of that security. Contractual sale restrictions on the sale or use of a security which are an entity-specific characteristic, rather than a security-specific characteristic (as discussed in ASU 2022-03), are not considered in the fair value determinations for such securities. The Company may also obtain quotes with respect to certain of its investments from pricing services, brokers or dealers in order to value assets. When doing so, the Company determines whether the quote obtained is sufficient according to GAAP to determine the fair value of the security. If determined to be adequate, the Company uses the quote obtained.

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

1. The quarterly valuation process begins with each portfolio company or investment being initially valued by the internal investment professionals responsible for the portfolio investment;
2. Preliminary valuation estimates are then documented and discussed with senior management;
3. For all investments for which there are no readily available market quotations, the Valuation Committee engages an independent third-party valuation firm to conduct independent appraisals, review management’s preliminary valuations and make its own independent assessment;

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

4. The Valuation Committee applies the appropriate valuation methodology to each portfolio asset in a consistent manner, considers the inputs provided by management and the independent third-party valuation firm, discusses the valuations and recommends to the Company's Board of Directors a fair value for each investment in the portfolio; and
5. The Company's Board of Directors then discusses the valuations recommended by the Valuation Committee and determines in good faith the fair value of each investment in the portfolio.

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

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

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may fluctuate from period to period. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been reported had a ready market for the investments existed, and it is reasonably possible that the difference could be material. In addition, changes in the market environment and other events that may occur over the life of the investments may cause the realized gains or losses on investments to be different from the net change in unrealized appreciation or depreciation currently reflected in the condensed 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. 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. For equity securities with readily available market quotations that are subject to entity-specific contractual sale restrictions, rather than security-specific contractual sale restrictions, if such entity-specific contractual sale restrictions first applied or were modified on or after December 15, 2023, the restrictions are not considered in the determination of fair value for that security. See "Recently Issued or Adopted Accounting Standards" for more information.

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

SURO CAPITAL CORP. AND SUBSIDIARIES**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****June 30, 2024**

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

Debt Investments

Given the nature of the Company’s current debt investments (excluding U.S. Treasuries), which are 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 indices for these investment securities to be traded or exchanged. The Company’s debt investments are valued at estimated fair value as determined in good faith by the Company’s Board of Directors.

Options

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

Special Purpose Acquisition Companies

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

Investment Funds

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

Portfolio Company Investment Classification

The Company is a non-diversified company within the meaning of the 1940 Act. The Company classifies its investments by level of control. As defined in the 1940 Act, control investments are those where the investor retains the power to exercise a controlling influence over the management or policies of a company. Control is generally deemed to exist when a company or individual directly or indirectly owns beneficially more than 25% of the voting securities of an investee company. Affiliated investments and affiliated companies are defined by a lesser degree of influence and are deemed to exist when a company or individual directly or indirectly owns, controls or holds the power to vote 5% or more of the outstanding voting securities of a portfolio company. Refer to the Condensed Consolidated Schedules of Investments as of June 30, 2024 and December 31, 2023 for details regarding the nature and composition of the Company’s investment portfolio.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

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 legal or contractual restrictions on the sale or use of such security that under ASC 820-10-35 (as modified by ASU 2022-03) 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 DLDM to reflect the restrictions upon sale. The Company transfers investments between levels based on the fair value at the beginning of the measurement period in accordance with FASB ASC 820. For investments transferred out of Level 3 due to an IPO, the Company transfers these investments based on their fair value at the IPO date.

Securities Transactions

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

Valuation of Other Financial Instruments

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

Cash

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

Escrow Proceeds Receivable

A portion of the proceeds from the sale of portfolio investments are held in escrow as a recourse for indemnity claims that may arise under the sale agreement or other related transaction contingencies. Amounts held in escrow are held at estimated realizable value and included in net realized gains/(losses) on investments in the Condensed Consolidated Statements of Operations for the period in which they occurred and are adjusted as needed. Any remaining escrow proceeds balances from these transactions reasonably expected to be received are reflected on the Condensed Consolidated Statement of Assets and Liabilities as escrow proceeds receivable. Escrow proceeds receivable resulting from contingent consideration are to be recognized when the amount of the contingent consideration becomes realized or realizable. As of June 30, 2024 and December 31, 2023, the Company had \$71,044 and \$309,293, respectively, in escrow proceeds receivable.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

Deferred Financing Costs

The Company records fees and expenses incurred in connection with financing or capital raising activities other than the Company's 6.00% Notes due 2026 as deferred financing costs. These costs are deferred and amortized using the straight-line method over the respective life of the financing instrument. For modifications to a financing instrument, 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. The Company records fees and expenses incurred in connection with its 6.00% Notes due 2026 as deferred debt issuance costs. Such costs are reflected in the carrying value of the 6.00% Notes due 2026, and not the Company's deferred financing costs. For debt capital raised, the associated offering costs are deferred and amortized as part of interest expense using the straight-line method over the life of the debt instrument. As of June 30, 2024 and December 31, 2023, the Company had deferred financing costs of \$561,075 and \$594,726, respectively, on the Condensed Consolidated Statement of Assets and Liabilities.

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Deferred debt issuance costs	\$ 1,076,259	\$ 1,254,793
Deferred financing costs	561,075	594,726
Total	\$ 1,637,334	\$ 1,849,519

Refer to "Note 10 — Debt Capital Activities" for further detail regarding the Company's deferred debt issuance costs.

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 an operating lease expiring August 31, 2024 for office space, for which the Company has recorded a right-of-use asset and a corresponding lease liability for the operating lease obligation. These amounts have been discounted using the rate implicit in the lease. Refer to "Note 7—Commitments and Contingencies—Operating Leases and Related Deposits" for further detail.

Stock-based Compensation

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

Revenue Recognition

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

Investment Transaction Costs and Escrow Deposits

Commissions and other costs associated with an investment transaction, including legal expenses not reimbursed by the portfolio company, are included in the cost basis of purchases and deducted from the proceeds of sales. The Company makes certain acquisitions on secondary markets, which may involve making deposits to escrow accounts until certain conditions are met, including the underlying private company's right of first refusal. If the underlying private company does not exercise or assign its right of first refusal and all other conditions are met, then the funds in the escrow account are delivered to the seller and the account is closed. Such transactions would be reflected on the Condensed Consolidated Statement of Assets and Liabilities as escrow deposits. As of June 30, 2024 and December 31, 2023, the Company had no escrow deposits.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

Unrealized Appreciation or Depreciation of Investments

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

U.S. Federal and State Income Taxes

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

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 condensed consolidated financial statements of the Company. Included in the Company's condensed consolidated financial statements, the Taxable Subsidiaries are taxable subsidiaries, regardless of whether the Company is a RIC. These Taxable Subsidiaries are not consolidated for income tax purposes and may generate income tax expenses as a result of their ownership of the portfolio companies. Such income tax expenses and deferred taxes, if any, will be reflected in the Company's Condensed Consolidated Financial Statements.

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

SURO CAPITAL CORP. AND SUBSIDIARIES**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****June 30, 2024****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. When applicable, the Company uses 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 June 2022, the FASB issued ASU No. 2022-03, “Fair Value Measurements (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions.” This change prospectively prohibits entities from taking into account certain contractual restrictions on the sale of equity securities when estimating fair value and introduces required disclosures for such transactions. The standard is effective for annual periods beginning after December 15, 2023, and applied prospectively. The Company adopted the requirements of ASU 2022-03 during the period ended March 31, 2024.

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

In March 2024, the FASB issued ASU 2024-01, “Compensation - Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards.” ASU 2024-01 clarifies how an entity determines whether a profits interest or similar award is within the scope of Topic 718 or not a share-based payment arrangement and therefore within the scope of other guidance. ASU 2024-01 is effective for public entities for fiscal years beginning after December 15, 2024, and interim periods in fiscal years beginning after December 15, 2024. Early adoption is permitted; however, the Company has not elected to adopt this provision as of the date of the condensed consolidated financial statements. The Company is currently evaluating the impact of the new guidance. However, it does not expect ASU 2024-01 to have a material impact on the Company’s future financial statements.

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 condensed consolidated financial statements upon adoption.

NOTE 3—RELATED-PARTY ARRANGEMENTS

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

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

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

SURO CAPITAL CORP. AND SUBSIDIARIES**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****June 30, 2024**

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

The Company's investment in Churchill Sponsor VII LLC, the sponsor of Churchill Capital Corp. VII, a SPAC, constituted a "remote-affiliate" transaction for purposes of the 1940 Act in light of the fact that Mark D. Klein, the Company's Chairman, Chief Executive Officer and President, has a non-controlling interest in the entity that controls Churchill Sponsor VII LLC, and is a non-controlling member of the board of directors of Churchill Capital Corp. VII. In addition, Mr. Klein's brother, Michael Klein, is a control person of such Churchill entities. As of June 30, 2024, the fair value of the Company's remote-affiliate investment in Churchill Sponsor VII LLC was \$403,871.

The Company's investment in Skillsoft Corp. (f/k/a Software Luxembourg Holding S.A.) ("Skillsoft") constituted a "remote-affiliate" transaction for purposes of the 1940 Act in light of the fact that Mr. Klein has a non-controlling interest in the entity that controlled Churchill Sponsor II LLC, the sponsor of Churchill Capital Corp. II, a SPAC, and was a non-controlling member of the board of directors of Churchill Capital Corp. II, through which the Company executed a private investment in public equity transaction in order to acquire common shares of Skillsoft alongside the merger of Skillsoft and Churchill Capital Corp II. In addition, Mr. Klein's brother, Michael Klein, was a control person of such Churchill entities. As of June 30, 2024, the fair value of the Company's remote-affiliate investment in Skillsoft was \$678,942.

The Company's initial investment in Shogun Enterprises, Inc. (d/b/a Hearth) on February 26, 2021 constituted a "remote-affiliate" transaction for purposes of the 1940 Act in light of the fact that Keri Findley, a former senior managing director of the Company until her departure on March 9, 2022, was, at the time of investment, a non-controlling member of the board of directors of Shogun Enterprises, Inc. and held a minority equity interest in such portfolio company. As of June 30, 2024, the fair value of the Company's remote-affiliate investment in Shogun Enterprises, Inc. (d/b/a Hearth) was \$6,127,776.

The Company's investment in Architect Capital PayJoy SPV, LLC also constituted a "remote-affiliate" transaction for purposes of the 1940 Act in light of the fact that Ms. Findley, at the time of investment, was a non-controlling member of the board of directors of the investment manager to Architect Capital PayJoy SPV, LLC, and held a minority equity interest in such investment manager. On June 28, 2024, the Company redeemed the entirety of its Membership Interest in Architect Capital PayJoy SPV, LLC.

In addition, Ms. Findley and Claire Council, a former investment professional of the Company until her departure on April 15, 2022, were non-controlling members of the board of directors of Colombier Acquisition Corp., a SPAC, which was sponsored by Colombier Sponsor LLC, one of the Company's portfolio companies until its dissolution upon completion of Colombier Acquisition Corp.'s business combination into PSQ Holdings, Inc. (d/b/a PublicSquare). As of June 30, 2024, the fair value of the Company's investment in PSQ Holdings, Inc. (d/b/a PublicSquare) was \$7,966,873.

The Company's investment in AltC Sponsor LLC, the sponsor of AltC Acquisition Corp, a SPAC, constituted a "remote-affiliate" transaction for purposes of the 1940 Act in light of the fact that Mr. Klein has a non-controlling interest in one of the entities that controls AltC Sponsor LLC, and Allison Green, the Company's Chief Financial Officer, Chief Compliance Officer, Treasurer and Secretary, was a non-controlling member of the board of directors of AltC Acquisition Corp until its dissolution upon completion of AltC Acquisition Corp.'s business combination into Oklo, Inc. As of June 30, 2024, the fair value of the Company's investment in Oklo, Inc. was \$1,425,070.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

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 or agreements to purchase or acquire 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 bills. Non-portfolio investments represent investments in U.S. Treasury bills. As of June 30, 2024, the Company had 65 positions in 39 portfolio companies. As of December 31, 2023, the Company had 63 positions in 38 portfolio companies.

The following tables summarize the composition of the Company's investment portfolio by security type at cost and fair value as of June 30, 2024 and December 31, 2023:

	June 30, 2024			December 31, 2023		
	Cost	Fair Value	Percentage of Net Assets	Cost	Fair Value	Percentage of Net Assets
Private Portfolio Companies						
Preferred Stock	\$ 117,349,058	\$ 106,281,721	65.5%	\$ 73,003,835	\$ 39,086,792	19.2%
Common Stock	87,843,756	56,572,509	34.9%	107,209,010	122,744,564	60.4%
Debt Investments	3,807,373	1,784,644	1.1%	5,146,349	3,098,734	1.5%
Options	13,043,363	6,522,143	4.0%	12,057,878	3,638,161	1.8%
Total Private Portfolio Companies	<u>222,043,550</u>	<u>171,161,017</u>	<u>105.5%</u>	<u>197,417,072</u>	<u>168,568,251</u>	<u>82.9%</u>
Publicly Traded Portfolio Companies						
Common Stock	13,719,858	10,854,149	6.7%	14,095,473	13,548,248	6.7%
Options	985,722	889,714	0.5%	1,028,653	1,964,750	1.0%
Total Publicly Traded Portfolio Companies	<u>14,705,580</u>	<u>11,743,863</u>	<u>7.2%</u>	<u>15,124,126</u>	<u>15,512,998</u>	<u>7.7%</u>
Total Portfolio Investments	<u>236,749,130</u>	<u>182,904,880</u>	<u>112.7%</u>	<u>212,541,198</u>	<u>184,081,249</u>	<u>90.6%</u>
Non-Portfolio Investments						
U.S. Treasury Bills	—	—	—%	63,792,704	63,810,855	31.4%
Total Investments	<u>\$ 236,749,130</u>	<u>\$ 182,904,880</u>	<u>112.7%</u>	<u>\$ 276,333,902</u>	<u>\$ 247,892,104</u>	<u>121.9%</u>

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

The geographic and industrial compositions of the Company's portfolio at fair value as of June 30, 2024 and December 31, 2023 were as follows:

Geographic Region	As of June 30, 2024			As of December 31, 2023		
	Fair Value	Percentage of Portfolio	Percentage of Net Assets	Fair Value	Percentage of Portfolio	Percentage of Net Assets
	West	\$ 78,761,419	43.0%	48.5%	\$ 108,500,197	58.9%
Northeast	63,438,772	34.7%	39.1%	17,881,248	9.7%	8.8%
Midwest	17,316,578	9.5%	10.7%	12,107,136	6.6%	6.0%
International	13,821,238	7.6%	8.5%	4,054,309	2.2%	2.0%
Southeast	9,566,873	5.2%	5.9%	41,538,359	22.6%	20.4%
Total	\$ 182,904,880	100.0%	112.7%	\$ 184,081,249	100.0%	90.6%

Industry	As of June 30, 2024			As of December 31, 2023		
	Fair Value	Percentage of Portfolio	Percentage of Net Assets	Fair Value	Percentage of Portfolio	Percentage of Net Assets
	AI/Big Data/Cloud	\$ 61,906,895	33.9%	38.2%	\$ 32,201,947	17.5%
Marketplaces	40,126,486	21.9%	24.7%	36,386,519	19.8%	17.9%
Education Technology	38,491,480	21.0%	23.7%	69,381,463	37.7%	34.2%
Social/Mobile/Consumer	23,474,643	12.8%	14.5%	14,041,699	7.6%	6.9%
Financial Technology	17,110,306	9.4%	10.5%	31,687,240	17.2%	15.6%
Sustainability/Alternative Energy	1,795,070	1.0%	1.1%	382,381	0.2%	0.2%
Total	\$ 182,904,880	100.0%	112.7%	\$ 184,081,249	100.0%	90.6%

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

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

Industry Theme	Industry
Education Technology	Business Education Interactive Learning Online Education
AI/Big Data/Cloud	Contractor Management Software Gaming Licensing Geolocation Technology GPUs-as-a-Service Productivity Software Retail Technology Supply Chain Technology Warehouse Automation
Marketplaces	E-Commerce Marketplace Global Innovation Platform Knowledge Networks Micromobility Pharmaceutical Technology Real Estate Platform Sports Betting
Financial Technology	Cannabis REIT Financial Services Gaming Technology Home Improvement Finance Mobile Finance Technology Online Marketplace Finance Special Purpose Acquisition Company Venture Investment Fund
Social/Mobile/Consumer	Digital Media Technology Fitness Technology Interactive Media & Services Lifestyle Beverage Brand Mobile Access Technology Social Data Platform Social Networking
Sustainability/Alternative Energy	Advanced Nuclear Technology Carbon Credit Services Clean Technology

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

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 June 30, 2024 and December 31, 2023 are as follows:

	As of June 30, 2024			
	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	\$ —	\$ —	\$ 106,281,721	\$ 106,281,721
Common Stock	—	—	56,572,509	56,572,509
Debt Investments	—	—	1,784,644	1,784,644
Options	—	—	6,522,143	6,522,143
Private Portfolio Companies	—	—	171,161,017	171,161,017
Publicly Traded Portfolio Companies				
Common Stock	2,351,920	8,502,229	—	10,854,149
Options	889,714	—	—	889,714
Publicly Traded Portfolio Companies	3,241,634	8,502,229	—	11,743,863
Total Investments at Fair Value	\$ 3,241,634	\$ 8,502,229	\$ 171,161,017	\$ 182,904,880

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

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

Significant Unobservable Inputs for Level 3 Assets and Liabilities

In accordance with FASB ASC 820, *Fair Value Measurement*, the tables below provide quantitative information about the fair value measurements of the Company’s Level 3 assets as of June 30, 2024 and December 31, 2023. In addition to the techniques and inputs noted in the tables below, according to the Company’s valuation policy, the Board of Directors may also use other valuation techniques and methodologies when determining the fair value measurements of the Company’s assets. The tables below are not intended to be all-inclusive, but rather provide information on the significant Level 3 inputs as they relate to the fair value measurements of the Company’s assets. To the extent an unobservable input is not reflected in the tables below, such input is deemed insignificant with respect to the Company’s Level 3 fair value measurements as of June 30, 2024 and December 31, 2023. 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 June 30, 2024

Asset	Fair Value	Valuation Approach/ Technique ⁽¹⁾	Unobservable Inputs ⁽²⁾	Range (Weighted Average) ⁽³⁾
Common stock in private companies	\$56,572,509	Market approach	Revenue multiples	0.27x - 10.79x (8.07x)
			DLOM	15.0% - 18.0%
		PWERM ⁽⁵⁾	AFFO ⁽⁴⁾ multiple	9.16x
			Discount Rate	15.0%
Preferred stock in private companies	\$106,281,721	Market approach	Revenue multiples	0.27x - 5.61x (1.52x)
		PWERM ⁽⁵⁾	Revenue multiples	1.61x - 1.89x (1.78x)
Debt investments	\$1,784,644	Market approach	Revenue multiples	0.74x - 1.60x (1.49x)
		PWERM ⁽⁵⁾	Discount Rate	15.0%
Options	\$6,522,143	Option Pricing Model	Term to expiration (Years)	2.86
			Volatility	54%
		PWERM ⁽⁵⁾	Term to expiration (Years)	0.15 - 5.00 (0.27)
			Volatility	70%
			Discount Rate	15.0%
DLOM	15% - 18% (16.0%)			

(1) As of June 30, 2024, the Board of Directors used a hybrid market and income approach to value certain common and preferred stock investments, as the Board of Directors felt this approach better reflected the fair value of these investments. In considering multiple valuation approaches (and consequently, multiple valuation techniques), the valuation approaches and techniques are not likely to change from one period of measurement to the next; however, the weighting of each in determining the final fair value of a Level 3 investment may change based on recent events or transactions. The hybrid approach may also consider certain risk weightings to account for the uncertainty of future events. Refer to “Note 2—Significant Accounting Policies—*Investments at Fair Value*” for more detail.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

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

As of December 31, 2023

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

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

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

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

The aggregate values of Level 3 assets and liabilities changed during the six months ended June 30, 2024 as follows:

	Six Months Ended June 30, 2024				
	Common Stock	Preferred Stock	Debt Investments	Options	Total
Assets:					
Fair Value as of December 31, 2023	\$ 39,086,792	\$ 122,744,564	\$ 3,098,734	\$ 3,638,161	\$ 168,568,251
Transfers out of Level 3	(935,391)	—	—	—	(935,391)
Purchases, capitalized fees and interest	25,069,110	10,003,934	—	—	35,073,044
Sales/Redemptions of investments	(10,233,019)	—	—	—	(10,233,019)
Exercises and conversions	—	136,114	(1,338,976)	1,246,916	44,054
Realized losses	(6,745)	—	—	—	(6,745)
Net change in unrealized appreciation/(depreciation) included in earnings	3,591,762	(26,602,891)	24,886	1,637,066	(21,349,177)
Fair Value as of June 30, 2024	<u>\$ 56,572,509</u>	<u>\$ 106,281,721</u>	<u>\$ 1,784,644</u>	<u>\$ 6,522,143</u>	<u>\$ 171,161,017</u>
Net change in unrealized appreciation/(depreciation) of Level 3 investments still held as of June 30, 2024	<u>\$ 3,585,013</u>	<u>\$ (27,885,891)</u>	<u>\$ 10,910</u>	<u>\$ 1,637,065</u>	<u>\$ (22,652,903)</u>

- (1) During the six months ended June 30, 2024, the Company’s portfolio investments had the following corporate actions which are reflected above:

Portfolio Company	Conversion from	Conversion to
AltC Sponsor LLC	Common shares, Class A Common shares, Class B	Oklo, Inc. - Common shares, Class A (Level 2) Preferred shares, Series A-1 Warrants, Series A-1
Xgroup Holdings Limited (d/b/a Xpoint)	Convertible Note 6%, Due 10/17/2024	Warrants, Series A

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

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

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

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

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

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

Schedule of Investments In, and Advances to, Affiliates

Transactions during the six months ended June 30, 2024 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, 2023	Sales/Redemptions	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at June 30, 2024	Percentage of Net Assets
CONTROLLED INVESTMENTS*(2)								
Options								
<i>Special Purpose Acquisition Company</i>								
Colombier Sponsor II LLC**--Class W Units	1,600,000	\$ —	\$ 498,305	\$ —	\$ —	\$ —	\$ 498,305	0.31%
Total Options			498,305	—	—	—	498,305	0.31%
Preferred Stock								
<i>Clean Technology</i>								
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)--Preferred shares, Class A	14,300,000	—	382,381	—	—	(12,381)	370,000	0.23%
Total Preferred Stock			382,381	—	—	(12,381)	370,000	0.23%
Common Stock								
<i>Clean Technology</i>								
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.)--Common shares	100,000	—	—	—	—	—	—	—%
<i>Mobile Finance Technology</i>								
Architect Capital PayJoy SPV, LLC**--Membership Interest in Lending SPV***	\$ —	811,667	10,000,000	(10,000,000)	(6,745)	6,745	—	—%
<i>Special Purpose Acquisition Company</i>								
Colombier Sponsor II LLC**--Class B Units	1,040,000	—	1,101,695	—	—	—	1,101,695	0.68%
Total Common Stock		811,667	11,101,695	(10,000,000)	(6,745)	6,745	1,101,695	0.68%
TOTAL CONTROLLED INVESTMENTS*(2)		\$ 811,667	\$ 11,982,381	\$ (10,000,000)	\$ (6,745)	\$ (5,636)	\$ 1,970,000	1.21%
NON-CONTROLLED/AFFILIATE INVESTMENTS*(1)								
Debt Investments								
<i>Global Innovation Platform</i>								
OneValley, Inc. (f/k/a NestGSV, Inc.)--Convertible Promissory Note 8%, Due 8/23/2024(4)	\$ 1,010,198	\$ —	\$ 1,267,395	\$ —	\$ —	\$ 10,910	\$ 1,278,305	0.79%
Total Debt Investments			1,267,395	—	—	10,910	1,278,305	0.79%
Preferred Stock								
<i>Knowledge Networks</i>								
Maven Research, Inc.--Preferred shares, Series C	318,979	—	—	—	—	—	—	—%
Maven Research, Inc.--Preferred shares, Series B	49,505	—	—	—	—	—	—	—%
Total Knowledge Networks			—	—	—	—	—	—%
<i>Interactive Learning</i>								
StormWind, LLC(5) -- Preferred shares, Series D 8%	329,337	—	653,975	—	—	(175,394)	478,581	0.29%
StormWind, LLC(5) -- Preferred shares, Series C 8%	2,779,134	—	6,804,933	—	—	(1,643,930)	5,161,003	3.18%
StormWind, LLC(5) -- Preferred shares, Series B 8%	3,279,629	—	4,751,064	—	—	(1,746,626)	3,004,438	1.85%
StormWind, LLC(5) -- Preferred shares, Series A 8%	366,666	—	325,903	—	—	(195,274)	130,629	0.08%
Total Interactive Learning			12,535,875	—	—	(3,761,224)	8,774,651	5.41%
Total Preferred Stock			12,535,875	—	—	(3,761,224)	8,774,651	5.41%
Options								
<i>Global Innovation Platform</i>								
OneValley, Inc. (f/k/a NestGSV, Inc.)--Derivative Security, Expiration Date 8/23/2024(6)	1	—	620,927	—	—	745,780	1,366,707	0.84%
Total Global Innovation Platform			620,927	—	—	745,780	1,366,707	0.84%
<i>E-Commerce Marketplace</i>								
PSQ Holdings, Inc. (d/b/a PublicSquare)**(7)(3) -- Warrants	2,296,037	—	1,964,750	(102,998)	60,067	(1,032,105)	889,714	0.55%
Total Options			2,585,677	(102,998)	60,067	(286,325)	2,256,421	1.39%
Common Stock								
<i>Online Education</i>								
Curious.com, Inc.--Common shares	1,135,944	—	—	—	—	—	—	—%
<i>E-Commerce Marketplace</i>								
PSQ Holdings, Inc. (d/b/a PublicSquare)**(7)(3) -- Common shares, Class A	1,976,032	—	8,542,386	—	—	(1,465,227)	7,077,159	4.36%
Total Common Stock			8,542,386	—	—	(1,465,227)	7,077,159	4.36%
TOTAL NON-CONTROLLED/AFFILIATE INVESTMENTS*(1)		\$ —	\$ 24,931,333	\$ (102,998)	\$ 60,067	\$ (5,501,866)	\$ 19,386,536	11.94%

* All portfolio investments are non-income-producing, unless otherwise identified. Equity investments may be 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 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").

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

** Indicates assets that SuRo Capital Corp. believes do not represent “qualifying assets” under Section 55(a) of the 1940 Act. Of the Company’s total investments as of June 30, 2024, 24.20% of its total investments are non-qualifying assets.

*** Investment is income-producing.

- (1) “Affiliate Investments” are investments in those companies that are “Affiliated Companies” of SuRo Capital Corp., as defined in the 1940 Act. In general, a company is deemed to be an “Affiliate” of SuRo Capital Corp. if SuRo Capital Corp. beneficially owns, directly or indirectly, between 5% and 25% of the voting securities (i.e., securities with the right to elect directors) of such company.
- (2) “Control Investments” are investments in those companies that are “Controlled Companies” of SuRo Capital Corp., as defined in the 1940 Act. In general, under the 1940 Act, the Company would “Control” a portfolio company if the Company beneficially owns, directly or indirectly, more than 25% of its outstanding voting securities (i.e., securities with the right to elect directors) and/or had the power to exercise control over the management or policies of such portfolio company.
- (3) 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 June 30, 2024, the investments noted had been placed on non-accrual status.
- (5) SuRo Capital Corp.’s investments in StormWind, LLC are held through SuRo Capital Corp.’s wholly owned subsidiary, GSVC SW Holdings, Inc.
- (6) On August 23, 2019, SuRo Capital Corp. amended the structure of its investment in OneValley, Inc. (f/k/a NestGSV, Inc.). As part of the agreement, SuRo Capital Corp.’s equity holdings (warrants notwithstanding) were restructured into a derivative security. OneValley, Inc. (f/k/a NestGSV, Inc.) has the right to call the position at any time over a five year period, ending August 23, 2024, while SuRo Capital Corp. can put the shares to OneValley, Inc. (f/k/a NestGSV, Inc.) at the end of the five year period.
- (7) SuRo Capital Corp.’s shares of PSQ Holdings, Inc. (d/b/a PublicSquare) Class A Common shares are subject to contractual sale restrictions in the form of a lock-up agreement applicable to the common shares after the company’s IPO, while the PSQ Holdings, Inc. (d/b/a PublicSquare) warrants are freely tradable. The lock-up agreement expires on July 19, 2024.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

Schedule of Investments In, and Advances to, Affiliates

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

Type/Industry/Portfolio Company/Investment	Principal/Quantity	Interest, Fees, or Dividends Credited in Income	Fair Value at December 31, 2022	Transfer In/ (Out)	Purchases, Capitalized Fees, Interest and Amortization	Sales	Realized Gains/(Losses)	Unrealized Gains/(Losses)	Fair Value at December 31, 2023	Percentage of Net Assets
CONTROLLED INVESTMENTS*(2)										
Options										
<i>Special Purpose Acquisition Company</i>										
Colombier Sponsor II LLC** – Class W Units	1,600,000	\$ —	\$ —	\$ —	\$ 760,651	\$ —	\$ —	\$ (262,347)	\$ 498,305	0.25%
Colombier Sponsor LLC**(6) – Class W Units	—	—	1,157,487	(1,159,150)	—	—	—	1,663	—	—%
Total Options			1,157,487	(1,159,150)	760,651	—	—	(260,684)	498,304	0.25%
Preferred Stock										
<i>Clean Technology</i>										
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.) – Preferred shares, Class A	14,300,000	500,000	984,028	—	—	—	—	(601,647)	382,381	0.19%
Total Preferred Stock		500,000	984,028	—	—	—	—	(601,647)	382,381	0.19%
Common Stock										
<i>Clean Technology</i>										
SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.) – Common shares	100,000	—	—	—	—	—	—	—	—	—%
<i>Mobile Finance Technology</i>										
Architect Capital PayJoy SPV, LLC** – Membership Interest in Lending SPV***	\$ 10,000,000	1,331,258	10,000,000	—	—	—	—	—	10,000,000	4.92%
<i>Special Purpose Acquisition Company</i>										
Colombier Sponsor II LLC** – Class B Units	1,040,000	—	—	—	842,289	—	—	259,406	1,101,695	0.54%
Colombier Sponsor LLC**(6) – Class B Units	—	—	1,554,355	(1,556,587)	—	—	—	2,232	—	—%
Total Common Stock		1,331,258	11,554,355	(1,556,587)	842,289	—	—	261,638	11,101,695	5.46%
TOTAL CONTROLLED INVESTMENTS*(2)		\$ 1,831,258	\$ 13,695,870	\$ (2,715,737)	\$ 1,602,940	\$ —	\$ —	\$ (600,693)	\$ 11,982,380	5.89%
NON-CONTROLLED/AFFILIATE INVESTMENTS*(1)										
Debt Investments										
<i>Global Innovation Platform</i>										
OneValley, Inc. (f/k/a NestGSV, Inc.) – Convertible Promissory Note 8%, Due 8/23/2024 ⁽³⁾	\$ 1,010,198	\$ —	\$ 1,988,200	\$ —	\$ —	\$ —	\$ —	\$ (720,805)	\$ 1,267,395	0.62%
Total Debt Investments		—	1,988,200	—	—	—	—	(720,805)	1,267,395	0.62%
Preferred Stock										
<i>Knowledge Networks</i>										
Maven Research, Inc. – Preferred shares, Series C	318,979	—	—	—	—	—	—	—	—	—%
Maven Research, Inc. – Preferred shares, Series B	49,505	—	—	—	—	—	—	—	—	—%
Total Knowledge Networks		—	—	—	—	—	—	—	—	—%
<i>Digital Media Platform</i>										
Ozy Media, Inc. ⁽⁷⁾ – Preferred shares, Series C-2 6%	—	—	—	—	—	—	(2,414,178)	2,414,178	—	—%
Ozy Media, Inc. ⁽⁷⁾ – Preferred shares, Series B 6%	—	—	—	—	—	—	(4,999,999)	4,999,999	—	—%
Ozy Media, Inc. ⁽⁷⁾ – Preferred shares, Series A 6%	—	—	—	—	—	—	(3,000,200)	3,000,200	—	—%
Ozy Media, Inc. ⁽⁷⁾ – Preferred shares, Series Seed 6%	—	—	—	—	—	—	(500,000)	500,000	—	—%
Total Digital Media Platform		—	—	—	—	—	(10,914,377)	10,914,377	—	—%
<i>Interactive Learning</i>										
StormWind, LLC ⁽⁴⁾ – Preferred shares, Series D 8%	329,337	—	533,429	—	—	—	—	120,546	653,975	0.32%
StormWind, LLC ⁽⁴⁾ – Preferred shares, Series C 8%	2,779,134	—	5,675,081	—	—	—	—	1,129,852	6,804,933	3.35%
StormWind, LLC ⁽⁴⁾ – Preferred shares, Series B 8%	3,279,629	—	3,550,631	—	—	—	—	1,200,433	4,751,064	2.34%
StormWind, LLC ⁽⁴⁾ – Preferred shares, Series A 8%	366,666	—	191,694	—	—	—	—	134,209	325,903	0.16%
Total Interactive Learning		—	9,950,835	—	—	—	—	2,585,040	12,535,875	6.16%
Total Preferred Stock		—	9,950,835	—	—	—	(10,914,377)	13,499,417	12,535,875	6.16%
Options										
<i>Digital Media Platform</i>										
Ozy Media, Inc. ⁽⁷⁾ – Common Warrants, Strike Price \$0.01, Expiration Date 4/9/2028	—	—	—	—	—	—	(30,647)	30,647	—	—%
<i>Global Innovation Platform</i>										
OneValley, Inc. (f/k/a NestGSV, Inc.) – Preferred Warrant Series B, Strike Price \$2.31, Expiration Date 12/31/2023	—	—	—	—	—	—	(5,080)	5,080	—	—%
OneValley, Inc. (f/k/a NestGSV, Inc.) – Derivative Security, Expiration Date 8/23/2024 ⁽⁵⁾	1	—	652,127	—	—	—	—	(31,200)	620,927	0.31%

<i>Total Global Innovation Platform</i>		—	652,127	—	—	—	(5,080)	(26,120)	620,927	0.31%
<i>E-Commerce Marketplace</i>										
PSQ Holdings, Inc. (d/b/a										
PublicSquare)**(6) – Warrants	2,396,037	—	—	1,159,150	—	(318,368)	187,872	936,096	1,964,750	0.97%
Total Options		—	652,127	1,159,150	—	(318,368)	152,145	940,623	2,585,677	1.27%
Common Stock										
<i>Online Education</i>										
Curious.com, Inc.–Common										
shares	1,135,944	—	—	—	—	—	—	—	—	—%
<i>E-Commerce Marketplace</i>										
PSQ Holdings, Inc. (d/b/a										
PublicSquare)**(6) – Class A										
Common shares	1,976,032	—	—	1,556,587	—	—	—	6,985,799	8,542,386	4.20%
Total Common Stock		—	—	1,556,587	—	—	—	6,985,799	8,542,386	4.20%
TOTAL NON-CONTROLLED/AFFILIATE INVESTMENTS*(1)		\$ —	\$ 12,591,162	\$ 2,715,737	\$ —	\$ (318,368)	\$ (10,762,233)	\$ 20,705,035	\$ 24,931,333	12.26%

* 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").

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

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

*** Investment is income-producing.

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

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

NOTE 5—COMMON STOCK***Share Repurchase Program***

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

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

During the three and six months ended June 30, 2024 and 2023, the Company did not repurchase any shares of the Company's common stock under the Share Repurchase Program. As of June 30, 2024, the dollar value of shares that remained available to be purchased by the Company under the Share Repurchase Program was approximately \$20.7 million.

Modified Dutch Auction Tender Offer

On February 20, 2024, the Company commenced a modified "Dutch Auction" tender offer (the "Modified Dutch Auction Tender Offer") to purchase up to 2,000,000 shares of its common stock from its stockholders, which expired on April 1, 2024. In accordance with the terms of the Modified Dutch Auction Tender Offer, the Company selected the lowest price per share of not less than \$4.00 per share and not greater than \$5.00 per share.

Pursuant to the Modified Dutch Auction Tender Offer, the Company repurchased 2,000,000 shares, representing 7.9% of its then-outstanding shares, on or about April 5, 2024 at a price of \$4.70 per share. The Company used available cash to fund the purchase of its shares of common stock in the Modified Dutch Auction Tender Offer and to pay for all related fees and expenses.

Amended and Restated 2019 Equity Incentive Plan

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

At-the-Market Offering

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

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

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 three and six months ended June 30, 2024 and 2023, the Company did not issue or sell Shares under the ATM Program. As of June 30, 2024, up to approximately \$98.8 million in aggregate amount of the Shares remain available for sale under the ATM Program.

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

The following information sets forth the computation of basic and diluted net change in net assets resulting from operations per common share, pursuant to ASC 260, for the three and six months ended June 30, 2024 and 2023.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Earnings per common share—basic:				
Net change in net assets resulting from operations	\$ (10,651,183)	\$ (15,620,024)	\$ (32,716,529)	\$ (11,003,515)
Weighted-average common shares—basic	23,410,235	25,952,447	24,401,863	27,158,786
Earnings per common share—basic	\$ (0.45)	\$ (0.60)	\$ (1.34)	\$ (0.41)
Earnings per common share—diluted:				
Net change in net assets resulting from operations	\$ (10,651,183)	\$ (15,620,024)	\$ (32,716,529)	\$ (11,003,515)
Weighted-average common shares outstanding—diluted ⁽¹⁾	23,410,235	25,952,447	24,401,863	27,158,786
Earnings per common share—diluted	\$ (0.45)	\$ (0.60)	\$ (1.34)	\$ (0.41)

(1) For the three and six months ended June 30, 2024 and June 30, 2023, there were no potentially dilutive securities outstanding.

NOTE 7—COMMITMENTS AND CONTINGENCIES

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

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

Operating Leases and Related Deposits

The Company currently has one operating lease for office space for which the Company has recorded a right-of-use asset and lease liability for the operating lease obligation. The lease commenced June 3, 2019 and expires August 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 June 30, 2024 and December 31, 2023, the Company booked a right-of-use asset and operating lease liability of \$33,025 and \$112,485, respectively, on the Condensed Consolidated Statement of Assets and Liabilities. As of June 30, 2024 and December 31, 2023, the Company recorded a security deposit of \$16,574 and \$16,574, respectively, on the Condensed Consolidated Statement of Assets and Liabilities. For the three months ended June 30, 2024 and 2023, the Company incurred \$53,684 and \$50,441, respectively, of operating lease expense. For the six months ended June 30, 2024 and 2023, the Company incurred \$106,346 and \$99,164, respectively, of operating lease expense. The amounts reflected on the Condensed Consolidated Statement of Assets and Liabilities have been discounted using the rate implicit in the lease. As of June 30, 2024, the remaining lease term was 0.2 years and the discount rate was 3.00%.

The following table shows future minimum payments under the Company’s operating lease as of June 30, 2024:

For the Year Ended December 31,	Amount
2024	33,148
	<u>\$ 33,148</u>

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

NOTE 8—FINANCIAL HIGHLIGHTS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Per Basic Share Data				
Net asset value at beginning of the year	\$ 7.17	\$ 7.59	\$ 7.99	\$ 7.39
Net investment loss ⁽¹⁾	(0.16)	(0.15)	(0.28)	(0.30)
Net realized loss on investments ⁽¹⁾	—	(0.51)	(0.02)	(0.48)
Net change in unrealized appreciation/(depreciation) of investments ⁽¹⁾	(0.30)	0.06	(1.04)	0.37
Repurchase of common stock ⁽¹⁾	0.20	0.33	0.23	0.33
Stock-based compensation ⁽¹⁾	0.03	0.03	0.06	0.04
Net asset value at end of period	\$ 6.94	\$ 7.35	\$ 6.94	\$ 7.35
Per share market value at end of period	\$ 4.01	\$ 3.20	\$ 4.01	\$ 3.20
Total return based on market value ⁽²⁾	(11.87)%	(11.60)%	1.78%	(15.79)%
Total return based on net asset value ⁽²⁾	(3.21)%	(3.16)%	(13.14)%	(0.54)%
Shares outstanding at end of period	23,378,002	25,398,640	23,378,002	25,398,640
Ratios/Supplemental Data:				
Net assets at end of period	\$ 162,312,191	\$ 186,692,724	\$ 162,312,191	\$ 186,692,724
Average net assets	\$ 175,240,305	\$ 205,097,855	\$ 188,879,950	\$ 207,210,870
Ratio of net operating expenses to average net assets ⁽³⁾	10.75%	10.13%	10.04%	10.41%
Ratio of net investment loss to average net assets ⁽³⁾	(8.39)%	(7.44)%	(7.32)%	(7.81)%
Portfolio Turnover Ratio	5.72%	2.09%	5.84%	3.89%

(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) Financial highlights for periods of less than one year are annualized and the ratios of operating expenses to average net assets and net investment loss to average net assets are adjusted accordingly. Because the ratios are calculated for the Company's common stock taken as a whole, an individual investor's ratios may vary from these ratios.

SURO CAPITAL CORP. AND SUBSIDIARIES**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****June 30, 2024****NOTE 9—INCOME TAXES**

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

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

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

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

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

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

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.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

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

The Company and the Taxable Subsidiaries identified their major tax jurisdictions as U.S. federal, New York, and California and may be subject to the taxing authorities' examination for the tax years 2020–2023 in New York and 2019–2023 in California, respectively. Further, the Company and the Taxable Subsidiaries accrue all interest and penalties related to uncertain tax positions as incurred. As of June 30, 2024, there were no material interest or penalties incurred related to uncertain tax positions.

NOTE 10—DEBT CAPITAL ACTIVITIES**6.00% Notes due 2026**

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

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

The Company records fees and expenses incurred in connection with its 6.00% Notes due 2026 as deferred debt issuance costs. Such costs are reflected in the carrying value of the 6.00% Notes due 2026. As of June 30, 2024 and December 31, 2023, the Company had deferred debt issuance costs of \$1,076,259 and \$1,254,793, respectively, associated with the 6.00% Notes due 2026.

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 June 30, 2024 and December 31, 2023 was \$24.11 and \$23.80 per note, respectively. As of June 30, 2024 and December 31, 2023, the fair value of the 6.00% Notes due 2026 was \$72.3 million and \$71.4 million, respectively. The 6.00% Notes due 2026 are classified as Level 1 of the fair value hierarchy (Refer to "Note 2 — Significant Accounting Policies"). As of June 30, 2024 and December 31, 2023, the Company was in compliance with the terms of the Indenture.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

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

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

Under the Amended & Restated 2019 Equity Incentive Plan, each non-employee director will receive an annual grant of \$50,000 worth of restricted shares of common stock (based on the closing stock price of the common stock on the grant date). Each grant of \$50,000 in restricted shares will vest, in full, if the non-employee director is in continuous service as a director of the Company through the anniversary of such grant (or, if earlier, the annual meeting of the Company's stockholders that is closest to the anniversary of such grant). During the six months ended June 30, 2024, the Company granted 48,192 restricted shares to the Company's non-employee directors pursuant to the Amended & Restated 2019 Equity Incentive Plan. Additionally, on May 31, 2024, 60,060 restricted shares related to the 2023 non-employee director grants vested. Compensation expense associated with the restricted shares is recognized on a quarterly basis over the respective vesting periods.

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

During the six months ended June 30, 2024, the Company did not grant any restricted shares to the Company's officers pursuant to the Amended & Restated 2019 Equity Incentive Plan.

For the six months ended June 30, 2024 and 2023, the Company recognized stock-based compensation expense of \$1,392,266 and \$1,525,258, respectively, not including executive and employee forfeits. As of June 30, 2024 and December 31, 2023, there were approximately \$3,657,621 and \$4,849,887, respectively, of total unrecognized compensation costs related to the restricted share grants. Compensation expense associated with the restricted shares is recognized on a quarterly basis over the respective vesting periods.

SURO CAPITAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

The following table summarizes the activities for the Company’s restricted share grants for the six months ended June 30, 2024 under the Amended & Restated 2019 Equity Incentive Plan:

	Number of Restricted Shares
Outstanding as of December 31, 2023	624,963
Granted	48,192
Vested ⁽¹⁾	(201,631)
Forfeited	(23,474)
Outstanding as of June 30, 2024	448,050
Vested as of June 30, 2024	715,203

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

The Amended & Restated 2019 Equity Incentive Plan provides for the concept of “net share settlement.” Specifically, it provides that the Company is authorized to withhold the Common Stock at the time the restricted shares are vested and taxed in satisfaction of the Participant’s tax obligations.

NOTE 12—SUBSEQUENT EVENTS

Portfolio Activity

From July 1, 2024 through August 7, 2024, the Company exited or received proceeds from the following investments (not including short-term U.S. Treasury bills).

Portfolio Company	Transaction Date	Quantity	Average Net Share Price ⁽¹⁾	Net Proceeds	Realized Gain ⁽²⁾
PSQ Holdings, Inc. (d/b/a PublicSq.) - <i>Common Shares</i> ⁽³⁾	Various	220,000	\$ 2.87	\$ 631,713	\$ 458,412
Total				\$ 631,713	\$ 458,412

(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 August 7, 2024, SuRo Capital held 1,756,032 PSQ Holdings, Inc. (d/b/a PublicSq.) public common shares.

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.

Note Repurchase Program

On August 6, 2024, the Company’s Board of Directors approved a discretionary note repurchase program (the “Note Repurchase Program”) which allows the Company to repurchase up to 46.67%, or \$35.0 million in aggregate principal amount, of its 6.00% Notes due 2026 through open market purchases, including block purchases, in such manner as will comply with the provisions of the 1940 Act and the Exchange Act. As of August 7, 2024, the Company had not repurchased any of the 6.00% Notes due 2026 under the Note Repurchase Program.

Convertible Note Purchase Agreement

On August 6, 2024, the Company entered into a Note Purchase Agreement (the “Note Purchase Agreement”), by and between the Company and the purchaser identified therein (the “Purchaser”), pursuant to which the Company may issue up to a maximum of \$75.0 million in aggregate principal amount of 6.50% Convertible Notes due 2029 (the “Convertible Notes”). Pursuant to the Note Purchase Agreement, the Company agreed to issue and sell, and the Purchaser agreed to purchase, up to \$25.0 million in aggregate principal amount of the Convertible Notes (the “Initial Notes”). Thereafter, upon mutual agreement between the Company and the Purchaser, it may issue additional Convertible Notes for sale in subsequent offerings (the “Additional Notes”), or issue additional notes with modified pricing terms (the “New Notes”), in the aggregate for both the Additional Notes and the New Notes, up to a maximum of \$50.0 million in one or more private offerings. The Purchaser will acquire, and the Company will issue, up to \$25.0 million of the Initial Notes on or about August 14, 2024 (the “Initial Closing Date”), and thereafter at such time and date as the Purchaser and the Company mutually agree to purchase and sell any Additional Notes.

Interest on the Convertible Notes will be paid quarterly in arrears on March 30, June 30, September 30, and December 30, at a rate of 6.50% per year, beginning September 30, 2024. The Convertible Notes will mature on August 14, 2029 and may be redeemed in whole or in part at any time or from time to time at the Company’s option on or after August 6, 2027 upon the fulfillment of certain conditions. The Convertible Notes will be convertible into shares of the Company’s common stock at the Purchaser’s sole discretion at an initial conversion rate of 129.0323 shares of the Company’s common stock per \$1,000 principal amount of the Convertible Notes, subject to adjustment as provided in the Note Purchase Agreement. The net proceeds from the offering

will be used to repay outstanding indebtedness, make investments in accordance with the Company's investment objective and investment strategy, and for other general corporate purposes. The Note Purchase Agreement includes customary representations, warranties, and covenants by the Company.

NOTE 13—SUPPLEMENTAL FINANCIAL DATA

Summarized Financial Information of Unconsolidated Subsidiaries

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

The Company's two controlled portfolio companies as of June 30, 2024, SPBRX, INC. (f/k/a GSV Sustainability Partners, Inc.) and Colombier Sponsor II LLC, did not meet the definition of a "significant subsidiary" as set forth in Rule 1-02(w)(2) of Regulation S-X. For comparability purposes, the Company has omitted the previously disclosed summarized financial information of the Company's significant subsidiaries for the quarter ended June 30, 2023 as the Company's significant subsidiaries would not have been considered significant subsidiaries under Rule 1-02(w)(2).

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

Forward-Looking Statements

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

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

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

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

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

TABLE OF CONTENTS

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

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

Overview

We are an internally managed, non-diversified closed-end management investment company that has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"), and has elected to be treated, and intends to qualify annually, as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code").

Our investment objective is to maximize our portfolio's total return, principally by seeking capital gains on our equity and equity-related investments, and to a lesser extent, income from debt investments. We invest principally in the equity securities of what we believe to be rapidly growing venture capital-backed emerging companies. We acquire our investments through direct investments in prospective portfolio companies, secondary marketplaces for private companies and negotiations with selling stockholders. 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, AI/big data/cloud, marketplaces, education technology, social/mobile/consumer, financial technology, and sustainability/alternative energy. 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.

[TABLE OF CONTENTS](#)

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

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

Our History

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

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

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

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

[TABLE OF CONTENTS](#)

Portfolio and Investment Activity

Six Months Ended June 30, 2024

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 June 30, 2024 of all of our portfolio investments was \$182,904,880.

During the six months ended June 30, 2024, we funded investments in an aggregate amount of \$34,999,944 (not including capitalized transaction costs) as shown in the following table:

Portfolio Company	Investment	Transaction Date	Gross Payments
Supplying Demand, Inc. (d/b/a Liquid Death)	Preferred shares, Series F-1	1/18/2024	\$ 9,999,996
Canva, Inc.	Common shares	4/17/2024	9,999,948
CW Opportunity 2 LP ⁽¹⁾	Class A Interest	5/7/2024	15,000,000
Total			\$ 34,999,944

(1) CW Opportunity 2 LP is an SPV that is invested in the Series C Preferred Shares of CoreWeave, Inc.

During the six months ended June 30, 2024, we capitalized fees of \$73,100.

During the six months ended June 30, 2024, we exited or received proceeds from investments (not including short-term U.S. Treasury bills) in the amount of \$10,551,335, net of transaction costs, and realized a net loss on investments of \$453,686 (including adjustments to amounts held in escrow receivable) as shown in following table:

Portfolio Company	Transaction Date	Quantity	Average Net Share Price⁽¹⁾	Net Proceeds	Realized Gain/(Loss)⁽²⁾
Nextdoor Holdings, Inc. ⁽³⁾	Various	112,420	\$ 1.92	\$ 215,318	\$ (411,151)
PSQ Holdings, Inc. (d/b/a PublicSquare) - Warrants ⁽⁴⁾	Various	100,000	1.03	102,998	60,067
Architect Capital PayJoy SPV, LLC ⁽⁵⁾	6/28/2024	N/A	N/A	10,000,000	(6,745)
True Global Ventures 4 Plus Pte Ltd	6/28/2024	N/A	N/A	233,019	—
Total				\$ 10,551,335	\$ (357,829)

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

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

(3) As of February 23, 2024, we had sold our remaining Nextdoor Holdings, Inc. public common shares.

(4) As of June 30, 2024, we held 2,296,037 remaining PSQ Holdings, Inc. (d/b/a PublicSquare) public warrants.

(5) On June 28, 2024, we redeemed the entirety of our Membership Interest in Architect Capital PayJoy SPV, LLC.

During the six months ended June 30, 2024, we did not write-off any investments.

Six Months Ended June 30, 2023

The value of our investment portfolio will change over time due to changes in the fair value of our underlying investments, as well as changes in the composition of our portfolio resulting from purchases of new and follow-on investments and the sales of existing investments. The fair value, as of June 30, 2023, of all of our portfolio investments, excluding short-term U.S. Treasury bills, was \$160,283,146.

During the six months ended June 30, 2023, we funded investments in an aggregate amount of \$13,829,990 (not including capitalized transaction costs or investments in short-term U.S. Treasury bills) as shown in the following table:

Portfolio Company	Investment	Transaction Date	Gross Payments
Orchard Technologies, Inc. ⁽¹⁾	Preferred shares, Series 1	1/13/2023	\$ 2,000,000
True Global Ventures 4 Plus Pte Ltd ⁽²⁾	Limited Partner Fund Investment	3/31/2023	1,330,000
PayJoy, Inc.	Simple Agreement for Future Equity (SAFE)	5/25/2023	500,000
ServiceTitan, Inc.	Common shares	6/30/2023	9,999,990
Total			\$ 13,829,990

(1) On January 13, 2023, we invested \$2.0 million in Orchard Technologies, Inc.'s Series 1 Senior Preferred financing round. As part of the transaction, we exchanged a portion of its existing Series D Preferred shares investment for Series 1 Senior Preferred shares, Series 2 Senior Preferred shares, and Common shares. Additionally, our previous investment in the Simple Agreement for Future Equity was converted into additional Series 1 Senior Preferred shares.

[TABLE OF CONTENTS](#)

(2) The previously unfunded capital commitment of \$1.3 million was deemed fully contributed in lieu of cash distributions.

During the six months ended June 30, 2023, we capitalized fees of \$14,723.

During the six months ended June 30, 2023, we exited or received proceeds from investments (not including short-term U.S. Treasury bills) in the amount of \$7,587,861, net of transaction costs, and realized a net loss on investments of \$13,080,856 (including adjustments to amounts held in escrow receivable) as shown in following table:

Portfolio Company	Transaction Date	Shares	Average Net Share Price ⁽¹⁾	Net Proceeds	Realized Gain/(Loss)⁽²⁾
Kahoot! ASA ⁽³⁾	Various	38,305	\$ 1.97	\$ 75,601	\$ (100,466)
NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.) ⁽⁴⁾	Various	123,938	18.50	2,293,102	(186,748)
Nextdoor Holdings, Inc. ⁽⁵⁾	Various	950,000	3.05	2,895,073	(2,428,701)
Rent the Runway, Inc. ⁽⁶⁾	1/4/2023	79,191	3.05	241,456	(961,837)
Residential Homes for Rent, LLC (d/b/a Second Avenue) ⁽⁷⁾	Various	N/A	N/A	500,000	—
True Global Ventures 4 Plus Pte Ltd ⁽⁸⁾	Various	N/A	N/A	1,582,629	1,330,000
Ozy Media, Inc. ⁽⁹⁾	5/4/2023	3,492,465	N/A	—	(10,945,024)
Total				\$ 7,587,861	\$ (13,292,776)

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

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

(3) As of March 8, 2023, we had sold our remaining Kahoot! ASA public common shares.

(4) As of June 30, 2023, we held 105,820 remaining NewLake Capital Partners, Inc. public common shares.

(5) As of June 30, 2023, we held 852,416 remaining Nextdoor Holdings, Inc. public common shares.

(6) As of January 4, 2023, we had sold our remaining Rent the Runway, Inc. public common shares.

(7) During the six months ended June 30, 2023, approximately \$0.6 million was received from Residential Homes for Rent, LLC (d/b/a Second Avenue) related to the 15% term loan due December 23, 2023. Of the proceeds received, approximately \$0.5 million repaid a portion of the outstanding principal and the remaining was attributed to interest.

(8) The previously unfunded capital commitment of \$1.3 million was deemed fully contributed in lieu of cash distributions.

(9) On May 4, 2023, we abandoned our investment in Ozy Media, Inc.

During the six months ended June 30, 2023, we did not write-off any investments, not otherwise noted above.

Results of Operations

Comparison of the Six Months Ended June 30, 2024 and 2023

Operating results for the three and six months ended June 30, 2024 and 2023 are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Total Investment Income	\$ 1,027,353	\$ 1,372,218	\$ 2,555,444	\$ 2,671,300
Interest income	1,027,353	1,309,073	2,533,569	2,545,010
Dividend income	—	63,145	21,875	126,290
Total Operating Expenses	\$ 4,682,978	\$ 5,177,558	\$ 9,433,971	\$ 10,698,405
Compensation expense	2,198,509	2,117,872	4,383,827	4,254,626
Directors' fees	167,825	161,661	338,938	322,226
Professional fees	586,825	916,579	1,315,384	1,907,413
Interest expense	1,214,267	1,214,267	2,428,534	2,427,553
Income tax expense	52,794	90,826	54,894	620,606
Other expenses	462,758	676,353	912,394	1,165,981
Net Investment Loss	\$ (3,655,625)	\$ (3,805,340)	\$ (6,878,527)	\$ (8,027,105)
Net realized loss on investments	(29,612)	(13,270,199)	(453,686)	(13,080,856)
Net change in unrealized appreciation/(depreciation) of investments	(6,965,946)	1,455,515	(25,384,316)	10,104,446
Net Change in Net Assets Resulting from Operations	\$ (10,651,183)	\$ (15,620,024)	\$ (32,716,529)	\$ (11,003,515)

Investment Income

Investment income decreased to \$1,027,353 for the three months ended June 30, 2024 from \$1,372,218 for the three months ended June 30, 2023. The net decrease between periods was due to a decrease in interest income from short-term U.S. Treasury bills and the repayment in full of the Residential Homes for Rent, LLC (d/b/a Second Avenue) term loan as of December 26, 2023, and a decrease in dividend income from NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.) following our complete exit in December 2023. The decrease was offset by an increase in interest income on cash during the three months ended June 30, 2024, relative to the three months ended June 30, 2023.

Investment income decreased to \$2,555,444 for the six months ended June 30, 2024 from \$2,671,300 for the six months ended June 30, 2023. The net decrease between periods was due to a decrease in interest income from short-term U.S. Treasury bills and the repayment in full of the Residential Homes for Rent, LLC (d/b/a Second Avenue) term loan as of December 26, 2023, and a decrease in dividend income from NewLake Capital Partners, Inc. (f/k/a GreenAcreage Real Estate Corp.) following our complete exit in December 2023. The decrease was offset by an increase in interest income received on cash and from Architect Capital PayJoy SPV, LLC during the six months ended June 30, 2024, relative to the six months ended June 30, 2023.

Operating Expenses

Total operating expenses decreased to \$4,682,978 for the three months ended June 30, 2024 from \$5,177,558 for the three months ended June 30, 2023. The decrease in operating expense was primarily due to decreases in income tax expense related to blocker corporations, professional fees, and other expenses, offset by increases primarily in compensation expense and stock-based compensation expense during the three months ended June 30, 2024, relative to the three months ended June 30, 2023.

Total operating expenses decreased to \$9,433,971 for the six months ended June 30, 2024 from \$10,698,405 for the six months ended June 30, 2023. The decrease in operating expense was primarily due to decreases in income tax expense related to blocker corporations, professional fees, and other expenses, offset by increases primarily in compensation expense and stock-based compensation expense during the six months ended June 30, 2024, relative to the six months ended June 30, 2023.

[TABLE OF CONTENTS](#)

Net Investment Loss

For the three months ended June 30, 2024, we recognized a net investment loss of \$3,655,625, compared to a net investment loss of \$3,805,340 for the three months ended June 30, 2023. The change between periods resulted from a decrease in total investment income and operating expenses during the three months ended June 30, 2024, relative to the three months ended June 30, 2023.

For the six months ended June 30, 2024, we recognized a net investment loss of \$6,878,527, compared to a net investment loss of \$8,027,105 for the six months ended June 30, 2023. The change between periods resulted from a decrease in operating expenses during the six months ended June 30, 2024, relative to the six months ended June 30, 2023.

Net Realized Loss on Investments

For the three months ended June 30, 2024, we recognized a net realized loss on our investments of \$29,612, compared to a net realized loss of \$13,270,199 for the three months ended June 30, 2023. The components of our net realized losses on portfolio investments for the three months ended June 30, 2024 and 2023, excluding short-term U.S. Treasury bills and fluctuations in escrow receivables estimates, are reflected in the tables above, under “—Portfolio and Investment Activity.”

For the six months ended June 30, 2024, we recognized a net realized loss on our investments of \$453,686, compared to a net realized loss of \$13,080,856 for the six months ended June 30, 2023. The components of our net realized losses on portfolio investments for the six months ended June 30, 2024 and 2023, excluding short-term U.S. Treasury bills and fluctuations in escrow receivables estimates, are reflected in the tables above, under “—Portfolio and Investment Activity.”

Net Change in Unrealized Appreciation/(Depreciation) of Investments

For the three months ended June 30, 2024 and 2023, we had a net change in unrealized appreciation/(depreciation) of \$(6,965,946) and \$1,455,515, respectively. The following tables summarize, by portfolio company, the significant changes in unrealized appreciation/(depreciation) of our investment portfolio for the three months ended June 30, 2024 and 2023.

Portfolio Company	Net Change in Unrealized Appreciation/ (Depreciation) For the Three Months Ended June 30, 2024	Portfolio Company	Net Change in Unrealized Appreciation/ (Depreciation) For the Three Months Ended June 30, 2023
Blink Health, Inc.	\$ 8,312,921	Ozy Media, Inc. ⁽¹⁾	\$ 10,945,024
ServiceTitan, Inc.	1,039,251	Nextdoor Holdings, Inc. ⁽¹⁾	4,227,458
Stormwind, LLC	(1,865,441)	Shogun Enterprises, Inc. (d/b/a Hearth)	4,051,105
PSQ Holdings, Inc. (d/b/a PublicSquare)	(2,561,945)	Colombier Sponsor LLC	2,387,898
Learneo, Inc. (f/k/a Course Hero, Inc.)	(13,945,631)	Forge Global, Inc.	1,705,490
		Orchard Technologies, Inc.	1,210,675
		Stormwind, LLC	1,206,200
		Whoop, Inc.	(1,775,407)
		Trax, Ltd.	(2,346,683)
		Learneo, Inc. (f/k/a Course Hero, Inc.)	(18,251,804)
Other ⁽²⁾	2,054,899	Other ⁽²⁾	(1,904,441)
Total	\$ (6,965,946)	Total	\$ 1,455,515

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

(2) “Other” represents investments for which individual changes in unrealized appreciation/(depreciation) was less than \$1.0 million for the three months ended June 30, 2024 and 2023.

TABLE OF CONTENTS

For the six months ended June 30, 2024 and 2023, we had a net change in unrealized appreciation/(depreciation) of \$(25,384,316) and \$10,104,446, respectively. The following tables summarize, by portfolio company, the significant changes in unrealized appreciation/(depreciation) of our investment portfolio for the six months ended June 30, 2024 and 2023.

Portfolio Company	Net Change in Unrealized Appreciation/ (Depreciation) For the Six Months Ended June 30, 2024	Portfolio Company	Net Change in Unrealized Appreciation/ (Depreciation) For the Six Months Ended June 30, 2023
Blink Health, Inc.	\$ 8,178,720	Colombier Sponsor LLC	\$ 14,470,770
ServiceTitan, Inc.	2,484,626	Ozy Media, Inc. ⁽¹⁾	10,945,024
FourKites, Inc.	1,904,023	Nextdoor Holdings, Inc. ⁽¹⁾	4,389,675
Xgroup Holdings Limited (d/b/a Xpoint)	1,114,839	Shogun Enterprises, Inc. (d/b/a Hearth)	4,349,318
Orchard Technologies, Inc.	(1,158,150)	Varo Money, Inc.	2,489,436
Residential Homes for Rent, LLC (d/b/a Second Avenue)	(1,379,719)	Forge Global, Inc.	1,755,652
Forge Global, Inc.	(2,257,374)	OneValley, Inc. (f/k/a NestGSV, Inc.)	(1,679,936)
PSQ Holdings, Inc. (d/b/a PublicSquare)	(2,497,333)	Trax, Ltd.	(2,241,286)
StormWind, LLC	(3,761,225)	Whoop, Inc.	(2,775,301)
Learneo, Inc. (f/k/a Course Hero, Inc.)	(26,944,664)	Aspiration Partners, Inc.	(2,851,678)
		Orchard Technologies, Inc.	(3,489,052)
		Learneo, Inc. (f/k/a Course Hero, Inc.)	(17,995,785)
Other ⁽²⁾	(1,068,059)	Other ⁽²⁾	2,737,609
Total	\$ (25,384,316)	Total	\$ 10,104,446

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

(2) "Other" represents investments for which individual changes in unrealized appreciation/(depreciation) was less than \$1.0 million for the six months ended June 30, 2024.

Recent Developments

Note Repurchase Program

On August 6, 2024, our Board of Directors approved a discretionary note repurchase program (the "Note Repurchase Program") which allows us to repurchase up to 46.67%, or \$35.0 million in aggregate principal amount, of our 6.00% Notes due 2026 through open market purchases, including block purchases, in such manner as will comply with the provisions of the 1940 Act and the Exchange Act. As of August 7, 2024, we had not repurchased any of the 6.00% Notes due 2026 under the Note Repurchase Program.

Convertible Notes

On August 6, 2024, we entered into a Note Purchase Agreement (the "Note Purchase Agreement"), by and between the Company and the purchaser identified therein (the "Purchaser"), pursuant to which we may issue up to a maximum of \$75.0 million in aggregate principal amount of 6.50% Convertible Notes due 2029 (the "Convertible Notes"). Pursuant to the Note Purchase Agreement, we agreed to issue and sell, and the Purchaser agreed to purchase, up to \$25.0 million in aggregate principal amount of the Convertible Notes (the "Initial Notes"). Thereafter, upon mutual agreement between the Company and the Purchaser, we may issue additional Convertible Notes for sale in subsequent offerings (the "Additional Notes"), or issue additional notes with modified pricing terms (the "New Notes"), in the aggregate for both the Additional Notes and the New Notes, up to a maximum of \$50.0 million in one or more private offerings. The Purchaser will acquire, and we will issue, up to \$25.0 million of the Initial Notes on or about August 14, 2024 (the "Initial Closing Date"), and thereafter at such time and date as the Purchaser and we mutually agree to purchase and sell any Additional Notes. Interest on the Convertible Notes will be paid quarterly in arrears on March 30, June 30, September 30, and December 30, at a rate of 6.50% per year, beginning September 30, 2024. The Convertible Notes will mature on August 14, 2029 and may be redeemed in whole or in part at any time or from time to time at our option on or after August 6, 2027 upon the fulfillment of certain conditions. The Convertible Notes will be convertible into shares of our common stock at the Purchaser's sole discretion at an initial conversion rate of 129.0323 shares of our common stock per \$1,000 principal amount of the Convertible Notes, subject to adjustment as provided in the Note Purchase Agreement. The net proceeds from the offering will be used to repay outstanding indebtedness, make investments in accordance with our investment objective and investment strategy, and for other general corporate purposes. The Note Purchase Agreement includes customary representations, warranties, and covenants by the Company.

Portfolio Activity

Please refer to "Note 12—Subsequent Events" to our Condensed Consolidated Financial Statements as of June 30, 2024 for details regarding activity in our investment portfolio from July 1, 2024 through August 7, 2024.

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

Liquidity and Capital Resources

Our liquidity and capital resources are generated primarily from the sales of our investments and the net proceeds from public offerings of our equity and debt securities, including pursuant to our continuous at-the-market offering of shares of our common stock as discussed below under “Equity Issuances and Debt Capital Activities — At-the-Market Offering”. In addition, on December 17, 2021, we issued \$75.0 million aggregate principal amount of 6.00% Notes due December 30, 2026 (the “6.00% Notes due 2026”), all of which remain outstanding. For additional information, see below and “Note 10—Debt Capital Activities” to our Condensed Consolidated Financial Statements as of June 30, 2024.

Our primary uses of cash are to make investments, pay our operating expenses, and make distributions to our stockholders. For the six months ended June 30, 2024 and 2023, our operating expenses including interest payments on our debt obligations were \$9,433,971 and \$10,698,405, respectively.

Cash Reserves and Liquid Securities	June 30, 2024	December 31, 2023
Cash	\$ 54,379,773	\$ 28,178,352
Cash Equivalents:		
U.S. Treasury bills ⁽¹⁾	—	63,810,855
Securities of publicly traded portfolio companies:		
Unrestricted securities ⁽²⁾	3,241,634	6,970,612
Subject to other sales restrictions ⁽³⁾	8,502,229	8,542,386
Securities of publicly traded portfolio companies	<u>11,743,863</u>	<u>15,512,998</u>
Total Cash Reserves and Liquid Securities	<u>\$ 66,123,636</u>	<u>\$ 107,502,205</u>

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

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

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

During the six months ended June 30, 2024, cash increased to \$54,379,773 from \$28,178,352 at the beginning of the year. The increase in cash was primarily due to the sale or exit of investments, including short-term U.S. Treasury bills and other investment income received, offset by the purchase of new investments, repurchase of our common stock pursuant to a modified “Dutch Auction” tender offer (the “Modified Dutch Auction Tender Offer”), payment of our operating expenses, and payment of interest on the 6.00% Notes due 2026. For additional information relating to the Modified Dutch Auction Tender Offer, see “Modified Dutch Auction Tender Offer” below and “Note 5 - Common Stock” to our condensed consolidated financial statements as of June 30, 2024.

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

Contractual Obligations

A summary of our significant contractual payment obligations as of June 30, 2024 is as follows:

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

(1) Reflects the principal balance payable to investors for the 6.00% Notes due 2026 as of June 30, 2024. Refer to “Note 10—Debt Capital Activities” in our Condensed Consolidated Financial Statements as of June 30, 2024 for more information.

Share Repurchase Program

During the three and six months ended June 30, 2024, we did not repurchase any shares of our common stock under the discretionary open-market share repurchase program (the “Share Repurchase Program”). During the three and six months ended June 30, 2023, we did not repurchase any shares of our common stock under the Share Repurchase Program. As of June 30, 2024, the dollar value of shares that remained available to be purchased under the Share Repurchase Program was approximately \$20.7 million. Currently, the Share Repurchase Program is authorized until the earlier of (i) October 31, 2024 or (ii) the repurchase of \$60.0 million in aggregate amount of our common stock.

[TABLE OF CONTENTS](#)

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 (the “Exchange Act”) and the rules promulgated thereunder. For more information on the Share Repurchase Program, see “Note 5—Common Stock” to our Condensed Consolidated Financial Statements as of June 30, 2024.

Modified Dutch Auction Tender Offer

On February 20, 2024, we commenced the Modified Dutch Auction Tender Offer to purchase up to 2,000,000 shares of our common stock from our stockholders, which expired on April 1, 2024. In accordance with the terms of the Modified Dutch Auction Tender Offer, we selected the lowest price per share of not less than \$4.00 per share and not greater than \$5.00 per share.

Pursuant to the Modified Dutch Auction Tender Offer, we repurchased 2,000,000 shares, representing 7.9% of our then-outstanding shares, on or about April 5, 2024 at a price of \$4.70 per share. We used available cash to fund the purchase of our shares of common stock in the Modified Dutch Auction Tender Offer and to pay for all related fees and expenses.

Off-Balance Sheet Arrangements

As of June 30, 2024 and December 31, 2023, we had no off-balance sheet arrangements, including any risk management of commodity pricing or other hedging practices. However, we may employ hedging and other risk management techniques in the future.

Equity Issuances and Debt Capital Activities

At-the-Market Offering

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

During the three and six months ended June 30, 2024, we did not issue or sell Shares under the ATM program. As of June 30, 2024, up to approximately \$98.8 million in aggregate amount of the Shares remain available for sale under the ATM Program. During the three and six months ended June 30, 2023, we did not issue or sell Shares under the ATM program.

Refer to “Note 5—Common Stock” to our Condensed Consolidated Financial Statements as of June 30, 2024 for more information regarding the ATM Program.

6.00% Notes due 2026

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

Refer to “Note 10—Debt Capital Activities” to our Condensed Consolidated Financial Statements as of June 30, 2024 for more information regarding the 6.00% Notes due 2026.

[TABLE OF CONTENTS](#)**Distributions**

The timing and amount of our distributions, if any, will be determined by our Board of Directors and will be declared out of assets legally available for distribution. The following table lists the distributions, including dividends and returns of capital, if any, per share that we have declared since our formation through June 30, 2024. The table is divided by fiscal year according to record date:

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

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

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

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

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

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

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

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

(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.

TABLE OF CONTENTS

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

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

Our current intention is to make any future distributions out of assets legally available therefrom in the form of additional shares of our common stock under our dividend reinvestment plan, 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 condensed consolidated financial statements. See “Note 2—Significant Accounting Policies—U.S. Federal and State Income Taxes” and “Note 9—Income Taxes” to our Condensed Consolidated Financial Statements as of June 30, 2024 for more information. The Taxable Subsidiaries included in our Condensed 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 condensed consolidated financial statements.

Critical Accounting Estimates and Policies

Critical accounting policies and practices are the policies that are both most important to the portrayal of our financial condition and results, and require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. These include estimates of the fair value of our Level 3 investments and other estimates that affect the reported amounts of assets and liabilities as of the date of the condensed consolidated financial statements and the reported amounts of certain revenues and expenses during the reporting period. It is likely that changes in these estimates will occur in the near term. Our estimates are inherently subjective in nature and actual results could differ materially from such estimates. See "Note 2—Significant Accounting Policies" to our Condensed Consolidated Financial Statements as of June 30, 2024 for further detail regarding our critical accounting policies and recently issued or adopted accounting pronouncements.

Related-Party Transactions

See "Note 3—Related-Party Arrangements" to our Condensed Consolidated Financial Statements as of June 30, 2024 for more information.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market Risk

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

Valuation Risk

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

Interest Rate Risk

We are subject to financial market risks, which could include, to the extent we utilize leverage with variable rate structures, changes in interest rates. As we invest primarily in equity rather than debt instruments, we would not expect fluctuations in interest rates to directly impact the return on our portfolio investments, although any significant change in market interest rates could potentially have an adverse effect on the business, financial condition and results of operations of the portfolio companies in which we invest. As of June 30, 2024, all of our debt investments and outstanding borrowings bore fixed rates of interest.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of June 30, 2024, our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified by the SEC and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. 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 1A. Risk Factors

Investing in our securities involves a number of significant risks. In addition to the other information contained in this report, you should carefully consider the factors discussed in our annual report on Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC on March 14, 2024, which could materially affect our business, financial condition and/or operating results. Although the risks described in our annual report on Form 10-K for the fiscal year ended December 31, 2023 represent the principal risks associated with an investment in us, they are not the only risks we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, might materially and adversely affect our business, financial condition and/or operating results. Other than as stated below, there have been no material changes to the risk factors discussed in “Item 1A. Risk Factors” of Part I of our annual report on Form 10-K for the fiscal year ended December 31, 2023.

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

Sales of Unregistered Equity Securities

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

Issuer Purchases of Equity Securities⁽¹⁾

Information relating to our purchases of our common stock during the six months ended June 30, 2024 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, 2024	—	\$ —	—	\$ 20,686,087
February 1 through February 28, 2024	—	—	—	20,686,087
March 1 through March 31, 2024	—	—	—	20,686,087
April 1 through April 30, 2024 ⁽³⁾	2,000,000	4.70	2,000,000	20,686,087
May 1 through May 31, 2024	—	—	—	20,686,087
June 1 through June 30, 2024	—	—	—	20,686,087
Total	2,000,000		2,000,000	

(1) On August 7, 2023, our Board of Directors approved an extension of the Share Repurchase Program until the earlier of (i) October 31, 2024 or (ii) the repurchase of \$60.0 million in aggregate amount of our common stock. The timing and number of shares to be repurchased will depend on a number of factors, including market conditions and alternative investment opportunities. The Share Repurchase Program may be suspended, terminated or modified at any time for any reason and does not obligate us to acquire any specific number of shares of our common stock. During the three and six months ended June 30, 2024, we did not repurchase shares of common stock under the Share Repurchase Program. As of June 30, 2024, the dollar value of shares that remained available to be purchased under the Share Repurchase Program was approximately \$20.7 million. For more information on the Share Repurchase Program, see “Note 5 — Common Stock” to our Condensed Consolidated Financial Statements as of June 30, 2024.

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

(3) On or about April 5, 2024, we repurchased 2,000,000 shares of our common stock pursuant to the Modified Dutch Auction Tender Offer. See “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources -- Modified Dutch Auction Tender Offer” in Part I of this quarterly report on Form 10-Q for more information.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) Item 1.01. Entry into a Material Definitive Agreement

On August 6, 2024, we entered into a Note Purchase Agreement (the “Note Purchase Agreement”), by and between the Company and the purchaser identified therein (the “Purchaser”), pursuant to which we may issue up to a maximum of \$75,000,000 in aggregate principal amount of 6.50% Convertible Notes due 2029 (the “Convertible Notes”). Pursuant to the Note Purchase Agreement, we agreed to issue and sell, and the Purchaser agreed to purchase, up to \$25,000,000 in aggregate principal amount of the Convertible Notes (the “Initial Notes”). Thereafter, upon the mutual agreement of the Company and the Purchaser, we may issue additional Convertible Notes for sale in subsequent offerings (the “Additional Notes”), or issue additional notes with modified pricing terms (the “New Notes”), in the aggregate for both the Additional Notes and the New Notes, up to a maximum of \$50,000,000 in one or more private offerings. The Purchaser will acquire, and we will issue, up to \$25 million of the Initial Notes on or about August 14, 2024 (the “Initial Closing Date”), and thereafter at such time and date as the Purchaser and the Company mutually agree to purchase and sell any Additional Notes. Interest on the Convertible Notes will be paid quarterly in arrears on March 30, June 30, September 30, and December 30, at a rate of 6.50% per year, beginning September 30, 2024. The Convertible Notes will mature on August 14, 2029 and may be redeemed in whole or in part at any time or from time to time at our option on or after August 6, 2027 upon the fulfillment of certain conditions. The Convertible Notes will be convertible into shares of our common stock at the Purchaser’s sole discretion at an initial conversion rate of 129.0323 shares of common stock per \$1,000 principal amount of the Convertible Notes, subject to adjustment as provided in the Note Purchase Agreement. The net proceeds from the offering will be used to repay outstanding indebtedness, make investments in accordance with our investment objective and investment strategy, and for other general corporate purposes. The Note Purchase Agreement includes customary representations, warranties, and covenants by the Company.

The description above is qualified in its entirety by reference to the copy of the Note Purchase Agreement, which is filed as Exhibit 10.1 to this Quarterly Report on Form 10-Q.

TABLE OF CONTENTS

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure set forth above under Item 1.01 is incorporated by reference herein.

(b) None.

(c) For the period covered by this Quarterly Report on Form 10-Q, no director or officer of the Company has entered into any (i) contract, instruction or written plan for the purchase or sale of securities of the registrant intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or (ii) any non-Rule 10b5-1 trading arrangement.

The Company has adopted insider trading policies and procedures governing the purchase, sale, and disposition of the Company's securities by officers and directors of the Company that are reasonably designed to promote compliance with insider trading laws, rules and regulations.

Item 6. Exhibits

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

- 3.1 [Articles of Amendment and Restatement^{\(1\)}](#)
- 3.2 [Articles of Amendment^{\(2\)}](#)
- 3.3 [Articles of Amendment^{\(3\)}](#)
- 3.4 [Articles of Amendment^{\(4\)}](#)
- 3.5 [Second Amended and Restated Bylaws^{\(4\)}](#)
- 4.1 [Base Indenture, dated March 28, 2018, by and between the Registrant and U.S. Bank National Association, as trustee^{\(5\)}](#)
- 4.2 [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^{\(6\)}](#)
- 4.3 [Form of 6.00% Notes due 2026 \(incorporated by reference to Exhibit 4.2\)^{\(6\)}](#)
- 4.4 [Description of Securities^{\(7\)}](#)
- 10.1 [Note Purchase Agreement, dated August 6, 2024, by and between the Registrant and the purchaser party thereto*](#)
- 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*](#)

101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Schema Document
101.CAL	Inline XBRL Calculation Link base Document
101.DEF	Inline XBRL Definition Link base Document
101.LAB	Inline XBRL Label Link base Document
101.PRE	Inline XBRL Presentation Link base Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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

(2) Previously filed in connection with the Registrant's Current Report on Form 8-K (File No. 814-00852), filed on June 1, 2011, and incorporated by reference herein.

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

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

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

(6) 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.

(7) Previously filed in connection with the Registrant's Annual Report on Form 10-K (File No. 814-00852) filed on March 11, 2022, and incorporated by reference herein.

* Filed herewith.

SIGNATURES

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

SURO CAPITAL CORP.

Date: August 8, 2024

By: */s/ Mark D. Klein*

Mark D. Klein
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Date: August 8, 2024

By: */s/ Allison Green*

Allison Green
Chief Financial Officer, Chief Compliance Officer, Treasurer, and
Corporate Secretary
(Principal Financial and Accounting Officer)

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

Date: August 8, 2024

By: */s/ Mark D. Klein*

Mark D. Klein
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Date: August 8, 2024

By: */s/ Allison Green*

Allison Green
Chief Financial Officer, Chief Compliance Officer, Treasurer, and
Corporate Secretary
(Principal Financial and Accounting Officer)

SURO CAPITAL CORP.

NOTES PURCHASE AGREEMENT

Dated as of August 6, 2024

To the Purchaser listed in the signature page:

Ladies and Gentlemen:

The undersigned, SuRo Capital Corp., a Maryland corporation (the "Corporation"), hereby agrees with you as follows:

1. AUTHORIZATION; SALE AND PURCHASE OF NOTES

1.1. Authorization of Notes. The Corporation has duly authorized the issuance and sale of up to a maximum of \$75,000,000 in aggregate principal amount of its 6.50% Convertible Notes due 2029 (the "Notes") to the purchaser listed in the signature page attached hereto (the "Purchaser"), pursuant to a private offering, the terms of which are described herein. On the date hereof, the Corporation and the Purchaser are entering into this Notes Purchase Agreement (the "Agreement") and, together with any other agreements entered into in connection herewith, the "Transaction Documents", in connection with each closing of the sale of the Notes (as described in Section 3 of the Agreement), by and between the Corporation and the Purchaser in connection with the transactions contemplated by this Agreement (collectively, the "Transactions").

1.2. Sale and Purchase of the Notes. Subject to the terms and conditions herein provided, the Corporation hereby agrees to issue and sell to the Purchaser, and the Purchaser agrees to purchase from the Corporation, at the applicable Closing Date (as defined in Section 3.1) provided for in Section 3:

- (i) the Initial Notes (as defined in Section 1.3), and
- (ii) the Additional Notes (as defined in Section 1.3), as specified in each Notice (as defined in Section 1.3),

in each case at a purchase price equal to 97.00% of the principal amount thereof (the "Purchase Price").

The Purchaser understands and acknowledges that it has made its own review of the investment merits and risks of the Notes.

1.3. As of the date hereof, the Corporation agrees to issue and sell, and the Purchaser agrees to purchase, up to \$25,000,000 in aggregate principal amount of the Notes (the "Initial Notes"). Thereafter, upon the mutual agreement of the Corporation and the Purchaser, the Corporation may issue additional Notes for sale in subsequent offerings (the "Additional Notes"), or issue additional notes with modified pricing terms (the "New Notes"), in the aggregate for both the Additional Notes and the New Notes, up to a maximum of \$50,000,000 in one or more private offerings.

(i) In the event the Corporation wishes to issue any Additional Notes, the Corporation shall provide the Purchaser with a written request (a “Notice”), which Notice shall detail the aggregate principal amount of the Additional Notes which the Corporation would like to offer to the Purchaser and the proposed Additional Closing Date (as defined in Section 3.1) with respect thereto (which Additional Closing Date shall not be less than five (5) business days after the date of receipt by Purchaser of such Notice). The Purchaser shall, no less than five (5) business days prior to the proposed Additional Closing Date of such Additional Notes, notify the Corporation of its intent to exercise its option to purchase Additional Notes under this Section 1.3 (and any failure of the Purchaser to provide any such notice shall be deemed the Purchaser declining such offer).

(ii) In the event the Corporation wishes to issue New Notes, the Corporation shall provide the Purchaser with a Notice detailing the aggregate principal amount and terms of the New Notes which the Corporation would like to offer to the Purchaser and the proposed Additional Closing Date (as defined in Section 3.1) with respect thereto (which Additional Closing Date shall not be less than five (5) business days after the date of receipt by Purchaser of such Notice). The Purchaser shall, no less than five (5) business days prior to the proposed Additional Closing Date of such New Notes, notify the Corporation of its intent to exercise its option to purchase Additional Notes under this Section 1.3 (and any failure of the Purchaser to provide any such notice shall be deemed the Purchaser declining such offer).

1.4. The Notes will be the Corporation’s direct unsecured obligations and will rank pari passu, or equal, with any outstanding existing or future unsecured, unsubordinated indebtedness. The Notes will be junior in right of payment to any existing or future secured credit facility; provided, however, that if the Corporation enters into a future credit facility senior in right of payment to the Notes (including any secured indebtedness) (the “Other Indebtedness”), the interest on the outstanding principal amount of the Notes as provided in Section 2.1 of this Agreement shall increase, as of the date of the incurrence of such Other Indebtedness, to 7.00% per annum.

2. INTEREST PAYMENTS; MATURITY; CONVERSION OF NOTES

2.1. Subject in all cases to Section 1.4 hereof, the Corporation shall pay interest on the outstanding principal amount of the Notes at the rate of 6.50% per annum on March 30, June 30, September 30, and December 30 of each year (or (x) if such day is not a business day without including the additional days elapsed in the computation of the interest payable on such next succeeding business day; and (y) any payment of principal of any Note (including principal due on the Maturity Date (as defined below) of such Note) that is due on a date that is not a business day shall be made on the next succeeding business day and shall include the additional days elapsed in the computation of interest payable on such next succeeding business day), then on the next succeeding business day), beginning September 30, 2024 (each, an “Interest Payment Date”). Accrued interest on the Notes shall be computed on the basis of a 360-day year composed of twelve 30-day months and, for partial months, on the basis of actual days elapsed over a 30-day month.

The outstanding principal amount of Notes, together with all accrued but unpaid interest thereon, shall be due and payable in full on August 14, 2029 (the “Maturity Date”). The Corporation shall not be permitted to prepay all or any portion of the Notes other than pursuant to a redemption made in accordance with the provisions of Section 2.3 hereof.

2.2. The issued and outstanding Notes (including, without limitation, all principal and interest with respect thereto) will be convertible, in whole or in part, into shares of common stock, par value \$0.01 per share, of the Corporation (the “Common Stock”), with such conversion and settlement election being solely at the election of the Purchaser in accordance with the terms set forth herein. The Common Stock issuable upon the conversion of the Notes has been duly authorized by the Corporation and, when issued and authenticated, will have been duly executed, issued and delivered and will constitute valid and legally binding agreements of the Corporation enforceable against the Corporation in accordance with their terms, general shareholder rights and general equitable principles (whether considered in a proceeding in equity or at law). Upon execution and delivery of the Notes by the Corporation, any Common Stock issuable upon conversion of the Notes shall have been duly authorized and reserved by the Corporation for issuance upon conversion of the Notes and, when issued upon conversion of the Notes in accordance with the terms of the Notes, will be validly issued, fully paid and non-assessable and shall be free and clear of all liens, security interests and other encumbrances, and the issuance of any such Common Stock will not be subject to any preemptive, participation, rights of first refusal or other similar rights.

The issued and outstanding Notes will initially be convertible into Common Stock at a price of \$7.75 per share (as will adjust pursuant to adjustments in the Conversion Rate (as defined in Appendix A) pursuant to the terms set forth in Appendix A hereto, the “Conversion Price”), subject to the terms set forth in Appendix A hereto. The Purchaser may elect to convert any issued and outstanding Notes in multiple tranches in denominations of \$3,000,000.00. Notwithstanding anything to the contrary contained herein, in no event will the Corporation issue in the aggregate more than 4,652,222 shares of Common Stock, which amount constitutes 19.9% of the Corporation’s total shares of Common Stock outstanding as of the date of this Agreement, in connection with any conversion of the Notes (the “Nasdaq Issuance Limitation”).

2.3. Optional Redemption. No sinking fund is provided for the Notes. At any time on or after August 6, 2027, and from time to time, but subject to the provisions of this Agreement (including, without limitation, Section 2.4 hereof) the Corporation may redeem (an “Optional Redemption”) for cash all or any portion of the Notes, at the Redemption Price (as defined below), if (i) the closing sale price of the Common Stock on the Nasdaq Global Select Market (the “Closing Sale Price”) is equal to or greater than 150% of the Conversion Price in effect on the given trading day for any fifteen (15) trading days (whether or not consecutive) during the period of any twenty (20) consecutive trading days (including the last trading day of such period) ending within the thirty (30) trading days immediately preceding the date on which the Corporation provides the Redemption Notice (as defined below) in accordance with Section 2.4, (ii) no public announcement of a pending, proposed or intended Fundamental Change (as defined below) shall have occurred which has not been abandoned, terminated or consummated, and (iii) there shall not have occurred and there shall not exist an Event of Default (as defined below) or an event that with the passage of time or giving of notice would constitute an Event of Default. For purposes hereof, the “Redemption Price” shall be an amount equal to 100% of the outstanding principal amount thereof plus accrued and unpaid interest thereon. “Fundamental Change” means either of the following events has occurred: (i) a Change in Control (as defined below) or (ii) the Common Stock (or other common stock into which the Notes are convertible) ceases to be listed or quoted on any of the New York Stock Exchange, the Nasdaq Capital Market, the Nasdaq Global Select Market or the Nasdaq Global Market (or any of their respective successors) or the announcement by any such exchange on which the Common Stock (or other common stock) is trading that the Common Stock (or other common stock) will no longer be listed or admitted for trading and will not be immediately relisted or readmitted for trading on any of the New York Stock Exchange, the Nasdaq Capital Market, the Nasdaq Global Select Market or the Nasdaq Global Market (or any of their respective successors).

For purposes of this Agreement, a “Change in Control” will be deemed to have occurred if any of the following occurs after the date of this Agreement: (a) any “person” or “group” within the meaning of Section 13(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) is or becomes the direct or indirect “beneficial owner,” as defined in Rule 13d-3 under the Exchange Act, of shares of the Corporation’s voting stock representing 50% or more of the total voting power of all outstanding classes of the Corporation’s voting stock entitled to vote generally in elections of directors, or has the power, directly or indirectly, to elect a majority of the Board of Directors of the Corporation (the “Board of Directors”); (b) the consummation of: (i) any recapitalization, reclassification or change of the Common Stock (other than changes resulting from a subdivision or combination) as a result of which the Common Stock would be converted into, or exchanged for, stock, other securities, other property or assets; (ii) any share exchange, consolidation, merger or similar transaction involving the Corporation pursuant to which the Common Stock will be converted into cash, securities or other property or assets; or (iii) any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of the Corporation and its Subsidiaries, taken as a whole, to any person other than one of the Corporation’s wholly owned Subsidiaries; provided, however, that a transaction described in clause (ii) immediately above pursuant to which the persons that “beneficially owned,” directly or indirectly, the shares of the Corporation’s voting stock immediately prior to such transaction “beneficially own,” directly or indirectly, shares of voting stock representing at least a majority of the total voting power of all outstanding classes of voting stock of the surviving or transferee person and such holders’ proportional voting power immediately after such transaction vis-à-vis each other with respect to the securities they receive in such transaction will be in substantially the same proportions as their respective voting power vis-à-vis each other immediately prior to such transaction will not constitute a “Change of Control” pursuant to this clause (b); (c) the first day on which a majority of the members of the Board of Directors are not Continuing Directors (as defined below); or (d) the holders of capital stock of the Corporation approve any plan or proposal for the liquidation or dissolution of the Corporation (whether or not in compliance with this Agreement); provided, however, that a “Change of Control” shall not be deemed to have occurred pursuant to clause (b) of the definition of “Change of Control” above if at least 90% of the consideration paid for the Common Stock in the relevant transaction or transactions, excluding cash payments for any fractional share and cash payments made pursuant to dissenters’ appraisal rights, consists of shares of common stock traded on the New York Stock Exchange, the Nasdaq Capital Market, the Nasdaq Global Select Market or the Nasdaq Global Market (or any of their respective successors), or will be so traded immediately following such transaction, and, as a result therefrom, such consideration becomes Reference Property (as defined below) for the Notes. A “Continuing Director” means, as of any date of determination, any member of the Board of Directors who (i) was a member of such Board of Directors on the date of this Agreement, or (ii) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election. “Reference Property” refers to the cash, securities, or other property which holders of the outstanding Common Stock are entitled to receive in exchange for their shares of Common Stock. “Subsidiary” of person or entity (a “Person”) means a corporation, partnership, limited liability company, association or joint venture or other business entity of which a majority of the equity interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time owned or the management of which is controlled, directly or indirectly through one or more intermediaries, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Corporation.

2.4. Notice of Optional Redemption.

(i) In case the Corporation wishes to exercise its Optional Redemption right to redeem all or, as the case may be, any portion of the Notes pursuant to Section 2.3, it shall fix a date for redemption (each, a "Redemption Date") and it shall deliver a notice of such Optional Redemption (a "Redemption Notice") not less than thirty (30) calendar days nor more than seventy (70) calendar days prior to the Redemption Date to the Purchaser. The Redemption Date must be a business day.

(ii) The Redemption Notice, if given in the manner herein provided, shall be conclusively presumed to have been duly given, whether or not the Purchaser receives such notice. In any case, failure to give such Redemption Notice or any defect in the Redemption Notice to the Purchaser of any Note designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Note.

(iii) Each Redemption Notice shall specify:

(A) the Redemption Date;

(B) the Redemption Price;

(C) that on the Redemption Date, the Redemption Price will become due and payable upon each Note to be redeemed, and that interest thereon, if any, shall, once paid, cease to accrue on and after the Redemption Date (provided, for the avoidance of doubt, any interest not paid when due shall continue to accrue);

(D) the place or places where such Notes are to be surrendered for payment of the Redemption Price;

(E) that the Purchaser may surrender all or any portion of its Notes for conversion at any time prior to the close of business on the business day immediately preceding the Redemption Date;

(F) the then-applicable Conversion Rate;

(G) the CUSIP, ISIN or other similar numbers, if any, assigned to such Notes; and

(H) in case any Note is to be redeemed in part only, the portion of the principal amount thereof to be redeemed and on and after the Redemption Date, upon surrender of such Note, a new Note in principal amount equal to the unredeemed portion thereof shall be issued.

A Redemption Notice shall be irrevocable. After the Corporation has delivered a Redemption Notice, the Purchaser will have the right to receive payment of the Redemption Price for its Notes on the later of (i) the Redemption Date and (ii) delivery of its Notes to the Corporation (acting as paying agent); provided, however, that, until the close of business on the business day immediately preceding such Redemption Date, the Purchaser may convert all or part of its Notes, regardless of whether they have been delivered to the Corporation (acting as paying agent) for redemption, by complying with the requirements for conversion set forth in this Agreement, including Appendix A.

2.5. Payment of Notes Called for Redemption.

(a) If any Redemption Notice has been given in respect of the Notes in accordance with Section 2.4, the Notes shall become due and payable on the Redemption Date at the place or places stated in the Redemption Notice and at the applicable Redemption Price. On presentation and surrender of the Notes at the place or places stated in the Redemption Notice, the Notes shall be paid and redeemed by the Corporation at the applicable Redemption Price.

(b) Prior to 11:00 a.m. New York City time on the Redemption Date, the Corporation shall segregate and hold in trust an amount of cash (in immediately available funds if deposited on the Redemption Date) sufficient to pay the Redemption Price of all of the Notes to be redeemed on such Redemption Date. Subject to receipt of funds by the trust, payment for the Notes to be redeemed shall be made on the Redemption Date for such Notes.

2.6. Cash Payment. If, pursuant to the Nasdaq Issuance Limitation, the Corporation is unable to issue shares of Common Stock to the Purchaser in connection with any conversion pursuant to this Section 2, then the Corporation shall pay to the Purchaser, within one (1) business day of the Conversion Date (as defined below), a cash amount equal to the product of (a) the number of shares of Common Stock issuable upon such conversion to the Purchaser in excess of the Nasdaq Issuance Limitation and (b) the three-day volume-weighted average price of the Corporation's Common Stock on the Nasdaq Global Select Market as of the Conversion Date (such amount, the "Conversion Cap Cash Payment").

3. CLOSINGS.

3.1. Time and Place of the Closings. Subject to Section 4 hereof, payment of the Purchase Price for and delivery of the Initial Notes shall be made at the address of counsel to the Corporation as specified in Section 7.3 of this Agreement, or at such other place or in such other manner as may be agreed upon by the Corporation and the Purchaser, at 10:00 a.m., New York time, on or about August 14, 2024 (the "Initial Closing Date"). Subject to Section 4 hereof, payment of the Purchase Price for and delivery of the Additional Notes pursuant to Section 1.3 shall be made at the address of counsel to the Corporation as specified in Section 7.3 of this Agreement, or at such other place or in such other manner as may be agreed upon by the Corporation and the Purchaser, at such time and date as the Purchaser and the Corporation mutually agree and as specified in the Notice(s) delivered pursuant to the Purchaser's exercise of its right to purchase such Additional Notice (each, an "Additional Closing Date", and together with the Initial Closing Date, herein referred to as a "Closing Date" or "Closings Dates").

3.2. Delivery of and Payment for the Notes. Subject to Section 4 hereof, at each Closing Date, the Corporation shall deliver to the Purchaser a definitive Note bearing an appropriate restricted securities legend, against payment in full by the Purchaser on such Closing Date of the Purchase Price therefor by wire transfer of immediately available funds for credit to the account set forth in Appendix B hereto, or such other account as the Corporation shall direct in writing on or prior to such Closing Date.

3.3. Failure of the Corporation to Deliver. If at any Closing the Corporation shall fail to tender any Note to the Purchaser as provided above, or any of the conditions specified in Section 4 shall not have been fulfilled to the Purchaser's reasonable satisfaction, the Purchaser shall, at its election, be relieved of all further obligations under this Agreement with respect to such Closing, without thereby waiving any rights the Purchaser may have by reason of such failure by the Corporation to tender such Notes or any of the conditions specified in Section 4 not having been fulfilled to the Purchaser's reasonable satisfaction.

4. CONDITIONS TO CLOSINGS

4.1. Conditions to the Purchaser's Obligations. The Purchaser's obligation to purchase and pay for the Notes to be sold on each Closing Date is subject to the fulfillment, to the Purchaser's satisfaction, prior to or on such Closing Date, of the following conditions:

(a) With respect to any Additional Notes, the Purchaser has agreed to purchase such Additional Notes.

(b) The representations and warranties of the Corporation herein shall be true and correct in all respects as of the date when made and as of each Closing Date as though made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such specified date) and the Corporation shall have performed, satisfied and complied in all respects with the covenants, agreements and conditions required hereby to be performed, satisfied or complied with by the Corporation at or prior to each Closing Date.

(c) Any authorizations, consents, commitments, agreements, orders or approvals of, or declarations or filings with, or expirations of waiting periods imposed by any federal, state or local court or governmental or regulatory agency or authority or applicable stock exchange or trading market (any such court, agency, authority, exchange or market, a "Governmental Authority") required for the consummation of the Transactions shall have been obtained or filed or shall have occurred and any such orders shall have become final, non-appealable orders. Each of the Corporation and the Purchaser agrees to use commercially reasonable efforts to take all actions, if any, and to do all things necessary, proper or advisable, if any, to obtain any applicable authorizations, consents, orders and approvals of all Governmental Authorities necessary for the Corporation to sell the Notes on each Closing Date on terms consistent with the terms set forth in this Agreement.

(d) The Corporation shall have executed and delivered to the Purchaser each of the Transaction Documents, as well as:

(i) an Officer's Certificate, dated as of the Initial Closing Date in the case of the Initial Notes, and dated as of each Additional Closing Date in the case of the Additional Notes, certifying that the conditions specified in Sections 4.1(b) and (c) have been fulfilled and that the representations and warranties contained in Section 5.1 are true and correct, with the same force and effect as though expressly made and fulfilled, as applicable, at and as of each Closing Date (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such specified date); and

(ii) a certificate of the Corporation's Secretary, dated as of the Initial Closing Date in the case of the Initial Notes, and dated as of each Additional Closing Date in the case of the Additional Notes, certifying as to (i) the resolutions attached thereto, and other corporate proceedings, relating to the authorization, execution and delivery of the Notes, this Agreement and the Transactions contemplated hereby and (ii) the Corporation's organizational documents as then in effect.

(e) Changes in Corporate Structure. As of the applicable Closing Date, the Corporation shall not have changed its jurisdiction of incorporation or organization, as applicable, or been a party to any merger or consolidation or succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Section 5.1(g).

(f) BDC Status. As of the date of the applicable Closing Date, the Corporation shall not have withdrawn its election to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act").

(g) Funding Instructions. At least one (1) business day prior to the applicable Closing Date, the Purchaser shall have received written instructions from a responsible officer of the Corporation specifying (i) the name and address of the transferee bank, (ii) such transferee bank's ABA number, and (iii) the account name and number into which the purchase price for the Notes is to be deposited. The Purchaser has the right, but not the obligation, upon written notice (which may be by email) to the Corporation, to elect to deliver a micro deposit (less than \$50.00) to the account identified in the written instructions no later than two (2) business days prior to the applicable Closing Date. If the Purchaser delivers a micro deposit, a responsible officer of the Corporation must verbally verify the receipt and amount of the micro deposit to the Purchaser on a telephone call initiated by the Purchaser prior to the closing of the relevant Transaction (the "Closing"). The Corporation shall not be obligated to return the amount of the micro deposit, nor will the amount of the micro deposit be netted against the Purchaser's purchase price of the Notes.

(h) No Default. Before and after giving effect to the issue and sale of the Notes at the applicable Closing Date, no Default (as defined below) or Event of Default shall have occurred and be continuing. For purposes of this Agreement, a “Default” means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

(i) Proceedings and Documents. All corporate and other proceedings in connection with the Transactions contemplated by this Agreement and all documents and instruments incident to such Transactions shall be reasonably satisfactory to the Purchaser, and the Purchaser shall have received all such counterpart originals or certified or other copies of such documents as the Purchaser may reasonably request.

(j) Compliance with Laws, Etc. On the date of the applicable Closing, the issuance of the applicable Notes by the Corporation and the Purchaser’s purchase of such Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which the Corporation and the Purchaser is subject, (b) not violate any applicable law or regulation (including Regulation T, U or X of the Board of Governors of the Federal Reserve System), and (c) not subject the Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation. If requested by the Purchaser, the Purchaser shall have received an Officer’s Certificate certifying as to such matters of fact as the Purchaser may reasonably specify to enable the Purchaser to determine whether such purchase is so permitted.

4.2. Conditions to the Corporation’s Obligations. The obligations of the Corporation hereunder are subject to the accuracy, as of the date hereof and as of each Closing Date, of the representations and warranties of the Purchaser contained herein and to the performance by the Purchaser of its obligations hereunder and to each of the following additional terms and conditions:

(a) The Purchaser shall have received any and all necessary approvals from all Governmental Authorities necessary for the purchase by the Purchaser of the Notes as the case may be, pursuant to this Agreement, and any and all applicable waiting periods upon which such approvals are conditioned shall have expired.

(b) The Purchaser shall have delivered to the Corporation the Purchase Price for the Notes being purchased, by the Initial Closing Date in the case of the Initial Notes, and by each Additional Closing Date in the case of the Additional Notes, by wire transfer of immediately available funds pursuant to the wire instructions provided by the Corporation.

5. REPRESENTATIONS AND WARRANTIES

5.1. Representations and Warranties of the Corporation. The Corporation represents and warrants to, and agrees with the Purchaser that as of the date hereof and as of each Closing Date:

(a) Permits and Licenses. The Corporation and each of the Subsidiaries has all permits, licenses, authorizations, orders and approvals of, and has made all filings, applications and registrations with, any governmental entities that are required in order to carry on its business as presently conducted and that are material to the business of the Corporation and its Subsidiaries, except where the failure to have such permits, licenses, authorizations, orders and approvals or the failure to make such filings, applications and registrations would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect (as defined below); and all such permits, licenses, certificates of authority, orders and approvals are in full force and effect and, to the knowledge of the Corporation and the Subsidiaries, as applicable, no suspension or cancellation of any of them is threatened, and all such filings, applications and registrations are current.

(b) Capitalization; Subsidiaries.

(i) The authorized Capital Stock (as defined below) of the Corporation consists of 100,000,000 shares of Common Stock and 0 shares of preferred stock (the "Preferred Stock"). As of the close of business on August 5, 2024, 23,378,002 shares of Common Stock and 0 shares of Preferred Stock were issued and outstanding. As of August 5, 2024, an aggregate of 426,240 shares of Common Stock are issuable under the Corporation's Amended and Restated 2019 Equity Incentive Plan. The Corporation has duly reserved up to 4,652,222 shares of Common Stock for issuance upon the conversion of the Notes (the shares of Common Stock issuable upon the full or any partial conversion of the Notes are hereinafter referred to as the "Conversion Shares"). The Conversion Shares, when issued upon conversion of the Notes in accordance with such Note's terms, will be validly issued, fully paid and non-assessable and free from all taxes, liens and charges with respect to the issuance thereof. No shares of the Corporation's Capital Stock are subject to preemptive rights or any other similar rights or any liens or encumbrances suffered or permitted by the Corporation. The Organizational Documents (as defined below) on file on the U.S. Securities and Exchange Commission's (the "SEC's") EDGAR website are true and correct copies of the Organizational Documents, as in effect as of the Closing Date. The Corporation is not in violation of any provision of its Organizational Documents. The Corporation has never been an issuer subject to Rule 144(i) under the Securities Act of 1933, as amended (the "Securities Act"). For purposes hereof, the term (x) "Capital Stock" means the Common Stock, the Preferred Stock, and any other classes of shares in the capital stock of the Corporation, and (y) "Organizational Documents" means, collectively, the Corporation's Articles of Amendment and Restatement, as amended, and bylaws, or any Subsidiary's organizational and governing documents, as applicable.

(ii) Schedule 5.1B (as may be updated by the Corporation from time to time) of this Agreement contains (except as noted therein) complete and correct lists, as of the date of the applicable Closing, of the Subsidiaries, showing, as to each Subsidiary, the name thereof, the jurisdiction of its organization, the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Corporation, of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 5.1B as being owned by the Corporation have been validly issued, and, to the extent applicable, are fully paid and non-assessable and are owned by the Corporation free and clear of any lien that is prohibited by this Agreement. No Subsidiary has any outstanding stock options, warrants or other instruments pursuant to which such Subsidiary may at any time or under any circumstances be obligated to issue any shares of its capital stock or other equity interests.

(iii) Each Subsidiary is a corporation or other legal entity duly organized, validly existing and, where applicable, in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and, where applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact, except where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(iv) No Subsidiary is subject to any legal, regulatory, contractual or other restriction (other than customary limitations imposed by corporate law or similar statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Corporation.

(v) Neither the Corporation nor any Subsidiary is bound by any agreement or arrangement pursuant to which it is obligated to register the sale of any securities under the Securities Act. There are no outstanding securities of the Corporation or any of the Subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Corporation or any Subsidiary is or may become bound to redeem or purchase any security of the Corporation or any Subsidiary. There are no outstanding securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Notes or the Conversion Shares. Neither the Corporation nor any Subsidiary has any stock appreciation rights or “phantom stock” plans or agreements or any similar plan or agreement.

(vi) The issuance and sale of any of the Notes or Conversion Shares will not obligate the Corporation to issue shares of Common Stock or other securities, or to satisfy any related contractual obligations, to any other Person, and will not result in the adjustment of the exercise, conversion, exchange, or reset price of any outstanding securities.

(vii) As of the date of this Agreement, the Corporation has capacity under the rules and regulations of the Nasdaq Stock Market to issue up to 4,652,222 shares of Common Stock (or securities convertible into or exercisable for Common Stock) to the Purchaser without obtaining the approval of the holders of a majority of the outstanding shares of the Corporation’s voting stock.

(c) Disclosure. The Purchaser has reviewed the documents provided to the Purchaser from the Corporation and filings made by the Corporation with the SEC relating to the Transaction (such documents and filings, the “Disclosure Materials”). As of the date hereof, each of the documents comprising a part of the Disclosure Materials, when such documents are considered together as a whole, did not contain or will not contain any untrue statement of material fact or omitted to state or will not omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) Private Offering. Neither the Corporation nor anyone acting on its behalf has offered the Notes or any substantially similar debt securities for sale to, or solicited any offer to buy the Notes or any substantially similar debt securities from, or otherwise approached or negotiated in respect thereof with, any person other than the Purchaser, which has been offered the Notes at a private sale for investment. Neither the Corporation nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction.

(e) The Corporation and each Subsidiary (i) has been duly incorporated and is validly existing in good standing under the laws of its jurisdiction of incorporation, (ii) is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which its ownership or lease of property or the conduct of its businesses requires such qualification, except where the failure to be so qualified would not reasonably be expected to result in any material adverse change in the condition, financial or otherwise, or in the earnings or business affairs of the Corporation, or which would not reasonably be expected to materially and adversely affect the assets or properties of the Corporation, or which would not reasonably be expected to materially and adversely affect the ability of the Corporation to perform its obligations under the Transaction Documents (individually or in the aggregate, a “Material Adverse Effect,” except that the mere filing of any action, claim, suit or order relating to any actual or threatened litigation involving the Corporation or any of its employees after the date of this Agreement (rather than the actual facts and circumstances underlying such action, claim, suit or order) shall not be deemed a Material Adverse Effect), and (iii) has all corporate power and authority necessary to own or hold its respective properties and to conduct the businesses in which it is currently engaged.

(f) This Agreement, the Notes and the other Transaction Documents (i) have been duly authorized by the Corporation and, with respect to the Notes, when issued and authenticated, (ii) have been duly executed, issued and delivered and will constitute valid and legally binding agreements of the Corporation enforceable against the Corporation in accordance with their terms, subject to the effects of bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors’ rights generally, and general equitable principles (whether considered in a proceeding in equity or at law). The Common Stock issuable upon the conversion of the Notes has been duly authorized by the Corporation and, when issued and authenticated, will have been duly executed, issued and delivered and will constitute valid and legally binding agreements of the Corporation enforceable against the Corporation in accordance with their terms, general shareholder rights and general equitable principles (whether considered in a proceeding in equity or at law). Upon execution and delivery of the Notes by the Corporation, any Common Stock issuable upon conversion of the Notes shall have been duly authorized and reserved by the Corporation for issuance upon conversion of the Notes and, when issued upon conversion of the Notes in accordance with the terms of the Notes, will be validly issued, fully paid and non-assessable and shall be free and clear of all liens, security interests and other encumbrances, and the issuance of any such Common Stock will not be subject to any preemptive, participation, rights of first refusal or other similar rights.

(g) Authorization, Etc. The execution, delivery and performance of this Agreement and the other Transaction Documents, the issuance and sale of the Notes in the manner contemplated hereby, and the consummation of the Transactions, will not (i) conflict with or constitute a violation of, or default (with the passage of time or the delivery of notice) under, (A) any bond, debenture, note or other evidence of indebtedness, or any agreement, lease, franchise, license, permit, contract, indenture, mortgage, deed of trust, loan agreement, joint venture or other agreement or instrument to which the Corporation is a party or by which it or its property is bound, where such conflict, violation or default would reasonably be expected to have a Material Adverse Effect, or (B) any law, administrative regulation, ordinance or judgment, order or decree of any court or governmental agency, arbitration panel or authority binding upon the Corporation or any of its property, where such conflict, violation or default could reasonably be expected to have a Material Adverse Effect, or (ii) violate any of the provisions of the Corporation’s Articles of Amendment and Restatement, as amended, or the Corporation’s Second Amended and Restated Bylaws; and no consent, approval, authorization or order of, or filing or registration with any person (including, without limitation, any such court or governmental agency or body) is required for the consummation of the Transactions by the Corporation, except such as may be required under state securities laws or the Securities Act.

(h) Financial Statements. The Corporation's audited financial statements (including the related notes), as presented in the Corporation's annual report on Form 10-K for the fiscal year ended December 31, 2023 (the "Form 10-K"), and the Corporation's financial statements (including the related notes), as presented in the Corporation's quarterly report on Form 10-Q for the quarterly period ended March 31, 2024, present fairly, in all material respects, the financial condition and results of operations of the Corporation and the Subsidiaries at the dates and for the periods indicated, and have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved.

(i) Senior Securities. The Form 10-K describes the outstanding "senior securities" (as that term is defined in the 1940 Act) representing indebtedness of the Corporation and its Subsidiaries, and since the date specified there, there has been no material change in the amounts, interest rates, sinking funds, installment payments or maturities of the indebtedness of the Corporation or its Subsidiaries. As of the date hereof, neither the Corporation nor any of its Subsidiaries is in default, and no waiver of default is currently in effect in the payment of any principal or interest on any "senior securities" representing indebtedness of the Corporation or its Subsidiaries. Further, to the knowledge of the Corporation and its Subsidiaries, no event or condition exists with respect to any "senior securities" representing indebtedness of the Corporation or its Subsidiaries that would permit (or that with notice or the lapse of time, or both, would permit) one or more persons to cause such indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(j) Neither the Corporation nor any Subsidiary has changed its jurisdiction of incorporation or organization, as applicable, or been a party to any merger or consolidation or succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Section 5.1(h).

(k) Proceedings.

(i) No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Transactions is in effect nor has any action been filed or is any proceeding pending that seeks any such event.

(ii) There are no actions, suits, investigations or proceedings pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation or any Subsidiary or any property of the Corporation or any Subsidiary in any court or before or by any governmental authority that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(l) To its knowledge, the Corporation is in compliance with all applicable laws, rules, regulations, orders, decrees and judgments applicable to it, including, without limitation, the 1940 Act and the rules promulgated thereunder, all applicable local, state and federal environmental laws and regulations, the provisions of the Sarbanes-Oxley Act of 2002, as amended (the “Sarbanes-Oxley Act”), and the applicable federal and state banking laws, rules and regulations (collectively, the “Applicable Laws”), except where failure to be so in compliance would not reasonably be expected to have a Material Adverse Effect. Neither the Corporation nor any Subsidiary has received any notice of purported or actual non-compliance with Applicable Laws, except to the extent it would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Neither the Corporation nor any Subsidiary has received any communication from any Governmental Authority threatening to revoke any permit, license, franchise, certificate of authority or other governmental authorization.

(m) The Corporation maintains insurance (issued by insurers of recognized financial responsibility) of the types, against such losses and in the amounts, with such insurers and subject to deductibles and exclusions as are customary in the Corporation’s industry and otherwise reasonably prudent, including, without limitation, insurance covering all real and personal property owned or leased by the Corporation against theft, damage, destruction, acts of vandalism and all other risks customarily insured against by similarly situated companies, all of which insurance is in full force and effect.

(n) Use of Proceeds; Margin Regulations. The Corporation will apply the proceeds of the sale of the Notes hereunder to repay outstanding indebtedness, make investments in accordance with the Corporation’s investment objective and investment strategy and for other general corporate purposes of the Corporation and its Subsidiaries. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Corporation in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 25% of the value of the consolidated assets of the Corporation and its Subsidiaries and the Corporation does not have any present intention that margin stock will constitute more than 25% of the value of such assets. As used in this Section, the terms “margin stock” and “purpose of buying or carrying” shall have the meanings assigned to them in said Regulation U.

(o) 1940 Act.

(i) Status as a BDC. The Corporation has elected to be regulated as a “business development company” within the meaning of the 1940 Act and has elected to be treated, and qualifies as, a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”).

(ii) Compliance with 1940 Act. The business and other activities of the Corporation and its Subsidiaries, including the issuance of the Notes hereunder, the application of the proceeds and repayment thereof by the Corporation and the consummation of the Transactions contemplated by this Agreement do not result in a violation or breach in any material respect of the provisions of the 1940 Act or any rules, regulations or orders issued by the SEC thereunder, in each case that are applicable to the Corporation and its Subsidiaries.

(iii) Compliance with Investment Policies. The Corporation is in compliance in all material respects with its investment policies.

(iv) Asset Coverage Ratio. The Corporation’s asset coverage ratio will not at any time be less than the statutory requirements then applicable to the Corporation.

(p) Taxes. The Corporation and its Subsidiaries have filed all federal and state income and other material tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (i) the amount of which, individually or in the aggregate, is not material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Corporation or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. The Corporation knows of no basis for any other tax or assessment that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Corporation and its Subsidiaries in respect of U.S. federal, state or other taxes for all fiscal periods are adequate in all material respects. The U.S. federal income tax liabilities of the Corporation and its Subsidiaries have been finally determined (whether by reason of completed audits or the statute of limitations having run) for all fiscal years up to and including the fiscal year ended December 31, 2023.

(q) Title to Property; Leases. The Corporation and its Subsidiaries have good and sufficient title to their respective properties that individually or in the aggregate are material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.1(h) or purported to have been acquired by the Corporation or any Subsidiary after such date (except as sold or otherwise disposed of in the ordinary course of business or as permitted by this Agreement), in each case free and clear of liens prohibited by this Agreement.

(r) Existing Indebtedness; Future Liens.

(i) Schedule 5.1R (as may be updated by the Corporation from time to time and delivered to the Purchaser) sets forth a complete and correct list of all outstanding material indebtedness of the Corporation and its Subsidiaries (“Material Indebtedness”) as of the date of this Agreement (including descriptions of the obligors and obligees, principal amounts outstanding, any collateral therefor and any guaranty thereof), since which date there has been no material change in the amounts, interest rates, sinking funds, installment payments or maturities of such Material Indebtedness. The Corporation is not in default in the payment of any principal or interest on any Material Indebtedness and, to the knowledge of the Corporation, no event or condition exists with respect to any Material Indebtedness that would permit (or that with notice or the lapse of time, or both, would permit) one or more persons to cause such Material Indebtedness, as applicable, to become due and payable before its stated maturity or before its regularly scheduled dates of payment. The provisions of this clause (i) shall not apply to any indebtedness consisting of repurchase agreements or other indebtedness incurred in the ordinary course of business and secured solely by U.S. Treasury securities.

(ii) Except as disclosed in Schedule 5.1R (as may be updated by the Corporation from time to time and delivered to the Purchaser), neither the Corporation nor any Subsidiary has agreed or consented to cause or permit any of its property, whether now owned or hereafter acquired, to be subject to a lien that secures indebtedness or to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a lien that secures indebtedness. The provisions of this clause (ii) shall not apply to any indebtedness consisting of repurchase agreements or other indebtedness incurred in the ordinary course of business and secured solely by U.S. Treasury securities.

(iii) Neither the Corporation nor any Subsidiary is a party to, or otherwise subject to any provision contained in, any instrument evidencing indebtedness of the Corporation or such Subsidiary, any agreement relating thereto or any other agreement (including its charter or any other organizational document) which limits the amount of, or otherwise imposes restrictions on the incurring of, Material Indebtedness of the Corporation, except as disclosed in Schedule 5.1R (as may be updated by the Corporation from time to time and delivered to the Purchaser).

(s) Foreign Assets Control Regulations, Etc.

(i) Neither the Corporation nor any Controlled Entity (as defined below) (i) is (a) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by the Office of Foreign Assets Control of the United States Department of the Treasury (“OFAC”), (b) a Person, entity, organization, country or regime that is blocked or a target of comprehensive sanctions that have been imposed under U.S. Economic Sanctions Laws (as defined below) or (c) a Person that is an agent, department or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, any Person, entity, organization, country or regime described in clause (a) or (b) (such person, a “Blocked Person”), (ii) has, to the Corporation’s knowledge, been notified that its name appears or may in the future appear on a list that is adopted by any state Governmental Authority within the United States of America pertaining to Persons that engage in investment or other commercial activities in Iran or any other country that is a target of economic sanctions imposed under U.S. Economic Sanctions Laws (as defined below) (a “State Sanctions List”), or (iii) is a target of sanctions that have been imposed by the United Nations or the European Union.

(ii) Neither the Corporation nor any Controlled Entity (i) has violated, been found in violation of, or been charged or convicted under, any applicable U.S. Economic Sanctions Laws, Anti-Money Laundering Laws (as defined below) or Anti-Corruption Laws (as defined below) or (ii) is, to the Corporation's knowledge, under investigation by any Governmental Authority for possible violation of any U.S. Economic Sanctions Laws, Anti-Money Laundering Laws or Anti-Corruption Laws.

(iii) No part of the proceeds from the sale of the Notes hereunder:

(A) constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used by the Corporation or any Controlled Entity, directly or indirectly, (A) in connection with any investment in, or any transactions or dealings with, any Blocked Person, (B) for any purpose that would cause the Purchaser to be in violation of any U.S. Economic Sanctions Laws or (C) otherwise in violation of any U.S. Economic Sanctions Laws;

(B) will be used, directly or indirectly, in violation of, or cause the Purchaser to be in violation of, any applicable Anti-Money Laundering Laws; or

(C) will be used, directly or indirectly, for the purpose of making any improper payments, including bribes, to any governmental official or commercial counterparty in order to obtain, retain or direct business or obtain any improper advantage, in each case which would be in violation of, or cause the Purchaser to be in violation of, any applicable Anti-Corruption Laws.

For purposes of this Agreement, "Controlled Entity" means any of the Subsidiaries and any of their or the Corporation's respective Affiliates (as defined in the 1940 Act) possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. "U.S. Economic Sanctions Laws" means those laws, executive orders, enabling legislation or regulations administered and enforced by the United States pursuant to which economic sanctions have been imposed on any Person, entity, organization, country or regime, including the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Iran Sanctions Act, the Sudan Accountability and Divestment Act, and any other economic or trade sanction that OFAC is responsible for administering and enforcing. "Anti-Money Laundering Laws" means any law or regulation in a U.S. or any non-U.S. jurisdiction regarding money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes, including the Currency and Foreign Transactions Reporting Act of 1970 (otherwise known as the Bank Secrecy Act) and the Patriot Act (as defined below). "Anti-Corruption Laws" means any law or regulation in a U.S. or any non-U.S. jurisdiction regarding bribery or any other corrupt activity, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010.

(t) ERISA. The Corporation does not hold "plan assets" of any employee benefit plan as determined in accordance with Section 3(42) of the Employee Retirement Income Security Act of 1974 and the rules and regulations promulgated thereunder from time to time in effect.

5.2. Covenants of the Corporation. For so long as the Notes are issued and outstanding, the Corporation shall comply with the following covenants.

(a) The Corporation and each of its Subsidiaries will comply in all respects with all Applicable Laws (including, without limitation, the 1940 Act), including those with respect to the performance of its obligations under this Agreement.

(b) The Corporation and each of its Subsidiaries will file all federal and state income and other material tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on it or any of its properties, assets, income or franchises, to the extent the same have become due and payable and before they have become delinquent and all material claims for which sums have become due and payable that have or might become a lien on properties or assets of the Corporation or such Subsidiary, provided that neither the Corporation nor any Subsidiary need pay any such tax, assessment, charge, levy or claim if (i) the amount, applicability or validity thereof is contested by the Corporation or such Subsidiary, as applicable, on a timely basis in good faith and in appropriate proceedings, and the Corporation or such Subsidiary, as applicable, has established adequate reserves therefor in accordance with GAAP on the books of the Corporation or such Subsidiary, as the case may be, or (ii) the nonpayment of all such taxes, assessments, charges, levies and claims would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) The Corporation and each Subsidiary will (i) preserve and maintain its company existence, rights, franchises and privileges in the jurisdiction of its formation and (ii) qualify and remain qualified in good standing in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect.

(d) The Corporation will, and will cause each of its Subsidiaries to, maintain proper books of record and account in conformity with GAAP and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over the Corporation or such Subsidiary, as the case may be. The Corporation will, and will cause each of its Subsidiaries to, keep books, records and accounts which, in reasonable detail, accurately reflect all transactions and dispositions of assets. The Corporation and its Subsidiaries have devised a system of internal accounting controls sufficient to provide reasonable assurances that their respective books, records, and accounts accurately reflect all transactions and dispositions of assets and the Corporation will, and will cause each of its Subsidiaries to, continue to maintain such system. Notwithstanding the foregoing, to the extent any Subsidiary, in conformity with GAAP and all applicable requirements of any such Governmental Authority, is not required to maintain separate books and records (but instead such Subsidiary's transactions are consolidated with the Corporation), nothing contained herein shall require any such Subsidiary to have to maintain separate books and records.

(e) The Corporation will maintain its status as a BDC under the 1940 Act and its status as a RIC under Subchapter M of the Code. In addition, the Corporation will not permit its asset coverage ratio to be, at any time, less than the statutory requirements then applicable to the Corporation.

(f) The Corporation will comply in all material respects with its investment policies.

(g) The Corporation will not, and will not, to the extent of its ability, permit any Controlled Entity to (a) become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or (b) directly or indirectly have any investment in or engage in any dealing or transaction (including any investment, dealing or transaction involving the proceeds of the Notes) with any Person if such investment, dealing or transaction (i) would cause any holder or any affiliate of such holder to be in violation of, or subject to sanctions under, any law or regulation applicable to such holder, or (ii) is prohibited by or subject to sanctions under any U.S. Economic Sanctions Laws.

(h) The Corporation will timely file with the SEC (subject to appropriate extensions made under Rule 12b-25 of the Exchange Act) any annual reports, quarterly reports and other periodic reports required to be filed pursuant to Section 13 or 15(d) of the Exchange Act).

(i) The Corporation shall, so long as any of the Notes are outstanding, take all action necessary to reserve and keep available out of its authorized and unissued capital stock, solely for the purpose of effecting the conversion of the Notes, the number of shares of Common Stock issuable upon such conversion (without taking into account any limitations on the conversion of the Notes as set forth herein or therein).

(j) The Corporation shall timely file a Notice of Sale of Securities on Form D with the SEC under Regulation D of the Securities Act.

(k) The Corporation shall file any requisite notices and/or application(s) to the principal trading market for the issuance and sale of the Notes and the listing of the Common Stock to be issued upon conversion, as the case may be, thereon in the time and manner required thereby.

(l) If, at any time, the Corporation is not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act to file any periodic reports with the SEC, the Corporation agrees to furnish to the Purchaser, for the period of time during which the Notes are outstanding, audited annual consolidated financial statements, within 105 days of the Corporation's fiscal year end, and unaudited interim consolidated financial statements, within 60 days of the Corporation's fiscal quarter end (other than the Corporation's fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with GAAP.

(m) The Corporation will not, and will not permit any Subsidiary to, enter into directly or indirectly any transaction or group of related transactions (including the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Corporation or any of its Subsidiaries) involving payment in excess of \$5,000,000, except:

(i) in the ordinary course and pursuant to the reasonable requirements of the Corporation's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Corporation or such Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate;

(ii) transactions not prohibited by this Agreement or the Notes;

(iii) transactions with one or more Affiliates (including co-investments) as permitted by any SEC exemptive order (as may be amended from time to time), any no-action letter or as otherwise permitted by applicable law, rule or regulation or SEC staff interpretations thereof or based on advice of counsel;

(iv) transactions between or among, on the one hand, the Corporation and/or any of its Subsidiaries, and, on the other hand, any “downstream affiliate” (as such term is used under the rules promulgated under the 1940 Act) of the Corporation and/or any Subsidiaries at prices and on terms and conditions, taken as a whole, not materially less favorable to the Corporation and/or such Subsidiaries than in good faith is believed could be obtained on an arm’s-length basis from unrelated third parties,

(v) a transaction that has been approved by a majority of the independent directors of the Board of Directors;

(vi) any investment that results in the creation of an Affiliate;

(vii) any issuance, sale or grant of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of employment arrangements, stock options, restricted stock awards or units and stock ownership plans or other compensation, severance or retention awards or plans approved by Board of Directors;

(viii) any (i) employment, retention or severance agreement or compensatory arrangement entered into by the Corporation or any of its Subsidiaries with their respective current or former officers, directors, members of management, managers, employees, consultants or independent contractors or those of the Corporation, (ii) agreement pertaining to the repurchase of equity interests of the Corporation pursuant to rights with current or former officers, directors, members of management, managers, employees, consultants or independent contractors and (iii) transactions pursuant to any employee compensation, benefit plan, stock option plan or arrangement, any health, disability or similar insurance plan which covers current or former officers, directors, members of management, managers, employees, consultants or independent contractors or any employment contract or arrangement;

(ix) customary compensation to Affiliates in connection with financial advisory, financing, underwriting or placement services or in respect of other investment banking activities and other transaction fees, which payments are approved by the majority of the members of the Board of Directors or a majority of the independent directors of the Board of Directors in good faith;

(x) transactions and payments required under the definitive agreement for any acquisition or investment permitted under this Agreement (to the extent any seller, employee, officer or director of an acquired entity becomes an Affiliate in connection with such transaction);

(xi) the payment of customary fees and reasonable out-of-pocket costs to, and indemnities provided on behalf of, members of the board of directors (or similar governing body), officers, employees, members of management, managers, consultants and independent contractors of the Corporation and/or any of its direct or indirect Subsidiaries in the ordinary course of business;

(xii) transactions with customers, clients, suppliers, joint ventures, purchasers or sellers of goods or services or providers of employees or other labor entered into in the ordinary course of business, which are (i) fair to the Corporation and/or the applicable Subsidiary in the good faith determination of the Board of Directors of the Corporation or the senior management thereof or (ii) on terms at least as favorable as might reasonably be obtained from a Person other than an Affiliate; and

(xiii) the issuance and sale of equity interests of the Corporation to its Affiliates;

provided, that, in each case of clauses (i) – (xiii), both before and after giving effect thereto, the Corporation would be in compliance in all respects with all Applicable Laws.

(n) The Corporation will not consolidate with or merge with any other Person or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to any Person except:

(i) in the case of any such transaction involving the Corporation, the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of the Corporation as an entirety, as the case may be, shall be a solvent corporation or limited liability company organized and existing under the laws of the United States or any state thereof (including the District of Columbia), and, if the Corporation is not such corporation or limited liability company,

(A) such corporation or limited liability company shall have executed and delivered to each holder of any Notes its assumption of the due and punctual performance and observance of each covenant and condition of this Agreement and the Notes and

(B) such corporation or limited liability company shall have caused to be delivered to the Purchaser an opinion of nationally recognized independent counsel, or other independent counsel reasonably satisfactory to the Purchaser, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and comply with the terms hereof;

(ii) prior to such consolidation or merger, and notwithstanding the limitations set forth in Section 2.3 of this Agreement, the Corporation shall (1) offer to redeem for cash all of the Notes at a price of 110% of the outstanding principal amount thereof, plus accrued and unpaid interest thereon, (2) hold such offer available to the Purchaser for not less than twenty (20) business days after receipt of written notice of such offer is given to the Purchaser, and (3) if the Purchaser accepts such offer, the Corporation has redeemed such Notes for cash in an amount equal to 110% of the outstanding principal amount thereof, plus accrued and unpaid interest thereon;

(iii) in the case of clause (i) above, (x) at the time of the signing of the purchase agreement for any such transaction, no Default or Event of Default shall have occurred and be continuing and (y) immediately before and immediately after giving effect to such transaction or each transaction in any such series of transactions, no Default or Event of Default shall have occurred and be continuing; and

(iv) the Corporation may sell, transfer or otherwise dispose of portfolio investments, cash and cash equivalents to any financing subsidiary or joint venture with a third-party (including, for clarity, as investments (debt or equity) or capital contributions), in each case, upon fair and reasonable terms no less favorable to the Corporation than would be obtainable in a comparable arm's-length transaction with a Person who is not an Affiliate.

No such conveyance, transfer or lease of substantially all of the assets of the Corporation shall have the effect of releasing the Corporation or any successor corporation or limited liability company that shall theretofore have become such in the manner prescribed in this Section 5.2, from its liability under this Agreement or the Notes.

(o) The Corporation will not engage in any business if, as a result, the general nature of the business in which the Corporation would then be engaged would be substantially changed from the general nature of the business in which the Corporation is engaged on the date of this Agreement as described in the Corporation's most recent Form 10-K filed prior to the date of this Agreement, other than (i) ancillary or support businesses; (ii) any business in or related to private credit or that other business development companies enter into or are engaged in; or (iii) as is otherwise in accordance with its investment policies.

(p) The Corporation will not, nor will it permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment (as defined below), except that Corporation may declare and pay:

(i) dividends with respect to the capital stock of the Corporation or such Subsidiary (including, for the avoidance of doubt, pursuant to any distribution or dividend reinvestment plan of the Corporation or such subsidiary) to the extent payable in additional shares of the stock, units or interests of the Corporation or such subsidiary;

(ii) Restricted Payments in or with respect to any taxable year of the Corporation (or any calendar year, as relevant) in amounts not to exceed 125% of the higher of (x) the net investment income of the Corporation for the applicable year determined in accordance with GAAP and as specified in the annual financial statements most recently delivered to the Purchaser and (y) for so long as the Corporation maintains its status as a RIC under the Code, the amounts that are required to be distributed to: (i) allow the Corporation to satisfy the minimum distribution requirements that would be imposed by Section 852(a) of the Code (or any successor thereto) to maintain its eligibility to be taxed as a RIC for any such taxable year, (ii) reduce to zero for any such taxable year the Corporation's liability for federal income taxes imposed on (A) its investment company taxable income pursuant to Section 852(b)(1) of the Code (or any successor thereto) and (B) its net capital gain pursuant to Section 852(b)(3) of the Code (or any successor thereto), and (iii) reduce to zero the Corporation's liability for federal excise taxes for any such calendar year imposed pursuant to Section 4982 of the Code (or any successor thereto);

(iii) any settlement in respect of a conversion feature in any convertible security that may be issued by the Corporation to the extent made through the delivery of Common Stock (except in the case of interest (which may be payable in cash));

(iv) Restricted Payments to pay general management and administrative costs and expenses (including corporate overhead, legal or similar expenses and salary, bonus and other benefits payable to directors, officers, employees, members of management, managers, advisors, administrators and/or consultants of the Corporation or any of its Subsidiaries) and franchise fees and taxes and similar fees, taxes and expenses required to enable the recipient of such Restricted Payment to maintain its organizational existence or qualification to do business, in each case, which are reasonable and customary and incurred in the ordinary course of business, plus any reasonable and customary indemnification claims made by directors, officers, members of management, managers, employees or consultants of any such recipient, in each case, to the extent attributable to the ownership or operations of the Corporation and its Subsidiaries;

(v) Restricted Payments to finance or acquire any investment permitted hereunder;

(vi) Restricted Payments to pay salary, bonus, severance and other benefits payable to current or former directors, officers, members of management, managers, employees or consultants of the Corporation or any of its Subsidiaries;

(vii) Restricted Payments for the repurchase, redemption, retirement or other acquisition or retirement for value of equity interests of the Corporation or any Subsidiary held by any future, present or former employee, director, member of management, officer, manager or consultant (or any Affiliate thereof) of the Corporation or any Subsidiary;

(viii) Restricted Payments (i) to enable the recipient of such Restricted Payment to make cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for equity interests of such recipient and (ii) consisting of (A) payments made or expected to be made in respect of withholding or similar taxes payable by any future, present or former officers, directors, employees, members of management, managers or consultants of the Corporation or any of its Subsidiaries and/or (B) repurchases of stock, units or interests in consideration of the payments described in sub-clause (A) above, including demand repurchases in connection with the exercise of stock options;

(ix) Restricted Payments for the repurchase of equity interests of the Corporation upon the exercise of warrants, options or other securities convertible into or exchangeable for such equity interests if such equity interests represents all or a portion of the exercise price of, or tax withholdings with respect to, such warrants, options or other securities convertible into or exchangeable for equity interests as part of a "cashless" exercise;

(x) to the extent constituting a Restricted Payment, any other transaction not prohibited by this Agreement;

(xi) any dividend or consummation of any redemption within 60 days after the date of the declaration thereof or the provision of a redemption notice with respect thereto, as the case may be, if at the date of such declaration or notice, the dividend or redemption notice would have complied with the provisions hereof; and

(xii) Restricted Payments solely in the form of equity interests of the Corporation;

provided, that, in each case of clauses (i) – (xii), both before and after giving effect to any such Restricted Payment the Corporation would be in compliance in all respects with all Applicable Laws.

For purposes of this Section 5.2(p), a “Restricted Payment” means any dividend or other distribution in cash with respect to any shares of any class of capital stock of the Corporation, or any payment in cash, including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such shares of capital stock of the Corporation or any option, warrant or other right to acquire any such shares of capital stock of the Corporation; provided, for clarity, that “Restricted Payments” hereunder shall not include (i) any transaction pursuant to an existing or future open market repurchase plan approved by the Board of Directors that permits the Corporation to redeem shares of its outstanding Common Stock and/or any outstanding notes or other indebtedness of the Corporation, (ii) the conversion or settlement of convertible debt into Permitted Equity Interests (as defined below), or (iii) the purchase, redemption, retirement, acquisition, cancellation or termination of convertible debt made solely with Permitted Equity Interests. “Permitted Equity Interests” means common stock of the Corporation that, after its issuance, is not subject to any agreement between the holder of such common stock and the Corporation where the Corporation is required to purchase, redeem, retire, acquire, cancel or terminate any such common stock.

(q) The Corporation shall (i) by not later than September 30, 2024, provide evidence satisfactory to the Purchaser that the Corporation has repurchased and retired the principal amount of \$10,000,000.00 of its 6.00% Notes due 2026 (the “Existing Notes”), together with accrued interest thereon, and (ii) by not later than January 30, 2025, provide evidence satisfactory to the Purchaser that the Corporation has repurchased and retired the principal amount of \$25,000,000.00 of the Existing Notes, together with all accrued interest thereon.

(r) The Corporation will not incur any incremental indebtedness without providing the Purchaser with five (5) business days’ prior written notice.

5.3. Representations and Warranties of the Purchaser. The Purchaser represents and warrants to, and agrees with the Corporation that, as of the date hereof:

(a) The Purchaser has full power and authority to enter into this Agreement and this Agreement constitutes a valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, subject to the effects of bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditor's rights generally, and general equitable principles (whether considered in a proceeding in equity or at law).

(b) The Purchaser is a Cayman Islands exempted company incorporated with limited liability and it represents that: (i) it is duly organized, validly existing and in good standing in its jurisdiction of incorporation or organization and has all the requisite power and authority to purchase the Notes as provided herein, and (ii) such investment has been duly authorized by all necessary action on behalf of the Purchaser.

(c) If the Purchaser is purchasing the Notes in a representative or fiduciary capacity, the representations and warranties contained herein (and in any other written statement or document delivered to the Corporation in connection herewith) shall be deemed to have been made on behalf of the person or persons for whom such Notes are being purchased.

(d) The Purchaser is purchasing the Notes for Purchaser's own account and not with a view to or for sale in connection with any distribution thereof in a transaction that would violate or cause a violation of the Securities Act or the securities laws of any state or any other applicable jurisdiction; provided that the disposition of such Purchaser's or their property shall at all times be within such Purchaser's or their control. The Purchaser has no present intention of selling the Notes, granting any participation interest in the Notes or otherwise distributing the Notes, in each case in violation of the Securities Act. If the Purchaser is an entity, the Purchaser has not been organized solely for the purpose of acquiring the Notes. Purchaser is not a broker dealer registered with the SEC under the Exchange Act or an entity engaged in a business that would require it to be so registered.

(e) For so long as the Purchaser beneficially owns any Conversion Shares, the Purchaser will not, and shall cause any of its Affiliates to not, in any manner, directly or indirectly, either individually or together with any person or persons acting in concert of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act): (i) solicit proxies or consents or become a "participant" in a "solicitation" (as such terms are defined or used in Regulation 14A under the Exchange Act) of proxies or consents with respect to any voting securities of the Corporation or initiate or become a participant in any stockholder proposal seeking a change in control of the Corporation or an election contest with respect to the Corporation or any of its successors or induce others to initiate the same, or otherwise seek to advise or influence any person with respect to the voting of any voting securities of the Corporation or any of its successors; (ii) publicly or privately propose, encourage, solicit or participate in the solicitation of any person or entity to acquire, offer to acquire or agree to acquire, by merger, tender offer, purchase or otherwise, the Corporation, or a substantial portion of its assets or more than 5% of the outstanding capital stock, other than pursuant to any Notes issued hereunder; or (iii) directly or indirectly join in or in any way participate in a pooling agreement, syndicate, voting trust or other similar arrangement with respect to the Corporation's voting securities or otherwise act in concert with any other person, for the purpose of acquiring, holding, voting or disposing of the Corporation's securities.

(f) The Purchaser is a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act and understands and agrees that the offer and sale of the Notes to the Purchaser hereunder have not been registered under the Securities Act or any state securities law in reliance on the availability of an exemption from such registration requirements based in part on the accuracy of the Purchaser’s representations in this Section 5.3.

(g) In the normal course of the Purchaser’s business or affairs, Purchaser invests in or purchases securities similar to the Notes and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of purchasing the Notes. Purchaser has received and carefully reviewed the Disclosure Materials and understands the information contained therein. Purchaser understands that the Disclosure Materials contain certain “forward-looking” information regarding the Corporation and its business, and that the Corporation’s ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Purchaser has received all information it believes necessary to decide to purchase the Notes. Purchaser has had access to such financial and other information concerning the Corporation as Purchaser deemed necessary or desirable in making a decision to purchase the Notes, including an opportunity to ask questions and receive answers from officers of the Corporation and to obtain additional information (to the extent the Corporation possessed such information or could acquire it without unreasonable effort or expense) necessary to verify the accuracy of any information furnished to Purchaser or to which Purchaser had access.

(h) The Purchaser is not relying on the Corporation or any of its Affiliates with respect to an analysis or consideration of the terms of or economic considerations relating to an investment in the Notes. In regard to such considerations and analysis, the Purchaser has relied on the advice of, or has consulted with, only his, her or its own advisors, other than those advisors of the undersigned affiliated with the Corporation or any of its Affiliates.

(i) The Purchaser acknowledges and is aware that there are substantial restrictions on the transferability of the Notes and any Common Stock issued pursuant to conversion of the Notes. Purchaser understands that the Notes and Common Stock issued pursuant to conversion of the Notes have not been registered under the Securities Act and are “restricted securities” within the meaning of Rule 144 and may not be sold, transferred, or otherwise disposed of without registration under the Securities Act or an exemption therefrom. Furthermore, Purchaser acknowledges that the Notes and Common Stock issued pursuant to conversion of the Notes purchased hereunder will bear a legend substantially to the effect set forth below, and the Purchaser covenants that, except to the extent such restrictions are waived by the Corporation, the Purchaser shall not transfer the Notes or Common Stock issued pursuant to conversion of the Notes without complying with the restrictions on transfer described in the legend:

THIS NOTE OR COMMON STOCK ISSUED PURSUANT TO CONVERSION OF THE NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE. THIS NOTE MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF EXCEPT (A) IF REGISTERED UNDER APPLICABLE SECURITIES LAWS OR (B) IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAW, SUBJECT TO THE CORPORATION’S RIGHT TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO EACH OF THEM THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND/OR APPLICABLE STATE SECURITIES LAW.

Purchaser understands that Purchaser has no right to require that the Notes, or Common Stock issued pursuant to conversion of the Notes, be registered under the Securities Act.

(j) The Purchaser represents and warrants that it is not required to obtain, prepare or file any authorization, approval, consent, filing or registration with any federal Governmental Authority in order to consummate the Transactions at each Closing Date.

(k) Purchaser did not learn of the investment in the Notes by means of any formal general or public solicitation or general advertising or publicly disseminated advertisements or sales literature, including (i) any registration statement or prospectus filed by the Corporation with the SEC, (ii) any advertisement, articles, notices or other communication published in any newspaper, magazine or similar media, or broadcast over television or radio, or (iii) any seminar or meeting to which the Purchaser was invited by any of the foregoing means of communications.

(l) The Purchaser understands that the Notes are being offered and sold to it in reliance upon specific exemptions from the registration requirements of U.S. federal and state securities laws and that the Corporation is relying upon the truth and accuracy of, and the Purchaser's compliance with, the representations, warranties, agreements, acknowledgements and understandings of the Purchaser set forth in this Section 5.3 in order to determine the availability of such exemption and the eligibility of the Purchaser to acquire the Notes.

(m) The Purchaser acknowledges and understands that its investment in the Notes involves a significant degree of risk, including, without limitation that (i) an investment in the Corporation is not without risk (and specific reference is made to the "Risk Factors" section contained in the Form 10-K) and (ii) in the event of a disposition of the Notes, the Purchaser could sustain the loss of its entire investment.

(n) The Purchaser hereby acknowledges that the Corporation seeks to comply with all applicable laws concerning money laundering and related activities. In furtherance of such efforts, the Purchaser hereby represents, warrants and agrees that to the best of the Purchaser's knowledge, based upon reasonable diligence and investigation, no consideration that the Purchaser has contributed or will contribute to the Corporation has been or shall be derived from, or related to, any activity that is in contravention of any federal, state or international laws and regulations, including the Anti-Money Laundering Laws. The Purchaser hereby represents that neither it nor any of its owners or Affiliates is a person or entity named on a list maintained by OFAC of the U.S. Department of the Treasury, nor are the undersigned or any of their owners or Affiliates a person or entity with whom dealings are prohibited under any OFAC regulations. Federal regulations and executive orders administered by OFAC prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of OFAC prohibited countries, territories, persons and entities, including without limitation the Specially Designated Nationals and Blocked Nations List, can be found on the OFAC website at <http://www.treas.gov/ofac>. In addition, the programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the OFAC lists. Please be advised that the Corporation may not accept any amounts from the Purchaser if the Purchaser cannot make the representation set forth in the preceding sentence. The Purchaser agrees to promptly notify the Corporation should the Purchaser become aware of any change in the information set forth in these representations.

(o) The Purchaser understands and agrees that if at any time it is discovered that any of the foregoing representations set forth in Section 5.3(m) above are incorrect, or if otherwise required by applicable law or regulation related to money laundering and similar activities, the Corporation may, in its sole discretion, undertake appropriate actions to ensure compliance with applicable law or regulation, including but not limited to freezing, segregating or requiring the Purchaser to sell the Purchaser's Common Stock issued pursuant to conversion of the Notes. The Purchaser agrees to provide to the Corporation any additional information regarding the Purchaser that the Corporation deems necessary or appropriate to ensure compliance with all laws and regulations concerning money laundering and similar activities that may apply now or in the future.

(p) To the best of the Purchaser's knowledge, none of (a) the Purchaser, (b) any person controlling or controlled by the Purchaser, (c) if the Purchaser is a privately held entity, any person having a beneficial interest in the Purchaser or (d) any person for whom the Purchaser is acting as agent or nominee in connection with this investment is a senior foreign political figure,¹ or any immediate family member² or close associate³ of a senior foreign political figure, as such terms are defined in the footnotes below.

(q) If the Purchaser is affiliated with a non-U.S. banking institution (a "Foreign Bank"), or if the Purchaser receives deposits from, makes payments on behalf of, or handles other financial transactions related to a Foreign Bank, the Purchaser represents and warrants to the Corporation that (a) the Foreign Bank has a fixed address, other than solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities, (b) the Foreign Bank maintains operating records related to its banking activities, (c) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct banking activities and (d) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate.

¹ A "senior foreign political figure" is defined as a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a "senior foreign political figure" includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

² "Immediate family" of a senior foreign political figure typically includes the figure's parents, siblings, spouse, children and in-laws.

³ A "close associate" of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

(r) The Purchaser acknowledges that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Patriot Act”), the Corporation is required to obtain, verify and record information that identifies the Purchaser, which information includes the name and address of the Purchaser and other information that will allow the Corporation to identify the Purchaser in accordance with the Patriot Act. Accordingly, the Corporation may request information from the Purchaser that will help the Corporation to identify the Purchaser (and in the case of subscribers that are entities, the Purchaser’s beneficial owners, if and to the extent required by law), including without limitation the Corporation’s physical address, tax identification number, organizational documents, certificate of good standing, license to do business, or any other information that the Corporation deems necessary. The Purchaser agrees to provide to the Corporation any additional information regarding the Purchaser that the Corporation deems necessary or appropriate to ensure compliance with the Patriot Act, or any successor law, whether now or in the future.

(s) Except as set forth in this Agreement, no representations or warranties have been made to the Purchaser by the Corporation, or any director, officer, employee, agent or affiliate of any of them.

(t) The Purchaser is not an Affiliate of the Corporation.

(u) The Purchaser, if a natural person, has accurately set forth his, her or its state or country of residence on the signature pages hereto where indicated. The Purchaser, if a corporation, partnership, trust or other entity, has accurately set forth the Purchaser’s jurisdiction of organization on the signature pages hereto where indicated.

(v) The Purchaser (a) has the ability to bear the economic risks of this investment and can afford a complete loss of such investment, and (b) understands the terms of and risks associated with the acquisition of their respective Notes, including, without limitation, a lack of liquidity, pricing availability and risks associated with the industry in which the Corporation operates.

6. DEFAULT; REMEDIES ON DEFAULT

6.1. An “Event of Default” shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Corporation defaults in the payment of any principal on any Note when the same becomes due and payable, whether at maturity or at a date fixed for redemption or by declaration or otherwise;

(b) the Corporation defaults in the payment of any interest on any Note for more than five (5) business days after the same becomes due and payable;

(c) the Corporation defaults in the performance of or compliance with any term contained in Section 5.2(a), 5.2(c)(i), 5.2(e)-(l), and 5.2(n)-(r) hereof;

(d) the Corporation defaults in the performance of or compliance with any term contained herein (other than those referred to in Sections 6.1(a), (b), and (c)) and such default is not remedied within thirty (30) days after the earlier of (i) any senior financial officer or any other officer of the Corporation with responsibility for the administration of the relevant portion of this Agreement (a “Responsible Officer”) obtaining actual knowledge of such default and (ii) the Corporation receiving written notice of such default from the Purchaser (any such written notice to be identified as a “notice of default” and to refer specifically to this Section 6.1(d));

(e) any representation or warranty made in writing by or on behalf of the Corporation or by any officer of the Corporation in this Agreement or in any writing furnished in connection with the Transactions contemplated hereby proves to have been false or incorrect in any material respect on the date as of which made;

(f) [Reserved.]

(g) the Corporation experiences a Change in Control;

(h) (i) the Corporation or any Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium amount or interest on any unsecured indebtedness for borrowed money that is outstanding in an aggregate principal amount of at least \$15,000,000 (or its equivalent in the relevant currency of payment) beyond any period of grace provided with respect thereto, or (ii) the Corporation or any Subsidiary is in default in the performance of or compliance with any term of any evidence of any unsecured indebtedness for borrowed money in an aggregate outstanding principal amount of at least \$15,000,000 (or its equivalent in the relevant currency of payment) or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such indebtedness has become, or has been declared, due and payable before its stated maturity or before its regularly scheduled dates of payment, or (iii) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time or the right of the holder of such indebtedness to convert such indebtedness into equity interests), the Corporation or any Subsidiary has become obligated to purchase or repay unsecured indebtedness for borrowed money before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least \$15,000,000 (or its equivalent in the relevant currency of payment); provided that this clause (h) shall not apply to any convertible debt that becomes due as a result of a conversion or redemption event, other than as a result of an “event of default” (as defined in the documents governing such convertible debt);

(i) the Corporation or any Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(j) a court or other Governmental Authority of competent jurisdiction enters an order appointing, without consent by the Corporation or any of its Subsidiaries, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Corporation or any of its Subsidiaries, or any such petition shall be filed against the Corporation or any of its Subsidiaries and such petition shall not be dismissed within sixty (60) days; or

(k) one or more final judgments or orders for the payment of money aggregating in excess of \$15,000,000 (or its equivalent in the relevant currency of payment) (to the extent not covered by independent third-party insurance or by an enforceable indemnity) are rendered against one or more of the Corporation and its Subsidiaries and which judgments are not, within sixty (60) days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within sixty (60) days after the expiration of such stay; or

(l) any Transaction Document shall cease to be in full force and effect, the Corporation or any Person acting on behalf of the Corporation shall contest in any manner the validity, binding nature or enforceability of any Transaction Document, or the obligations of Corporation under any Transaction Document are not or cease to be legal, valid, binding and enforceable in accordance with the terms of such Transaction Document.

6.2. Remedies on Default.

(a) Acceleration.

(i) If an Event of Default with respect to the Corporation described in Section 6.1(i) or (j) (other than an Event of Default described in clause (i) of Section 6.1(i) or described in clause (vi) of Section 6.1(i) by virtue of the fact that such clause encompasses clause (i) of Section 6.1(i)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(ii) If any other Event of Default has occurred and is continuing, the Purchaser may at any time at its option, by notice or notices to the Corporation, declare all the Notes then outstanding to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 6.2(a), whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus all accrued and unpaid interest thereon (including interest accrued thereon), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Corporation acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Corporation (except as herein specifically provided for).

In the alternative to the repayment of principal and interest provided for in this Section 6.2(a), the Purchaser shall have the right, but not the obligation, to convert all or any portion of its issued and outstanding Notes pursuant to the terms of Section 2.2 of this Agreement; provided, however, that in the event any amount of Common Stock issuable upon such conversion exceeds the Nasdaq Issuance Limitation, the Corporation shall pay, and the Purchaser shall receive, the Nasdaq Cap Cash Payment as calculated pursuant to and on the terms provided for in Section 2.6 of this Agreement.

(b) Rescission. At any time after any Notes have been declared due and payable pursuant to Section 6.2(a), the Purchaser, by written notice to the Corporation, may (but is not obligated to do so) rescind and annul any such declaration and its consequences if (a) the Corporation has paid all overdue interest on the Notes, all principal of any Redemption Settlement Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Redemption Settlement Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, (b) neither the Corporation nor any other Person shall have paid any amounts which have become due solely by reason of such declaration, (c) all Defaults and Events of Default, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to this Agreement, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 6.2(b) will extend to or affect any subsequent Event of Default or impair any right consequent thereon.

(c) Other Remedies. If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 10.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

(d) No Waivers or Election of Remedies, Expenses, Etc. No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. Subject to Section 7.8, the Corporation will pay to on demand such further amount as shall be sufficient to cover all reasonable and documented out-of-pocket costs and expenses of up to one firm of outside counsel for all of the holders of the Notes collectively incurred in any enforcement or collection under this Section 6.2.

7. MISCELLANEOUS

7.1. Survival of Representations and Warranties. All statements contained in any officers' certificates delivered by or on behalf of the Corporation pursuant to this Agreement or in connection with the Transactions contemplated hereby will be deemed representations or warranties of the Corporation under this Agreement. All representations and warranties contained in this Agreement made by or on behalf of the Corporation or the Purchaser will survive the execution and delivery of this Agreement, any investigation at any time made by or on behalf of the Corporation or the Purchaser, and the sale and purchase of the Notes under this Agreement.

7.2. Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. The Corporation shall not be permitted assign this Agreement or any rights or obligations hereunder without the prior written consent of the Purchaser (and any attempted assignment in violation of the terms hereof shall be null and void). The Purchaser may assign all or any portion of its rights hereunder without the consent of the Corporation, in which event such assignee shall be deemed to be a Purchaser hereunder with respect to such assigned rights.

7.3. Notices. All written communications provided for herein are required to be sent by registered or certified mail, postage prepaid or recognized overnight delivery service (with charges prepaid) and (i) if to a Purchaser, addressed to the Purchaser at the address as specified for such communications in the signature page, or at such other address as the Purchaser may have specified to the Corporation in writing, and with a copy (for informational purposes only) to counsel for the Purchaser at the address specified for such communication in the signature page or at such other address as the Purchaser may have specified to the Corporation in writing, and (ii) if to the Corporation, addressed to it at:

SuRo Capital Corp.
640 Fifth Avenue, 12th Floor
New York, New York 10019
Attn: Chief Financial Officer

with a copy (for informational purposes only) to:

Eversheds Sutherland (US) LLP
700 6th Street NW, Suite 700
Washington, DC 20001
Attn: Payam Siadatpour, Esq.

or at such other address as the Corporation may have specified to the Purchaser in writing. Notices under this Section 7.3 shall be deemed given only when actually received.

7.4. Governing Law; Dispute Resolution; Waiver of Jury Trial. The parties shall bear their own legal fees and costs for all Disputes. All questions, issues, disputes, demands, claims, causes of action or litigations concerning the construction, validity, enforcement, breach or interpretation of this Agreement or otherwise arising out of or relating to the Transaction Documents ("Disputes") shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York and shall be submitted to binding arbitration before the American Arbitration Association ("AAA") in New York County, City of New York, New York, in accordance with the AAA's Commercial Arbitration Rules. The arbitration panel shall consist of three (3) arbitrators and shall have the power to rule upon its own jurisdiction and authority, including any objection to the initial or continuing existence, validity, effectiveness, or scope of this arbitration agreement. In the event that the parties' agreement to arbitrate Disputes herein does not enjoy the protection they intend and is held to be unenforceable, each party hereto expressly consents and agrees that the state and federal courts located in New York County, City of New York, New York shall have exclusive jurisdiction to hear and determine any Disputes. EACH PARTY HERETO EXPRESSLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO TRIAL BY JURY OF ANY DISPUTES.

7.5. Counterparts; Electronic Signatures. This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. The parties agree to electronic contracting and signatures with respect to this Agreement (but not, for the avoidance of doubt, the Notes). Delivery of an electronic signature to, or a signed copy of, this Agreement by facsimile, email or other electronic transmission shall be fully binding on the parties to the same extent as the delivery of the signed originals and shall be admissible into evidence for all purposes. The words “execution,” “execute,” “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Agreement (other than the Notes) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Corporation and the Purchaser, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Notwithstanding the foregoing, if any Purchaser shall request manually signed counterpart signatures to this Agreement, the Corporation hereby agrees to use its reasonable endeavors to provide such manually signed signature pages as soon as reasonably practicable.

7.6. Headings. The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

7.7. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

7.8. Legal Expenses. The Corporation will cause to be delivered to counsel for the Purchaser, by wire transfer of immediately available funds pursuant to the wire instructions provided by the counsel to the Purchaser, an amount equal to the lesser of (i) fifty percent (50%) of the legal fees incurred in connection with the Transactions contemplated by this Agreement and (ii) \$35,000.00.

7.9. Construction. Each agreement contained herein shall be construed (absent express provision to the contrary) as being independent of each other agreement contained herein, so that compliance with any one agreement shall not (absent such an express contrary provision) be deemed to excuse compliance with any other agreement. Where any provision herein refers to action to be taken by any person or entity, or which such person or entity is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such person or entity. Defined terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein) and, for purposes of the Notes, shall also include any such notes issued in substitution therefor, (b) subject to Section 7.2, any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.

7.10. Entire Agreement; Amendments. This Agreement supersedes all other prior oral or written agreements between the Purchaser, the Corporation, their Affiliates and Persons acting on their behalf with respect to the matters discussed herein, and this Agreement and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Corporation nor any Purchaser makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be amended other than by an instrument in writing signed by the parties hereto in accordance with any applicable law. No provision hereof may be waived other than by an instrument in writing signed by the party against whom enforcement is sought. No such amendment shall be effective to the extent that it applies to less than all of the holders of the Notes then outstanding. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of any of the Transaction Documents unless the same consideration also is offered to all of the parties to the Transaction Documents. The Corporation has not, directly or indirectly, made any agreements with the Purchaser relating to the terms or conditions of the transactions contemplated by the Transaction Documents except as set forth in the Transaction Documents. Without limiting the foregoing, the Corporation confirms that, except as set forth in this Agreement, the Purchaser has not made any commitment or promise or has any other obligation to provide any financing to the Corporation or otherwise.

7.11. No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

7.12. Confidentiality.

(a) From time to time the Purchaser may provide the Corporation with information regarding the Purchaser, including the identity of the Purchaser and other documents and information concerning the affairs of the Purchaser (“Confidential Information”). The Corporation and its representatives shall not be entitled to reproduce any Confidential Information or portion thereof or make the contents thereof available to any non-affiliate third party (other than its advisors, attorneys and accountants), or disclose its receipt of Confidential Information or that Confidential Information has been made available to it, without the prior written consent of the Purchaser, except: (i) to the extent compelled to do so in accordance with applicable law, regulatory requirements (including, for the avoidance of doubt, the Corporation’s reporting requirements under the Exchange Act), or examination by a regulatory authority, (ii) as required in connection with routine tax or ERISA filings, (iii) to the extent that such Confidential Information was already in the Corporation’s or its representatives’ possession, (iv) to the extent that such Confidential Information is independently developed by the Corporation or any of its representatives, (v) with respect to Confidential Information which otherwise becomes publicly available or generally available to participants in the Purchaser’s industry other than through breach of this provision by the Corporation or its agents, or (vi) as necessary to comply with the terms and conditions of this Agreement or the Notes. All Confidential Information is and shall at all times remain the property of the Purchaser.

(b) If for any reason the Corporation is or may be required to disclose Confidential Information, the Corporation shall, to the fullest extent permitted by law, promptly notify the Purchaser in writing of the relevant facts of such requirement prior to any such disclosure and shall work with the Purchaser so that the Purchaser may seek at the Purchaser’s sole cost and expense a protective order or other appropriate remedy to protect from disclosure as much of the Confidential Information as can be protected from disclosure under applicable law.

7.13. Indemnification.

(a) In consideration of the Purchaser’s execution and delivery of the Transaction Documents and acquiring the Notes thereunder and in addition to all of the Corporation’s other obligations under the Transaction Documents, the Corporation shall defend, protect, indemnify and hold harmless the Purchaser and all of their stockholders, partners, members, officers, directors, employees, advisors and any of the foregoing Persons’ agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the “Indemnitees”) from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable and documented attorneys’ fees and disbursements (the “Indemnified Liabilities”), incurred by any Indemnitee as a result of, or arising out of, or relating to (a) any misrepresentation or breach of any representation or warranty made by the Corporation in the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby, (b) any breach of any covenant, agreement or obligation of the Corporation contained in the Transaction Documents or any other certificate, instrument or document contemplated hereby or thereby or (c) any cause of action, suit or claim brought or made against such Indemnitee by a third party (including for these purposes a derivative action brought on behalf of the Corporation) arising out of or resulting from any misrepresentation or breach of any representation or warranty made by the Corporation in the Transaction Documents, any covenant, agreement or obligation of the Corporation contained in the Transaction Documents, or any other certificate, instrument or document contemplated hereby or thereby, except that the Corporation shall not defend, protect, indemnify or hold harmless any Indemnitee from any actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, or expenses caused by the Indemnitee’s willful misfeasance, bad faith, gross negligence, or reckless disregard of its obligations and duties under this Agreement. To the extent that the foregoing undertaking by the Corporation may be unenforceable for any reason, the Corporation shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

(b) To the fullest extent permitted by applicable law, the Purchaser will indemnify and hold harmless the Corporation, each of its directors and officers, each person who controls the Corporation within the meaning of the Securities Act (if any), any underwriter (as defined in the Securities Act), any other person or entity selling securities of the Corporation and referenced in a registration statement filed by the Corporation, as applicable, and any controlling person of any such underwriter or other person or entity selling securities, against any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act or other federal or state law, in each case only to the extent that such loss, damage, claim or liability (or any action in respect thereof) arise out of or are based upon actions or omissions made in reliance upon and in conformity with representations and warranties made by the Purchaser (“Damages”); and the Purchaser will pay to the Corporation and each other aforementioned person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred.

(c) Promptly after receipt by an Indemnitee under this Section 7.13 of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving an Indemnified Liability, such Indemnitee shall, if a claim for indemnification in respect thereof is to be made against any indemnifying party under this Section 7.13, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnitee; provided, however, that an Indemnitee shall have the right to retain its own counsel with the fees and expenses of not more than one counsel for such Indemnitee to be paid by the indemnifying party, if, in the reasonable opinion of counsel to the Indemnitee, the representation by such counsel of the Indemnitee and the indemnifying party would be inappropriate due to actual or potential differing interests between such Indemnitee and the indemnifying party. Legal counsel referred to in the immediately preceding sentence shall be selected by the Purchaser holding at least a majority of the Notes issued and issuable hereunder that are subject to such action or proceeding. The Indemnitee shall cooperate fully with the indemnifying party in connection with any negotiation or defense of any such action or Indemnified Liabilities by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnitee that relates to such action or Indemnified Liabilities. The indemnifying party shall keep the Indemnitee fully apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent, provided, however, that the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Indemnitee, which consent shall not be unreasonably withheld conditioned or delayed, consent to entry of any judgment or enter into any settlement or other compromise which (i) does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnitee of a release from all liability in respect to such Indemnified Liabilities or litigation, (ii) requires any admission of wrongdoing by such Indemnitee, or (iii) obligates or requires an Indemnitee to take, or refrain from taking, any action. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnitee with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnitee under this Section 7.13, except to the extent that the indemnifying party is materially prejudiced in its ability to defend such action.

(d) The indemnification required by this Section 7.13 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, within a reasonable period of time as and when bills are received or Indemnified Liabilities are incurred.

(e) The indemnity agreements contained herein shall be in addition to (x) any cause of action or similar right of the Indemnitee against the indemnifying party or others, and (y) any liabilities the indemnifying party may be subject to pursuant to applicable law.

7.14. No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

7.15. Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) the Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Document and the Corporation does not timely perform its related obligations within the periods therein provided, then the Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Corporation, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights.

7.16. Payment Set Aside. To the extent that the Corporation makes a payment or payments to the Purchaser hereunder or pursuant to any of the other Transaction Documents or the Purchaser enforces or exercises its rights hereunder or thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Corporation, a trustee, receiver or any other person under any law (including, without limitation, any bankruptcy law, foreign, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE

If the foregoing correctly sets forth the agreement between the Corporation and the Purchaser, please indicate your acceptance in the space provided for that purpose below.

PURCHASER
THE HCM MASTER FUND LIMITED

CORPORATION
SURO CAPITAL CORP.

By: /s/ Erik Herzfeld

Name: Erik Herzfeld

Title: Director

By: /s/ Mark D. Klein

Name: Mark D. Klein

Title: Chairman, President and Chief Executive Officer

APPENDIX A

CONVERSION OF NOTES

1. CONVERSION

1.1. Conversion Privilege. Subject to and upon compliance with the provisions of this Section 1 (including, without limitation, Section 1.2(j)) and Section 2.2 of the Agreement, the Purchaser shall have the right, at its option, to convert all or any portion (if the portion to be converted is \$1,000 principal amount or an integral multiple thereof) of any issued and outstanding Notes, including any accrued and unpaid interest thereon, at any time prior to the close of business on the business day immediately preceding the Maturity Date at an initial conversion rate of 129.0323 shares of Common Stock (subject to adjustment as provided herein, the "Conversion Rate") per \$1,000 principal amount of Notes (subject to, and in accordance with, the settlement provisions of Section 1.2, the "Conversion Obligation").

1.2. Conversion Procedure; Settlement Upon Conversion.

(a) Upon conversion of any Note, the Corporation shall deliver to the Purchaser, in respect of each \$1,000 principal amount of Notes being converted, a number of shares of Common Stock equal to the Conversion Rate in effect immediately prior to the close of business on the relevant Conversion Date, together with a cash payment, if applicable, in lieu of delivering any fractional share of Common Stock in accordance with subsection (i) of this Section 1.2, on the second business day immediately following the relevant Conversion Date.

(b) Before the Purchaser shall be entitled to convert a Note as set forth above, the Purchaser shall, in the case of a Physical Note, (i) complete, manually sign and deliver an irrevocable notice to the Corporation as set forth in the Form of Notice of Conversion (or a facsimile thereof) (a "Notice of Conversion") at the office of the Corporation and state in writing therein the principal amount of Notes to be converted and the name or names (with addresses) in which the Purchaser wishes the certificate or certificates for any shares of Common Stock to be delivered upon settlement of the Conversion Obligation to be registered, (ii) surrender such Notes, duly endorsed to the Corporation or in blank (and accompanied by appropriate endorsement and transfer documents), at the office of the Corporation, (iii) if required, furnish appropriate endorsements and transfer documents, and (iv) if required, pay funds equal to interest payable on the next Interest Payment Date to which the Purchaser is not entitled as set forth in Section 1.2(g).

If more than one Note shall be surrendered for conversion at one time by the Purchaser, the Conversion Obligation with respect to such Notes shall be computed on the basis of the aggregate principal amount of the Notes (or specified portions thereof to the extent permitted thereby) so surrendered.

(c) A Note shall be deemed to have been converted immediately prior to the close of business on the date (the "Conversion Date") that the Purchaser has complied with the requirements set forth in Section 1.2(b). The Corporation shall issue or cause to be issued, and deliver to the Purchaser, or the Purchaser's nominee or nominees, certificates or a book-entry transfer through the Transfer Agent for the full number of shares of Common Stock to which the Purchaser shall be entitled in satisfaction of the Conversion Obligation no later than one (1) business day following receipt of all material required in Section 1.2(b) above.

(d) In case any Note shall be surrendered for partial conversion, the Corporation shall execute, authenticate and deliver to or upon the written order of the Purchaser of the Note so surrendered a new Note or Notes in authorized denominations in an aggregate principal amount equal to the unconverted portion of the surrendered Note, without payment of any service charge by the Purchaser but, if required by the Corporation, with payment of a sum sufficient to cover any documentary, stamp or similar issue or transfer tax or similar governmental charge required by law or that may be imposed in connection therewith.

(e) Except as provided in Section 1.3, no adjustment shall be made for dividends on any shares of Common Stock issued upon the conversion of any Note as provided in this Section 1.

(f) Upon the conversion of an interest in a Note, the Corporation shall make a notation on such Note as to the reduction in the principal amount represented thereby.

(g) The Person in whose name the certificate for any shares of Common Stock delivered upon conversion is registered shall be treated as a stockholder of record as of the close of business on the relevant Conversion Date. Upon a conversion of Notes, such Person shall no longer be the Purchaser of such Notes surrendered for conversion, except for purposes of enforcing its right to receive the consideration due upon conversion.

(h) The Corporation shall not issue any fractional share of Common Stock upon conversion of the Notes and shall instead pay cash in lieu of delivering any fractional share of Common Stock issuable upon conversion based on the Closing Sale Price of the Common Stock on the relevant Conversion Date.

1.3. Adjustment of Conversion Rate. The Conversion Rate shall be adjusted from time to time by the Corporation if any of the following events or transactions occurs; provided, however, that no adjustment to the Conversion Rate need be made for a given transaction or event if the terms set forth in Section 2.6 of the Agreement are in effect.

(a) If the Corporation declares any cash dividend or distribution to all, or substantially all, holders of the Common Stock, the Conversion Rate shall be increased based on the following formula:

$$CR = CR_0 \times \frac{SP_0}{SP_0 - C}$$

where,

CR₀ = the Conversion Rate in effect immediately prior to the close of business on the record date for such dividend or distribution (the "Record Date");

CR = the Conversion Rate in effect immediately after the close of business on the Record Date for such dividend or distribution;

SP₀ = the closing sale price ("Closing Sale Price") of the Common Stock on the trading day immediately preceding the ex-dividend date for such dividend or distribution (the "Ex-Dividend Date"); and

C = the amount in cash per share the Corporation distributes to all or substantially all holders of the Common Stock.

Any increase pursuant to this Section 1.3(a) shall become effective immediately after the close of business on the Record Date for such dividend or distribution. No adjustment pursuant to the above formula shall result in a decrease of the Conversion Rate. However, if any dividend or distribution of the type set forth in this Section 1.3(a) is declared but not so paid or made, the Conversion Rate shall be readjusted, effective as of the date the Board of Directors of the Corporation (the "Board of Directors") determines not to make or pay such dividend or distribution, to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared. Notwithstanding the foregoing, if "C" (as defined above) is equal to or greater than "SP₀" (as defined above), in lieu of the foregoing increase, the Purchaser shall receive, for each \$1,000 principal amount of Notes, at the same time and upon the same terms as holders of shares of the Common Stock, without having to convert its Note, the amount of cash that the Purchaser would have received if the Purchaser owned a number of shares of Common Stock equal to the Conversion Rate on the Record Date for such cash dividend or distribution.

(b) If the Corporation issues solely shares of Common Stock as a dividend or distribution on all or substantially all of the shares of the Common Stock, or if the Corporation subdivides or combines its Common Stock, the Conversion Rate shall be adjusted based on the following formula:

$$CR = CR_0 \times \frac{OS}{OS^0}$$

where,

- CR₀ = the Conversion Rate in effect immediately prior to the close of business on the Record Date for such dividend or distribution, or immediately prior to the open of business on the effective date of such subdivision or combination of Common Stock, as the case may be (such date, the "Effective Date");
 - CR = the Conversion Rate in effect immediately after the close of business on the Record Date for such dividend or distribution, or immediately after the open of business on the Effective Date of such subdivision or combination of Common Stock, as the case may be;
 - OS₀ = the number of shares of Common Stock outstanding immediately prior to the close of business on the Record Date for such dividend or distribution, or immediately prior to the open of business on the Effective Date of such subdivision or combination of Common Stock, as the case may be; and
 - OS = the number of shares of Common Stock that would be outstanding immediately after giving effect to such dividend or distribution, or immediately after the Effective Date of such share split or share combination, as applicable.
-

Any adjustment made under this Section 1.3(b) shall become effective immediately after the close of business on the Record Date for such dividend or distribution, or immediately after the open of business on the Effective Date of such subdivision or combination of Common Stock, as the case may be. If such dividend or distribution of the type described in this Section 1.3(b) is declared but not so paid or made, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors determines not to pay such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(c) If the Corporation declares a distribution of shares of its Capital Stock, evidences of its indebtedness, other assets or property of the Corporation or other securities, to all or substantially all holders of the Common Stock, excluding (i) dividends or distributions paid exclusively in cash as to which an adjustment was effected pursuant to Section 1.3(a) and (ii) dividends or distributions as to which an adjustment was effected pursuant to Section 1.3(b) (any of such shares of Common Stock, evidences of indebtedness, other assets or other securities, a “Relevant Distribution”), then the Conversion Rate shall be increased based on the following formula:

$$CR = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where,

- CR₀ = the Conversion Rate in effect immediately prior to the close of business on the Record Date for such distribution;
- CR = the Conversion Rate in effect immediately after the close of business on the Record Date for such distribution;
- SP₀ = the average of the Closing Sale Prices of the Common Stock over the 10 consecutive trading day period ending on, and including, the trading day immediately preceding the Ex-Dividend Date for such distribution; and
- FMV = the fair market value (as determined in good faith by the Board of Directors) of the Relevant Distribution distributed with respect to each outstanding share of the Common Stock as of the close of business on the Ex-Dividend Date for such distribution.

Any increase made under the portion of this Section 1.3(c) above shall become effective immediately after the close of business on the Record Date for such distribution. No adjustment pursuant to the above formula will result in a decrease of the Conversion Rate. However, if such distribution is not so paid or made, the Conversion Rate shall be decreased, as of the date the Board of Directors determines not to pay or make such distribution, to be the Conversion Rate that would then be in effect if such distribution had not been declared. Notwithstanding the foregoing, if “FMV” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing increase, the Purchaser shall receive, in respect of each \$1,000 principal amount thereof, at the same time and upon the same terms as holders of the Common Stock, without having to convert its Note, the amount and kind of such Relevant Distribution that the Purchaser would have received if the Purchaser owned a number of shares of Common Stock equal to the Conversion Rate on the Record Date for the distribution. If the Board of Directors determines the “FMV” (as defined above) of any distribution for purposes of this Section 1.3(c) by reference to the actual or when-issued trading market for any securities, it shall in doing so consider the prices in such market over the same period used in computing the closing sale prices of the Common Stock over the 10 consecutive trading day period ending on, and including, the trading day immediately preceding the Ex-Dividend Date for such distribution.

For purposes of Section 1.3(b) and Section 1.3(c), if any dividend or distribution to which this Section 1.3(c) is applicable also includes a dividend or distribution of shares of Common Stock to which Section 1.3(b) is applicable (a “Clause B Distribution”), then (1) such dividend or distribution, other than the Clause B Distribution, shall be deemed to be a dividend or distribution to which this Section 1.3(c) is applicable (a “Clause C Distribution”), and any Conversion Rate adjustment required by this Section 1.3(c) with respect to such Clause C Distribution shall then be made, and (2) the Clause B Distribution shall be deemed to immediately follow the Clause C Distribution and any Conversion Rate adjustment required by Section 1.3(b) with respect thereto shall then be made, except that, if determined by the Corporation (I) the “Record Date” of the Clause B Distribution shall be deemed to be the Record Date of the Clause C Distribution and (II) any shares of Common Stock included in the Clause B Distribution shall be deemed not to be “outstanding immediately prior to the close of business on the Record Date” within the meaning of Section 1.3(b).

In addition, notwithstanding the foregoing, if the Corporation declares a dividend or distribution consisting of a combination of cash and a Clause B Distribution, then the Conversion Rate shall be increased: (i) as to the cash portion, according to Section 1.3(a); and (ii) as to the Clause B Distribution portion, according to the greater of the values calculated (x) pursuant to Section 1.3(a) as if the Clause b Distribution portion were to be paid in cash, or (y) pursuant to Section 1.3(b).

If the Corporation declares a dividend or distribution where shareholders of the Common Stock have the option of receiving such dividend or distribution, in whole or in part, in the form of either cash or a Clause B Distribution, then the Conversion Rate shall be increased: (i) as to the portion of the aggregate dividend or distribution taken as cash by the shareholders of the Common Stock, according to Section 1.3(a); and (ii) as to the portion of the aggregate dividend or distribution taken as a Clause B Distribution by the shareholders of the Common Stock, according to the greater of the values calculated (x) pursuant to Section 1.3(a) as if such aggregate Clause B Distribution portion were to be paid in cash, or (y) pursuant to Section 1.3(b).

(d) If the Corporation or any of its subsidiaries makes a payment in respect of a tender or exchange offer for the Common Stock, and if the cash and value of any other consideration included in the payment per share of the Common Stock exceeds the average of the closing sale prices of the Common Stock over the 10 consecutive trading day period commencing on, and including, the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer (the “Expiration Date”), the Conversion Rate shall be increased based on the following formula:

$$CR = CR_0 \times \frac{AC + (OS \times SP)}{OS_0 \times SP}$$

where,

- CR₀ = the Conversion Rate in effect immediately prior to the open of business on the trading day next succeeding the Expiration Date;
- CR = the Conversion Rate in effect immediately after the open of business on the trading day next succeeding the Expiration Date;
- AC = the aggregate value of all cash and any other consideration (as determined in good faith by the Board of Directors) paid or payable for shares of Common Stock purchased in such tender or exchange offer;
- OS₀ = the number of shares of Common Stock outstanding immediately prior to the time (the “Expiration Time”) such tender or exchange offer expires (prior to giving effect to the purchase of all shares of Common Stock accepted for purchase or exchange in such tender or exchange offer);
- OS = the number of shares of Common Stock outstanding immediately after the Expiration Time (after giving effect to the purchase of all shares of Common Stock accepted for purchase or exchange in such tender or exchange offer); and
- SP = the average of the closing sale prices of the Common Stock over the 10 consecutive trading day period commencing on, and including, the trading day next succeeding the date such tender or exchange offer expires.

The adjustment to the Conversion Rate under this Section 1.3(d) shall be determined at the close of business on the 10th trading day immediately following, but excluding, the Expiration Date, but will be given effect at the open of business on the trading day next succeeding the Expiration Date. In respect of any conversion of Notes during the 10 trading days commencing on the trading day next succeeding the Expiration Date, references in this Section 1.3(d) with respect to 10 trading days shall be deemed replaced with such lesser number of trading days as have elapsed from, and including, the trading day next succeeding the Expiration Date to, but excluding, the Conversion Date in determining the Conversion Rate. No adjustment pursuant to the above formula shall result in a decrease to the Conversion Rate.

(e) Except as stated herein, the Corporation shall not adjust the Conversion Rate for the issuance of shares of the Common Stock or any securities convertible into or exchangeable for shares of the Common Stock or the right to purchase shares of the Common Stock or such convertible or exchangeable securities.

(f) In addition to those adjustments required by clauses (a), (b), (c), and (d) of this Section 1.3 and Section 1.12, and to the extent permitted by applicable law and applicable listing rules of the Nasdaq Global Select Market and any other securities exchange on which the Corporation's securities are then listed, (i) the Corporation from time to time may increase the Conversion Rate by any amount for a period of at least twenty (20) business days as long as such increase is irrevocable during such period and the Board of Directors determines that such increase would be in the Corporation's best interest and (ii) the Corporation may (but is not required to) increase the Conversion Rate to avoid or diminish any income tax to holders of Common Stock or rights to purchase shares of Common Stock in connection with a dividend or distribution of shares of Common Stock (or rights to acquire shares of Common Stock) or similar events. Whenever the Conversion Rate is increased pursuant to the preceding sentence, the Corporation shall mail to the Purchaser of each Note at its last address provided in the Agreement a notice of the increase at least 15 days prior to the date the increased Conversion Rate takes effect, and such notice shall state the increased Conversion Rate and the period during which it will be in effect.

(g) All calculations and other determinations under this Section 1 shall be made by the Corporation and shall be made to the nearest one-ten thousandth (1/10,000th) of a share.

(h) Whenever the Conversion Rate is adjusted as herein provided, the Corporation shall promptly, but in no event later than two (2) business days following such event, deliver to the Purchaser an Officers' Certificate setting forth the Conversion Rate after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Unless and until a responsible officer of the Purchaser shall have received such Officers' Certificate, the Purchaser shall not be deemed to have knowledge of any adjustment of the Conversion Rate and may assume without inquiry that the last Conversion Rate of which it has knowledge is still in effect. Promptly after delivery of such certificate, the Corporation shall prepare a notice of such adjustment of the Conversion Rate setting forth the adjusted Conversion Rate and the date on which each adjustment becomes effective and shall mail such notice of such adjustment of the Conversion Rate to the Purchaser at its last address. Failure to deliver such notice shall not affect the legality or validity of any such adjustment.

(i) For purposes of this Section 1.3, the number of shares of Common Stock at any time outstanding shall not include shares of Common Stock held in the treasury of the Corporation so long as the Corporation does not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Corporation, but shall include shares of Common Stock issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock.

1.4. [Reserved].

1.5. [Reserved].

1.6. Shares to Be Fully Paid. The Corporation shall provide, free from preemptive rights, out of its authorized but unissued shares or shares held in treasury, which are not reserved for other purposes, sufficient shares of Common Stock to provide for conversion of the Notes from time to time as such Notes are presented for conversion.

1.7. Effect of Recapitalizations, Reclassifications and Changes of the Common Stock.

(a) In the event of:

- (ii) any recapitalization, reclassification or change of the Common Stock (other than changes resulting from a subdivision or combination),
- (iii) any consolidation, merger, combination, binding share exchange or similar transaction involving the Corporation,
- (iv) any sale, assignment, conveyance, transfer, lease or other disposition to another Person of all or substantially all of the Corporation's properties and assets; or
- (v) a liquidation or dissolution of the Corporation,

in each case, in which holders of the outstanding Common Stock are entitled to receive cash, securities or other property for their shares of Common Stock ("Reference Property") and any such transaction, a "Share Exchange Event"), the Corporation or the successor or purchasing company, as the case may be, shall execute with the Purchaser an amendment to this Agreement providing that, at and after the effective time of such Share Exchange Event, the Purchaser of each \$1,000 principal amount of Notes shall be entitled to convert its Notes into the kind and amount of Reference Property that a holder of a number of shares of Common Stock equal to the Conversion Rate immediately prior to such Share Exchange Event would have owned or been entitled to receive upon such Share Exchange Event.

If the Share Exchange Event causes the Common Stock to be converted into, or exchanged for, the right to receive more than a single type of consideration (determined based in part upon any form of stockholder election), then the Reference Property into which the Notes will be convertible shall be deemed to be (x) the weighted average of the types and amounts of consideration received by the holders of Common Stock that affirmatively make such an election, or (y) if no holders of Common Stock affirmatively make such an election, the types and amounts of consideration actually received by the holders of Common Stock. The Corporation shall notify the Purchaser of such weighted average as soon as practicable after such determination is made.

Such amendment described in the second immediately preceding paragraph shall provide for anti-dilution and other adjustments that shall be as nearly equivalent as is possible to the adjustments provided for in Section 1. If, in the case of any Share Exchange Event, the Reference Property includes shares of stock, securities or other property or assets of a Person other than the successor or purchasing corporation, as the case may be, in such Share Exchange Event, then such supplemental indenture shall also be executed by such other Person and shall contain such additional provisions to protect the interests of the Purchaser of the Notes, as the Board of Directors shall reasonably consider necessary by reason of the foregoing. Following any Share Exchange Event, all references herein to the Common Stock shall be deemed to refer to the relevant Reference Property, subject to the provisions of such amendment.

(b) When the Corporation executes an amendment to the Agreement pursuant to subsection (a) of this Section 1.7, the Corporation shall promptly deliver to the Purchaser an Officers' Certificate briefly stating the reasons therefor, the kind or amount of cash, securities or property or asset that will comprise the Reference Property after any such Share Exchange Event, any adjustment to be made with respect thereto and that all conditions precedent have been complied with, and shall promptly mail notice thereof to all Holders, and issue a press release containing such information (and make such press release available on its website). The Corporation shall cause notice of the execution of such Amendment to be mailed to the Purchaser, at its address appearing on the Note Register, within 20 days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of such amendment.

(c) The Corporation shall not become a party to any Share Exchange Event unless its terms are consistent with this Section 1.7. None of the foregoing provisions shall affect the right of a holder of Notes to convert its Notes into shares of Common Stock as set forth in Section 1.1 and Section 1.2 prior to the effective date of such Share Exchange Event.

(d) The above provisions of this Section 1.7 shall similarly apply to successive Share Exchange Events.

1.8. Certain Covenants.

(a) The Corporation covenants that all shares of Common Stock issued upon conversion of Notes will be fully paid and non-assessable by the Corporation and free from all taxes, liens and charges with respect to the issue thereof.

(b) The Corporation covenants that, if any shares of Common Stock to be provided for the purpose of conversion of Notes hereunder require registration with or approval of any governmental authority under any federal or state law before such shares of Common Stock may be validly issued upon conversion, the Corporation will, to the extent then permitted by the rules and interpretations of the SEC, secure such registration or approval, as the case may be.

(c) The Corporation further covenants that if at any time the Common Stock shall be listed on any national securities exchange or automated quotation system the Corporation will list and keep listed, so long as the Common Stock shall be so listed on such exchange or automated quotation system, any Common Stock issuable upon conversion of the Notes.

1.9. Responsibility of Transfer Agent. Equiniti Trust Company, LLC (the “Transfer Agent”) shall not at any time be under any duty or responsibility to the Corporation or Purchaser to determine the Conversion Rate (or any adjustment thereto) or whether any facts exist that may require any adjustment (including any increase) of the Conversion Rate, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. Without limiting the generality of the foregoing, the Transfer Agent shall not be under any responsibility to determine the correctness of any provisions contained in any amendment entered into pursuant to Section 1.7 relating either to the kind or amount of shares of stock or securities or property (including cash) receivable by the Purchaser upon the conversion of their Notes after any event referred to in such Section 1.7 or to any adjustment to be made with respect thereto, but may accept (without any independent investigation) as conclusive evidence of the correctness of any such provisions, and shall be protected in relying upon, the Officers’ Certificate (which the Corporation shall be obligated to deliver to the Purchaser prior to the execution of any such amendment) with respect thereto.

1.10. Stockholder Rights Plans. If the Corporation has a rights plan in effect upon conversion of the Notes (i.e., a poison pill), each share of Common Stock issued upon such conversion shall be entitled to receive the appropriate number of rights, if any, and the certificates representing the Common Stock issued upon such conversion shall bear such legends, if any, in each case as may be provided by the terms of any such rights plan, as the same may be amended from time to time. However, if, prior to any conversion of Notes, the rights have separated from the shares of Common Stock in accordance with the provisions of the applicable rights plan so that the Purchaser would not be entitled to receive any rights in respect of Common Stock issuable upon conversion of the Notes, the Conversion Rate shall be adjusted at the time of separation as if the Corporation distributed to all or substantially all holders of the Common Stock a Relevant Distribution as provided in Section 1.3(c), subject to readjustment in the event of the expiration, termination or redemption of such rights.

APPENDIX B

[Intentionally Omitted]

SCHEDULE 5.1B

[Intentionally Omitted]

SCHEDULE 5.1R

[Intentionally Omitted]

**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 quarterly report on Form 10-Q of SuRo Capital Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 8th day of August, 2024.

By: */s/ Mark Klein*

Mark D. Klein
Chief Executive Officer

**Certification of Chief Financial Officer of SuRo Capital Corp.
pursuant to Rule 13a-14(a) under the Exchange Act,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Allison Green, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SuRo Capital Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 8th day of August, 2024.

By: */s/ Allison Green*

Allison Green
Chief Financial Officer

**Certification of Chief Executive Officer
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)**

In connection with the quarterly report on Form 10-Q for the three and six months ended June 30, 2024 (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: August 8, 2024

**Certification of Chief Financial Officer
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)**

In connection with the quarterly report on Form 10-Q for the three and six months ended June 30, 2024 (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: August 8, 2024
