

# SURO CAPITAL

*Investor Presentation  
January 2021*



# Forward Looking Statements

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# SuRo Capital Presenters



**Mark Klein**

*Chairman & Chief Executive Officer*

- Chairman & CEO of SuRo Capital since 2017 and a director since 2011, Mark spearheaded the firm's rebranding from GSV Capital in 2019
- Director of Churchill Capital Corp II & Churchill Capital Corp III, SPACs that raised \$690M & \$1.1B in IPOs on the NYSE Jun. 2019 & Feb. 2020, respectively
- Earned a B.B.A. from Emory University & an MBA from the J. L. Kellogg School of Management at Northwestern University



**Allison Green**

*Chief Financial Officer & Chief Compliance Officer*

- Joined SuRo Capital as Controller in 2017 and has overseen financial reporting and other operations since the March 2019 internalization
- Former Controller at Rise Companies Corp, a crowdfunded real estate investment platform, and at the Girl Scout Council of the Nation's Capital (post-ProInspire Fellowship); began her career at The Carlyle Group and Deloitte
- Earned a B.S. in Finance and a B.S. in Accounting from the University of Southern California



**Keri Findley**

*Sr. Managing Director*

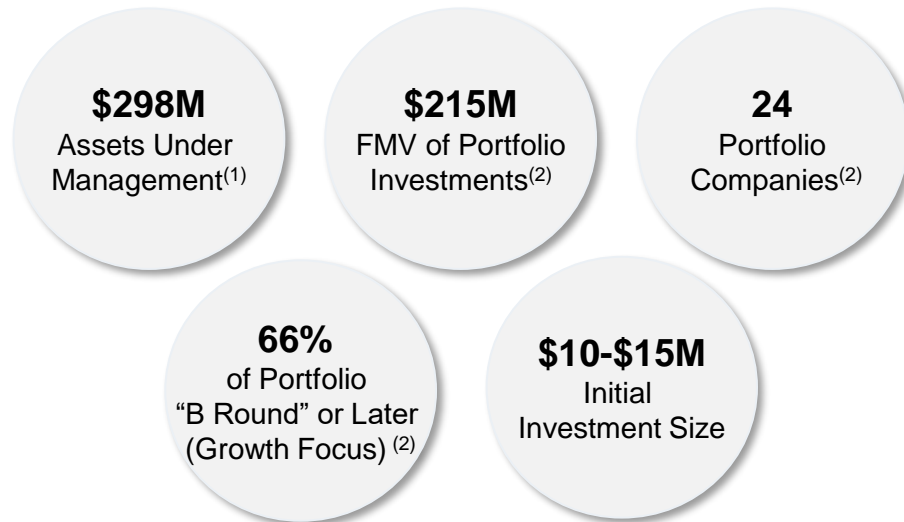
- Former Partner at Third Point LLC, a hedge fund founded & run by Daniel Loeb, from 2009 to 2017, having joined the firm to start & build its structured credit business
- Advisor at 8VC, a venture capital firm founded by Joe Lonsdale, and on the board of directors of Point Digital, Shogun, and tokenvault
- Earned a B.S. in Operations Research from Columbia University

# SuRo Capital Overview

## Overview

- SuRo Capital, formerly Sutter Rock Capital and GSV Capital, is a Nasdaq-listed BDC (NASDAQ:SSSS) designed to provide access to high-growth, venture-capital-backed emerging private companies
- Driven by fundamental structural changes in the IPO market, favorable growth and value creation are increasingly taking place in the private marketplace. As a liquid, publicly traded stock, SuRo Capital is a unique vehicle that provides public investors access to this attractive asset class

## Fast Facts



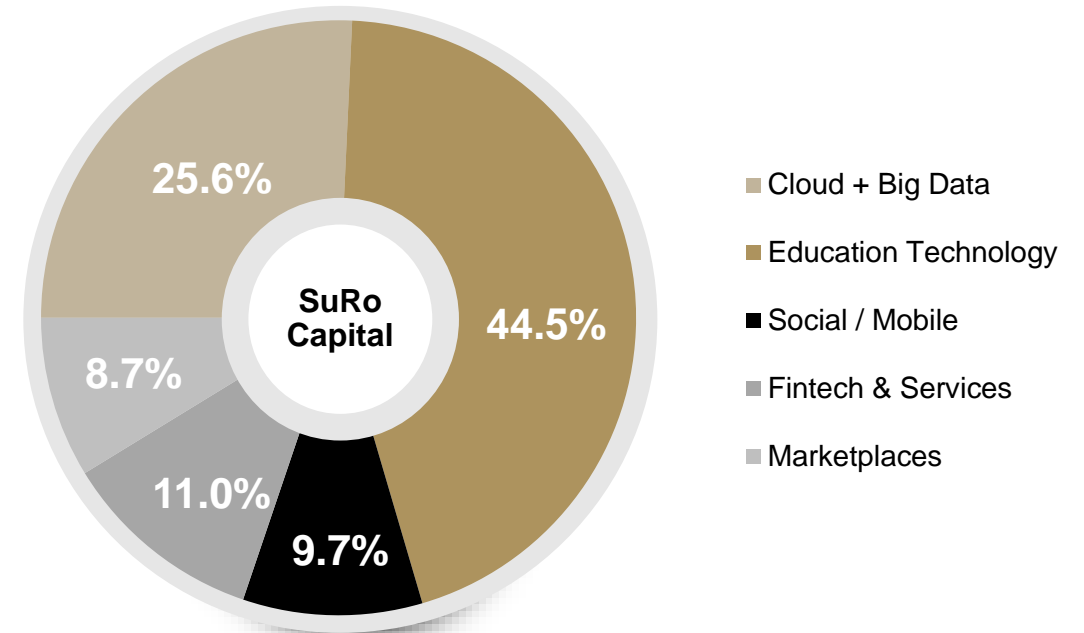
*Fund is subject to higher market risk than a fund whose investments are diversified.*

(1) As of September 30, 2020, Assets Under Management includes total assets less investments in U.S. Treasuries plus cash outlay for investments in U.S. Treasuries.

(2) As of September 30, 2020.

(3) As a percentage of total investment at fair market value as of September 30, 2020. "Sustainability" investment theme accounts for approximately 0.5% of total investment portfolio at fair value.

## Key Investment Themes<sup>(3)</sup>



SuRo Capital's Top 5 positions accounted for approximately **71%** of the investment portfolio at fair value, excluding treasuries, as of 9/30/20

# Top 5 Positions = 71% of Total Investment Portfolio at Fair Value

Based on Total Investment Portfolio Fair Value of \$215.4M as of September 30, 2020, Excluding Treasuries

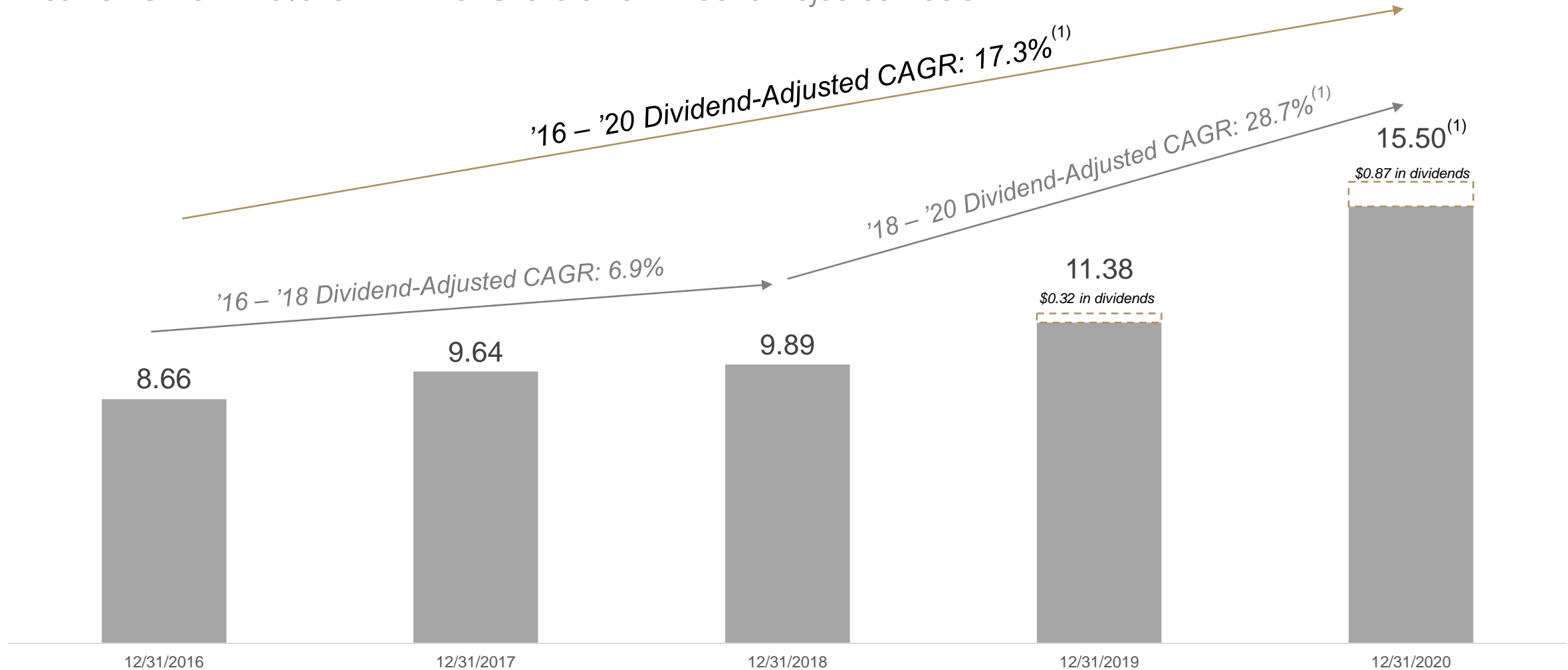
		Cost Basis (in \$M)	Fair Value (in \$M)	% of Investment Portfolio
1	 coursera	\$17.4	\$52.7	24.5%
2	 Palantir	\$15.1	\$46.7	21.7%
3	 Course Hero	\$5.0	\$31.8	14.8%
4	 nextdoor	\$10.0	\$10.6	4.9%
5	 OZY	\$10.9	\$10.3	4.8%
		\$58.4	\$152.1	70.6%

- SuRo Capital's Top 5 positions accounted for approximately **71%** of the investment portfolio at fair value, excluding treasuries, as of 9/30/20

Note: Total may not sum due to rounding.

# Historical NAV Per Share Including Dividends

4 Year CAGR of 17.3% for NAV Per Share on a Dividend Adjusted Basis



(1) Represents top end of SuRo Capital's anticipated NAV per share range of \$15.00 to \$15.50 as of December 31, 2020, as announced on January 11, 2021, based on information currently available.

# Select Current & Previous Portfolio Companies



Aspiration

BLINK HEALTH

Chegg® Control4™



coursera



GENERAL ASSEMBLY

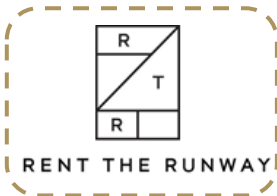


OZYZ

nextdoor

Palantir

Palantir LENDING TRUST



Rover

SECOND AVENUE



Current SuRo Capital Portfolio Company

Q4 2020 New Investment

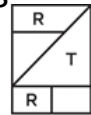


# Targeted Approach on Late-Stage Equity Opportunities

- SuRo Capital has been successful investing in late-stage companies and monetizing investments via IPO



- SuRo Capital continues to invest alongside top VCs and institutional investors including 8VC, Bain Capital Ventures, Fidelity Investments, Franklin Templeton, and Kleiner Perkins



RENT THE RUNWAY

**BLINK  
HEALTH**

**coursera**

	\$5.0M <sup>(1)</sup>	\$10.0M	\$2.8M Follow-On Investment
Investment Size			
Top-Tier Management Team	✓	✓	✓
Late Stage	✓	✓	✓
High Growth	✓	✓	✓
Top VCs	Bain Capital Ventures, Kleiner Perkins, Fidelity, Franklin Templeton, T. Rowe Price	Fidelity, 8VC, Teamworthy Ventures, Melo7 Tech, The K Fund	Kleiner Perkins, NEA, Future Fund, LearnCapital, SEEK Capital

Source: Pitchbook company profiles.  
 (1) Excludes transaction costs.



# SuRo Capital Private Credit Strategy

- Following the appointment of Keri Findley as a Senior Managing Director & Senior Member of the Investment Committee in February 2020, SuRo Capital has expanded its strategy to include debt and credit investments, broadening its suite of capital solutions to current and prospective portfolio companies
- Opportunities include asset-backed loans to capital intensive businesses or businesses with meaningful deferred revenue in order to support near-term capital needs
  - Asset-backed loans in this space command attractive interest rates, often coupled with the ability to participate in equity upside through warrants assigned to the lender upon funding
  - This complementary investment strategy highlights the priority to drive shareholder value as it is expected to generate recurring investment interest income and, over time, could result in a regular dividend stream to shareholders
- SuRo Capital has made two asset-backed debt investments since the launch of the Private Credit Strategy in February 2020

	<b>SECOND AVENUE</b>	<b>Palantir LENDING TRUST</b>
Debt Investment Size	\$3.0M	\$6.9M <sup>(1)</sup>
Asset-Backed Loan	✓	✓
Equity Participation or Upside Component	✓	✓
Generates Interest Income	✓	✓

Source: Pitchbook company profile.

(1) As of December 31, 2020, \$8.7M has been received from Palantir Lending Trust SPV I. Of the proceeds received, approximately \$6.9M fully repaid the outstanding principal, approximately \$0.8M was attributed to the accrued guaranteed interest, and \$1.0M was generated by the Equity Participation in Underlying Collateral. As of December 31, 2020, the balance of the loan and all guaranteed interest has been fully repaid.

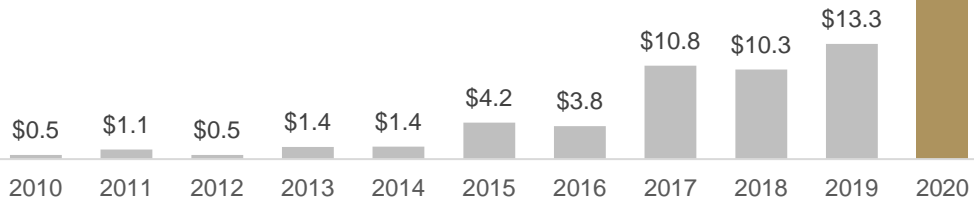
# SuRo Capital: Pre-SPAC Merger PIPEs

SuRo Capital Has Committed to Invest \$10M in Skillsoft Via a Pre-SPAC Merger PIPE in Churchill Capital II

## Total SPAC Issuance (\$B)<sup>(1)</sup>

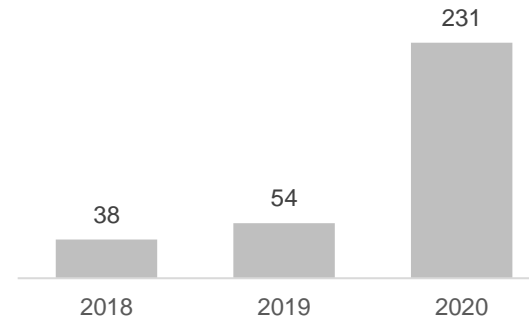
We are uniquely positioned to leverage our proprietary access to private investment in public equity (“PIPE”) opportunities in SPAC mergers as we continue to invest in late-stage growth companies with institutional backing and attractive time horizons

\$81.5

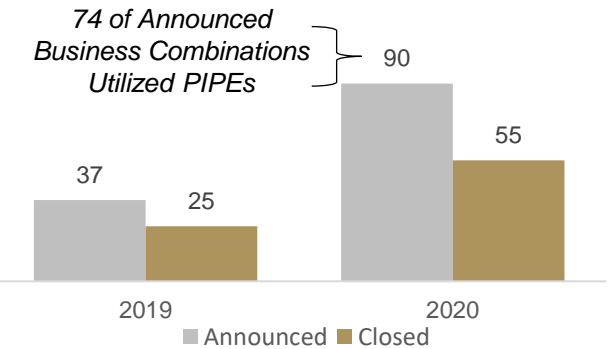


## SPAC Statistics: IPOs Executed & Business Combinations<sup>(2)</sup>

### SPAC IPOs Executed



### Business Combinations: Announced & Closed



## Q4 2020 Investment Commitment<sup>(3)</sup>



- Skillsoft and Global Knowledge are market leaders in the end-to-end corporate learning market, providing a robust content library across several verticals and modalities
  - The transaction creates the largest corporate learning company in the global \$28B corporate eLearning market
- SuRo Capital Commitment: \$10M via a pre-SPAC merger PIPE
- On October 14, 2020, Churchill Capital II announced its agreement to acquire Skillsoft and Global Knowledge in a \$1.5B transaction
  - Values the pro forma entity at 7.6x PF EBITDA; 2.2x PF Revenue; and 5.6x Levered Free Cash Flow
- Churchill Capital II will contribute up to \$697M of cash raised during its initial public offering in June 2019
  - In addition, Churchill Capital II expects more than \$170M in common equity through PIPE commitments



(1) Citigroup’s “Citi SPAC 2020 Year-in-Review” from December 2020.

(2) IPOs with greater than \$100M in transaction value. Citigroup’s “Citi SPAC 2020 Year-in-Review” from December 2020.

(3) Company statistics at time of Churchill Capital II’s transaction announcement. Based on acquisition values of Skillsoft and Global Knowledge. Skillsoft multiples based on midpoint of FYE 1/31/23E range.

# Investment Activity: Blink Health

Q4 2020

## Blink Health Overview

- Blink Health is a digital pharmacy platform that allows consumers to pay the best possible price for their prescription drugs
- Provides manufacturers and health systems real time analytics centered around prescription and fill data with Blink Health's Pharmacy-as-a-Service
- Increases EBITDA per claim for pharmacy partners from traditional cash coupon providers

## Investment Opportunity

- As the market leader in the Pharmacy-as-a-Service space, Blink Health is uniquely positioned to disrupt the existing supply chain by challenging incumbent "middlemen" to reimburse pharmacies more and provide patients lower drug prices
- While other competitors in the DTC pharmacy space (Amazon, Alto, etc.) and the cash coupon provider space (GoodRx, Inside Rx, etc.) experience pricing pressure from Pharmacy Benefit Managers, Blink Health is insulated from this given its direct involvement with manufacturers

## SuRo Capital Investment

- SuRo Capital purchased \$5M of Blink Health Series A Preferred stock and \$5M of Blink Health Series C Preferred stock in the fourth quarter of 2020
- Given the large addressable market and proven success of Blink Health to disrupt the existing supply chain, we believe there is significant upside with this investment as Blink Health continues to invest in its digital platform

## Select Investors



Sources: [www.blinkhealth.com](http://www.blinkhealth.com), Pitchbook company profile.

# Investment Activity: Second Avenue

Q4 2020

## Second Avenue Overview

- Second Avenue is a full-service single-family rental platform offering innovative solutions to home buyers, sellers, renters, and investors
- The company's proprietary platform offers landlords and investors real-time reporting on property management, increased sourcing capabilities, valuations, and lead management
- The company is split into an OpCo, containing the tech-enabled rental platform, and a PropCo, which facilitates SFR investments from outside investors through an SPV structure
- Second Avenue's management experience and platform enables investors of all sizes to generate above-market returns by leveraging the proven tools and economies of scale traditionally reserved for only the largest institutional investors
- Mike Rothman, Chairman and CEO of Second Avenue, has spent the past 20 years disrupting the commercial and residential services industry, most recently as the founder of SMS Assist, the nation's largest tech-enabled maintenance provider

## SuRo Capital Investment

- SuRo Capital Investment: \$4.5M
- As part of our previously announced private credit initiatives, SuRo Capital structured a secured term loan with Second Avenue of \$3M
  - Term: 36 months with a minimum interest term of 18 months
  - Interest Rate: 15%
  - Secured Interest: The loan is secured against incentive fees earned within Second Avenue's various SPVs
- In addition to the debt investment, SuRo Capital invested \$1.5M in Second Avenue's Series A Preferred round

Sources: [www.secondavenue.com](http://www.secondavenue.com)



# Investment Activity: Enjoy Technology (Follow-On)



Q4 2020

## Enjoy Overview

- Founded in 2015 and headquartered in Silicon Valley, Enjoy operates white-glove same-day delivery and setup service for phones and other products for free to telecom carriers' customers in their homes or other locations of their choice
- Since its first delivery, Enjoy has made over 1M customer visits and has grown its workforce to nearly 2,000 individuals

## Company Update

- The company has continued to operate through the COVID-19 pandemic and quickly adapted with new social distancing delivery protocols to meet a surge in delivery demand
- Enjoy has several rapidly growing partnerships across the US, UK, & Canada, including with AT&T, British Telecom, Rogers, and Apple, making its services available to more than 200M customers<sup>(3)</sup>
- Longer-term opportunities include fashion and beauty partnerships, although Enjoy is exclusively focused on consumer electronics today<sup>(4)</sup>

## SuRo Capital Investment

- SuRo Capital Investment: \$5.5M<sup>(1)</sup>, including a \$0.5M follow-on investment in a convertible note in Q4 2020
- The year 2020 was a breakout year for Enjoy as the COVID-19 pandemic accelerated the shift to online shopping and highlighted the criticality of Enjoy's deep engagement model to partners. This financing will support growth, including plans to hire 1,000 new technicians by year end to manage increased demand<sup>(2)</sup>

## Select Investors

**HIGHLAND**  
CAPITAL PARTNERS

**L CATTERTON**

**KLEINER PERKINS**

**ANDREESSEN HOROWITZ**

**TRIPLEPOINT**  
VENTURE GROWTH

**OAK**  
INVESTMENT PARTNERS

(1) Excludes transaction costs.

(2) Built In's "The Apple Store's Creator Is Building A Premium Delivery Service" from December 8, 2020.

(3) US Chamber of Commerce's "Interview with Ron Johnson of Enjoy" from February 22, 2020.

(4) Forbes' "Ron Johnson Made Apple Stores The Envy Of Retail And Target Hip, But This Startup May Be His Crowning Achievement" from January 17, 2020.

Note: Company statistics at time of investment.





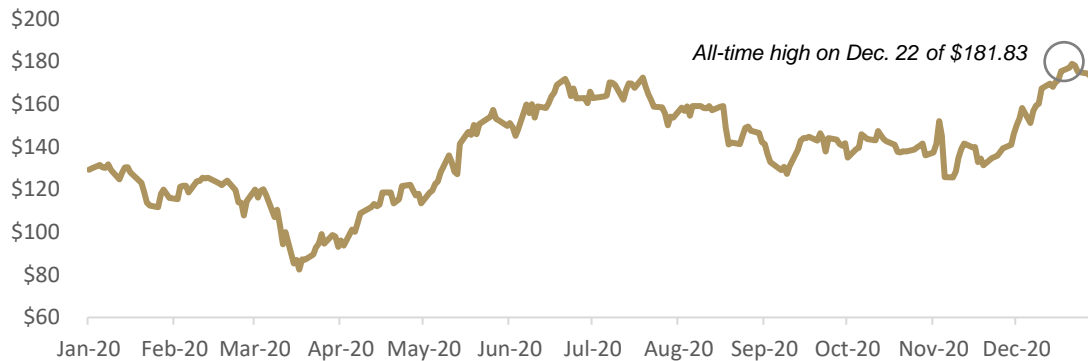
# Investment Activity: GreenAcreage (Follow-On)

Q4 2020

## GreenAcreage & Industry Overview

- GreenAcreage has a 20+ property, or approximately \$150M+, pipeline of real estate properties with Acreage, with ROFO on new properties
- U.S. spending on cannabis is projected to surpass \$20B by 2022, with global spending expected to reach \$31B during the period
- Commercial banks and traditional lenders currently will not lend directly to the cannabis industry, yet there is a significant need for capital by operators as they look to expand
- AFC Gamma, a newly-formed cannabis REIT, filed with the SEC in December 2020 to become the second publicly-listed cannabis REIT

## Innovative Industrial Properties (IIPR) 2020 Share Price



Sources: CapitalIQ, Ladenburg Thalmann's Innovative Industrial Properties, Inc. research report from December 23, 2020, [www.govtrack.us](http://www.govtrack.us).

## SuRo Capital Investment

- SuRo Capital Investment: \$8.5M, including \$1.0M follow-on equity investment in Q4 2020
- The company continues to find new opportunities to deploy capital and hopes to take advantage of the easing of regulations and restrictions of cannabis usage throughout the U.S.

## 2020 Cannabis Legislation

- During the November 3, 2020 election, Arizona, Mississippi, Montana, New Jersey, and South Dakota all approved cannabis use with all states but Mississippi approving it for recreational use
- This brings the total number of states with fully legalized cannabis use to 15, and the total number of states that have either decriminalized the use of marijuana or allowed medical usage as well to 39
- There were no states in 2020 that denied cannabis legislation
- In December 2020, the U.S. House of Representatives passed the Marijuana Opportunity Reinvestment & Expungement (MORE) Act, which is centered around decriminalization and legalization of cannabis use



# Investment Activity: Coursera (Follow-On)



Q3 2020

## Coursera Overview

- Coursera provides universal access to the world's best education, partnering with top universities and organizations to offer courses online
- More than 200 of the world's top universities and industry educators partner with Coursera to offer courses, specializations, certificates, and degree programs to more than 76M learners around the world

## Company Update

- To support learners and employees affected by COVID-19, Coursera has launched a number of learning initiatives, including a Workforce Recovery Initiative to allow unemployed individuals to learn for free through Coursera, and a partnership with Google to help retrain workers who have lost their employment
- The impact of COVID-19 has accelerated demand for Coursera's consumer offerings, which have allowed schools to adapt to an online-only environment by providing Coursera-made online content for their students
- Beyond short-term tailwinds associated with COVID-19 dislocation, Coursera sits at the forefront of a growing, long-term trend towards lifelong, mobile learning for students, consumers, and employees

## SuRo Capital Investment

- SuRo Capital Investment: \$17.4M, including \$2.8M follow-on investment in Coursera's Series F financing
- On July 17, 2020, Coursera announced a \$130M Series F equity financing. According to *The Information*, the financing values Coursera at approximately \$2.5B
- The financing was led by New Enterprise Associates, and included participation from existing investors including SuRo Capital, Kleiner Perkins, SEEK Group, Learn Capital, and G Squared
- The Series F financing brings Coursera's total capital raised since inception to over \$460M, according to *Pitchbook*
- SuRo Capital initially invested in Coursera's June 2013 Series B

## Select Investors



Sources: Pitchbook company profile, [www.coursera.com](http://www.coursera.com), Cheddar's "Google and Coursera Commit to Helping Job Seekers, Announce Scholarship Program for Online Certificates" from July 15, 2020, and Forbes' "How Skills Will Be Crucial As We Adapt To The Post-Covid World" from July 28, 2020.



# Highlighted Portfolio Companies



- SuRo Capital Position: \$31.8M<sup>(1)</sup>
- SuRo Capital Cost Basis: \$5.0M
- Provides an online learning platform where students and educators can access over 40M course materials, tutoring, and support resources
- More than 50,000 faculty across the United States, Canada, and Australia have joined the Course Hero educator community to share their resources
- Course Hero's online document library has been increasingly popular during the COVID-19 pandemic as students and teachers turn to online supplements to support their studies
- Raised \$80M over two tranches of Series B financing, as announced in February 2020 and August 2020, valuing the company at \$1.1B<sup>(3)</sup>
  - SuRo Capital led Course Hero's Series A financing in September 2014
- Has raised \$95M in venture funding to date<sup>(3)</sup>



- SuRo Capital Position: \$46.7M<sup>(1,2)</sup>
- SuRo Capital Cost Basis: \$15.1M<sup>(2)</sup>
- On September 30, 2020, Palantir (NYSE: PLTR) began trading on the New York Stock Exchange via direct listing at \$9.50 per share
  - SuRo Capital sold 1,154,738 shares of PLTR as of December 31, 2020, and holds 4,618,952 shares of PLTR, all subject to lock-up restrictions
- According to *WSJ* on September 22, 2020, the public listing comes as PLTR expects to generate \$1B in revenue this year and break even for the first time in its 16-year history
  - PLTR reported \$481.2M in revenue for the first half of 2020, with losses during the same period totaling \$164.7M
- At December 31, 2020 PLTR closed at \$23.55 per share, implying a \$41.0B market capitalization<sup>(5)</sup>



- SuRo Capital Position: \$10.6M<sup>(1)</sup>
- SuRo Capital Cost Basis: \$10.0M
- Hyperlocal social networking platform designed to connect neighbors via news, group events and shared local services
- In response to COVID-19, Nextdoor launched its "Help Map" to allow neighbors to connect with individuals in need of support<sup>(4)</sup>
- A March 2020 *CNBC* interview with Sarah Friar, Nextdoor's CEO, indicated that Nextdoor had experienced an 80% month over month increase in daily active users in the month of March
- Raised \$170M in its September 2019 Series H financing round led by Riverwood Capital<sup>(5)</sup>
  - The funds will be used for recruitment as the company continues to cement itself as the essential local platform for neighbors around the globe
- Has raised \$468M in venture funding to date<sup>(5)</sup>



(1) At September 30, 2020.

(2) Palantir position fair value and cost basis as of September 30, 2020 does not include share sales that occurred during Q4 2020.

(3) According to TechCrunch's "Course Hero, a Profitable EdTech Unicorn, Raises Rare Cash" from August 6, 2020 and Pitchbook company profile.

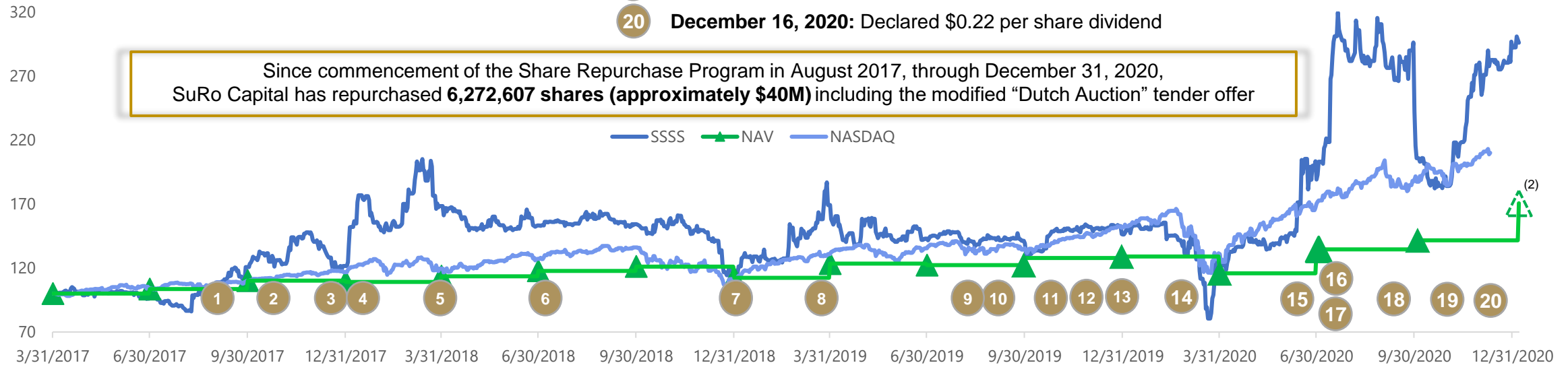
(4) According to [www.nextdoor.com](http://www.nextdoor.com).

(5) According to Pitchbook company profile.



# Shareholder Initiatives

- 1 **July 1, 2017:** Entered into new \$12M Credit Facility
- 2 **August 8, 2017:** Announced \$5M discretionary share repurchase
- 3 **November 7, 2017:** Expanded share repurchase program to \$10M
- 4 **December 15, 2017:** Commenced Tender of 5.25% Notes
- 5 **February 1, 2018:** Announced Management Fee Waiver Agreement<sup>(1)</sup>
- 6 **February 2, 2018:** Forfeited \$5.0M of accrued incentive fee<sup>(1)</sup>
- 7 **May 3, 2018:** Expanded share repurchase program to \$15M
- 8 **November 7, 2018:** Expanded share repurchase program to \$20M
- 9 **March 14, 2019:** Internalization announced
- 10 **July 31, 2019:** Rebranding to Sutter Rock Capital (NASDAQ:SSSS)
- 11 **August 7, 2019:** Expanded share repurchase program to \$25M
- 12 **October 21, 2019:** Announced modified “Dutch Auction” tender offer up to \$10M
- 13 **November 6, 2019:** Declared \$0.20 per share dividend
- 14 **December 20, 2019:** Declared \$0.12 per share dividend
- 15 **March 9, 2020:** Expanded share repurchase program to \$30M
- 16 **June 19, 2020:** Rebranding to SuRo Capital (NASDAQ:SSSS)
- 17 **July 29, 2020:** Declared \$0.15 per share dividend
- 18 **July 29, 2020:** Entered into an “At-The-Market Sales Agreement,” initially sized at \$50M, and expanded to \$150M on September 23, 2020. To date, 3,808,979 shares have been sold under the agreement for \$50.9M of gross proceeds, at significant accretion to NAV
- 19 **September 25, 2020:** Declared \$0.25 per share dividend
- 20 **October 28, 2020:** Declared \$0.25 per share dividend and expand share repurchase program to \$40M
- 21 **December 16, 2020:** Declared \$0.22 per share dividend



Market Data as of 01/06/2021

(1) The Waiver Agreement was effective February 1, 2018 and changed the fee structure set forth in the Investment Advisory Agreement by: (i) reducing the Company’s base management fee from 2.00% to 1.75%; and (ii) creating certain high-water marks that must be reached before any incentive fee is paid to GSV Asset Management. In addition to the foregoing changes to the fee structure, GSV Asset Management also agreed to a one-time forfeiture of \$5.0M of previously accrued but unpaid incentive fees.

(2) Reflects middle of SuRo Capital’s anticipated NAV per share range of \$15.00 to \$15.50 as of December 31, 2020, as announced on January 11, 2021, based on information currently available.

