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 March 31, 2021

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

Commission File Number 814-00710

PRINCETON CAPITAL CORPORATION
(Exact name of Registrant as specified in its charter)

Maryland	46-3516073
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
800 Turnpike Street, Suite 300 North Andover, Massachusetts	01845
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (978) 794-3366

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 and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted 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 and post 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 definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one.)

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☐

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	None	None

The number of shares of the issuer's Common Stock, $0.001 par value, outstanding as of May 14, 2021 was 120,486,061.

PRINCETON CAPITAL CORPORATION

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

PRINCETON CAPITAL CORPORATION

STATEMENTS OF ASSETS AND LIABILITIES

	March 31, 2021 (unaudited)	December 31, 2020
ASSETS		
Control investments at fair value (cost of $27,486,442 and $27,486,442, respectively)	$ 16,396,902	$ 14,280,391
Non-control/non-affiliate investments at fair value (cost of $18,682,876 and $18,682,876, respectively)	9,580,173	7,286,632
Total investments at fair value (cost of $46,169,318 and $46,169,318, respectively)	25,977,075	21,567,023
Cash	1,343,733	1,725,700
Restricted cash	25,546	25,530
Due from portfolio companies	215,718	199,865
Interest receivable, net of allowance for bad debt of $430,445 and $430,445, respectively	114,375	114,740
Taxes receivable	1,250	7,250
Prepaid expenses	153,628	26,610
Total assets	27,831,325	23,666,718
LIABILITIES		
Accrued management fees	603,215	552,121
Accounts payable	56,011	89,461
Due to affiliates	540,000	472,500
Tax expense payable	1,593	1,593
Deferred fee income	36,123	42,056
Accrued expenses and other liabilities	8,119	29,447
Total liabilities	1,245,061	1,187,178
Net assets	$ 26,586,264	$ 22,479,540
NET ASSETS		
Common Stock, par value $0.001 per share (250,000,000 shares authorized; 120,486,061 shares issued and outstanding at March 31, 2021 and December 31, 2020)	$ 120,486	$ 120,486
Paid-in capital	64,868,884	64,868,884
Accumulated undistributed net realized loss	(8,161,872)	(8,161,872)
Distributions in excess of net investment income	(10,048,991)	(9,745,663)
Accumulated unrealized loss on investments	(20,192,243)	(24,602,295)
Total net assets	$ 26,586,264	$ 22,479,540
Net asset value per share	$ 0.221	$ 0.187

See notes to financial statements (unaudited).

PRINCETON CAPITAL CORPORATION

STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
INVESTMENT INCOME		
Interest income from non-control/non-affiliate investments	$ -	$ 203,032
Interest income from control investments	71,195	-
Interest income paid-in-kind from control investments	-	21,804
Other income from non-control/non-affiliate investments	5,933	9,025
Other income from non-investment sources	35	235
Total investment income	77,163	234,096
OPERATING EXPENSES		
Management fees	51,094	83,453
Administration fees	99,412	98,750
Audit fees	70,452	51,500
Tax preparation fees	-	470
Legal fees	19,684	32,317
Valuation fees	33,000	42,000
Directors' fees	37,500	37,500
Insurance expense	37,105	24,171
Interest expense	188	-
Other general and administrative expenses	32,056	21,056
Total operating expenses	380,491	391,217
Net investment loss before tax	(303,328)	(157,121)
Income tax expense	-	2,051
Net investment loss after taxes	(303,328)	(159,172)
Net change in unrealized gain (loss) on:		
Non-control/non-affiliate investments	2,293,541	(3,038,470)
Control investments	2,116,511	(4,526,742)
Net change in unrealized gain (loss) on investments	4,410,052	(7,565,212)
Net increase (decrease) in net assets resulting from operations	$ 4,106,724	$ (7,724,384)
Net investment loss per share		
Basic	$ (0.003)	$ (0.001)
Diluted	$ (0.003)	$ (0.001)
Net increase (decrease) in net assets resulting from operations per share		
Basic	$ 0.034	$ (0.064)
Diluted	$ 0.034	$ (0.064)
Weighted average shares of common stock outstanding		
Basic	120,486,061	120,486,061
Diluted	120,486,061	120,486,061

See notes to financial statements (unaudited).

PRINCETON CAPITAL CORPORATION

STATEMENTS OF CHANGES IN NET ASSETS
(Unaudited)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Net assets at beginning of year	$ 22,479,540	$ 33,280,329
Increase/(decrease) in net assets resulting from operations:		
Net investment loss	$ (303,328)	$ (159,172)
Net change in unrealized gain/(loss) on investments	4,410,052	(7,565,212)
Net increase/(decrease) in net assets resulting from operations	4,106,724	(7,724,384)
Total increase/(decrease) in net assets	4,106,724	(7,724,384)
Net assets at end of period	$ 26,586,264	$ 25,555,945
Capital share activity:		
Common stock		
Common stock outstanding at the beginning of period	120,486,061	120,486,061
Common stock outstanding at the end of period	120,486,061	120,486,061

See notes to financial statements (unaudited).

PRINCETON CAPITAL CORPORATION

STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations	$ 4,106,724	$ (7,724,384)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash used in operating activities:		
Purchases of investments in:		
Portfolio investments	-	(90,537)
Net change in unrealized (gain)/loss on investments	(4,410,052)	7,565,212
Increase in investments due to PIK	-	(21,804)
Changes in other assets and liabilities:		
Due from portfolio companies	(15,853)	(27,389)
Interest receivable	365	(1,875)
Prepaid expenses	(127,018)	(117,327)
Taxes receivable	6,000	4,077
Other receivable	-	2,689
Accrued management fees	51,094	83,453
Accounts payable	(33,450)	(28,967)
Due to affiliates	67,500	68,567
Tax expense payable	-	2,051
Deferred fee income	(5,933)	(9,026)
Accrued expenses and other liabilities	(21,328)	115,204
Net cash used in operating activities	(381,951)	(180,056)
Net decrease in cash and restricted cash	(381,951)	(180,056)
Cash and restricted cash at beginning of period	1,751,230	382,986
Cash and restricted cash at end of period	$ 1,369,279	$ 202,930
Supplemental disclosure of cash flow financing activities:		
Interest expense paid	$ 188	$ -
Income tax paid	$ -	$ -

See notes to financial statements (unaudited).

PRINCETON CAPITAL CORPORATION

SCHEDULE OF INVESTMENTS as of March 31, 2021
(Unaudited)

Investments	Headquarters / Industry		Principal Amount/ Shares/ % Ownership		Amortized Cost		Fair Value (1)	% of Net Assets
Portfolio Investments (6)								
Control investments								
Advantis Certified Staffing Solutions, Inc.	Houston, TX							
Second Lien Loan, 12.0% Cash, due 11/30/2021 (2)(5) (7)	Staffing	$	4,500,000	$	4,500,000	$	2,972,352	11.18%
Unsecured loan 6.33%, due 12/31/2021 (7)		$	1,381,586		1,381,586		-	-%
Common Stock – Series A (5) (7)			225,000		10,150		-	-%
Common Stock – Series B (5) (7)			9,500,000		428,571		-	-%
Warrant for 250,000 Shares of Series A Common Stock, exercise price $0.01 per share, expires 1/1/2027 (5) (7)			1		-		-	-%
Warrant for 700,000 Shares of Series A Common Stock, exercise price $0.01 per share, expires 1/1/2027 (5) (7)			1		11,278		-	-%
Total					6,331,585		2,972,352	11.18%
Dominion Medical Management, Inc.	Milwaukee, WI							
Second Lien Loan, 12.0% Cash, 6% PIK due, 3/31/2020 (2) (3) (5) (7)	Medical Business Services	$	1,516,144		1,516,144		-	-%
Integrated Medical Partners, LLC								
Preferred Membership, Class A units (5) (7)			800		4,196,937		-	-%
Preferred Membership, Class B units (5) (7)			760		29,586		-	-%
Common Units (5) (7)			14,082		-		-	-%
Total					5,742,667		-	-%
PCC SBH Sub, Inc.	Karnes City, TX							
Common stock (5) (7)	Energy Services		100		2,525,481		1,696,463	6.38%
Rockfish Seafood Grill, Inc.	Richardson, TX							
First Lien Loan, 8% Cash, 6.0% PIK, due 3/31/2018 (2) (3) (5) (7)	Casual Dining	$	6,352,944		6,352,944		9,065,085	34.10%
Revolving Loan, 8% Cash, due 12/31/2021 (7)		$	2,384,169		2,384,169		2,663,002	10.02%
Rockfish Holdings, LLC								
Warrant for Membership Interest, exercise price $0.001 per 1% membership interest, expires 7/28/2028 (5) (7)			10.0%		414,960		-	-%
Membership Interest – Class A (5) (7)			99.997%		3,734,636		-	-%
Total					4,149,596		-	-%
Total control investments					27,486,442		16,396,902	61.68%
Non-control/non-affiliate investments								
Great Value Storage, LLC	Austin, TX							
First Lien Loan, 12.0% cash, 2.0% PIK, due 12/31/2018 (2) (3) (5) (7) (8)	Storage Company Property Management	$	6,800,586		6,800,586		5,933,973	22.32%

See notes to financial statements (unaudited).

PRINCETON CAPITAL CORPORATION

SCHEDULE OF INVESTMENTS as of March 31, 2021
(Unaudited) (Continued)

Investments	Headquarters / Industry	Principal Amount/Shares/ % Ownership	Amortized Cost	Fair Value (1)	% of Net Assets
Non-control/non-affiliate investments (continued)					
Performance Alloys, LLC	Houston, TX				
Second Lien Loan, 10.0% cash, due 9/30/2022 (2)(5)(7)(9)	Nickel Pipe,	$ 6,750,000	$ 6,750,000	$ 3,645,000	13.71%
Membership Interest – Class B (5) (7)	Fittings & Flanges	25.97%	5,131,090	-	-%
Total			11,881,090	3,645,000	13.71%
Rampart Detection Systems, Ltd.	British Columbia, Canada				
Common Stock Shares (4) (5)	Security	600,000	1,200	1,200	-%
Total non-control/non-affiliate investments			18,682,876	9,580,173	36.03%
Total Portfolio Investments			46,169,318	25,977,075	97.71%
Total Investments			$ 46,169,318	$ 25,977,075	97.71%

(1) See Note 5 of the Notes to Financial Statements for a discussion of the methodologies used to value securities in the portfolio.
(2) Investment is on non-accrual status.
(3) Represents a security with a payment-in-kind component (“PIK”). At the option of the issuer, interest can be paid in cash or cash and PIK. The percentage of PIK shown is the maximum PIK that can be elected by the portfolio company.
(4) The investment in Rampart Detection Systems, Ltd does not represent a “qualifying asset” under Section 55(a) of the 1940 Act as the principal place of business is in British Columbia, Canada. As of March 31, 2021, less than 1% of the total fair value of investments represents non-qualifying assets.
(5) Investment is non-income producing as of March 31, 2021.
(6) Represents an illiquid investment. At March 31, 2021, 100% of the total fair value of portfolio investments are illiquid.
(7) Represents an investment valued using significant unobservable inputs.
(8) On March 4,2021, the Company received a Final Judgment Order against Great Value Storage, LLC and World Class Capital Group, LLC due to a breach of contract. See Note 8 of the Notes to Financial Statements. The Company has not received financial statements since August 2018.

See notes to financial statements (unaudited).

PRINCETON CAPITAL CORPORATION

SCHEDULE OF INVESTMENTS as of March 31, 2021
(Unaudited) (Continued)

The following tables show the fair value of our portfolio of investments (excluding U.S. Treasury Bills, if any) by geography and industry as of March 31, 2021.

	March 31, 2021	
Geography	**Investments at Fair Value**	**Percentage of Net Assets**
United States	$ 25,975,875	97.70%
Canada	1,200	0.01
Total	$ 25,977,075	97.71%

	March 31, 2021	
Industry	**Investments at Fair Value**	**Percentage of Net Assets**
Nickel Pipe, Fittings and Flanges	$ 3,645,000	13.71%
Casual Dining	11,728,087	44.12
Storage Company Property Management	5,933,973	22.32
Staffing	2,972,352	11.18
Energy Services	1,696,463	6.38
Security	1,200	0.00
Total	$ 25,977,075	97.71%

See notes to financial statements (unaudited).

PRINCETON CAPITAL CORPORATION

SCHEDULE OF INVESTMENTS as of December 31, 2020

Investments	Headquarters / Industry	Principal Amount/Shares/ % Ownership	Amortized Cost	Fair Value [1]	% of Net Assets
Portfolio Investments [6]					
Control investments					
Advantis Certified Staffing Solutions, Inc.	Houston, TX				
Second Lien Loan, 12% Cash, due 11/30/2021 [2] [5] [7]	Staffing	$ 4,500,000	$ 4,500,000	$ 3,008,208	13.38%
Unsecured loan 6.33%, due 12/31/2021 [7]		$ 1,381,586	1,381,586	-	-%
Common Stock – Series A [5] [7]		225,000	10,150	-	-%
Common Stock – Series B [5] [7]		9,500,000	428,571	-	-%
Warrant for 250,000 Shares of Series A Common Stock, exercise price $0.01 per share, expires 1/1/2027 [5] [7]		1	11,278	-	-%
Warrant for 700,000 Shares of Series A Common Stock, exercise price $0.01 per share, expires 1/1/2027 [5] [7]		1	-	-	-%
Total			6,331,585	3,008,208	13.38%
Dominion Medical Management, Inc.	Milwaukee, WI				
Second Lien Loan, 12.0% Cash, 6% PIK due, 3/31/2020 [2] [3] [5] [7]	Medical Business services	1,516,144	1,516,144	-	-
Integrated Medical Partners, LLC					
Preferred Membership, Class A units [5] [7]		800	4,196,937	-	-%
Preferred Membership, Class B units [5] [7]		760	29,586	-	-%
Common Units [5] [7]		14,082	-	-	-%
Total			5,742,667	-	-%
PCC SBH Sub, Inc.	Karnes City, TX				
Common stock [5] [7]	Energy Services	100	2,525,481	1,658,680	7.38%
Rockfish Seafood Grill, Inc.	Richardson, TX				
First Lien Loan, 8% Cash, 6.0% PIK, due 3/31/2018 [2] [3] [5] [7]	Casual Dining	$ 6,352,944	6,352,944	6,910,188	30.74%
Revolving Loan, 8% Cash, due 12/31/2021 [7]		$ 2,384,169	2,384,169	2,703,315	12.03%
Rockfish Holdings, LLC					
Warrant for Membership Interest, exercise price $0.001 per 1% membership interest, expires 7/28/2028 [5] [7]		10.0%	414,960	-	-%
Membership Interest – Class A [5] [7]		99.997%	3,734,636	-	-%
Total			12,886,709	9,613,503	42.77%
Total control investments			27,486,442	14,280,391	63.53%
Non-control/non-affiliate investments					
Great Value Storage, LLC	Austin, TX				
First Lien Loan, 12.0% cash, 2.0% PIK, due 12/31/2018 [2] [3] [5] [7] [8]	Storage CompanyProperty Management	$ 6,800,586	6,800,586	5,057,932	22.50%

See notes to financial statements (unaudited).

PRINCETON CAPITAL CORPORATION

SCHEDULE OF INVESTMENTS as of December 31, 2020
(Continued)

Investments	Headquarters / Industry	Principal Amount/Shares/ % Ownership	Amortized Cost	Fair Value [1]	% of Net Assets
Non-control/non-affiliate investments (continued)					
Performance Alloys, LLC	Houston, TX				
Second Lien Loan, 10% Cash, due 9/30/2022 [(2)(5)(7)(9)]	Nickel Pipe,	$ 6,750,000	$ 6,750,000	$ 2,227,500	9.91%
Membership Interest – Class B [(5) (7)]	Fittings & Flanges	25.97%	5,131,090	-	-%
Total			11,881,090	2,227,500	9.91%
Rampart Detection Systems, Ltd.	British Columbia, Canada				
Common Stock Shares [(4) (5)]	Security	600,000	1,200	1,200	-%
Total non-control/non-affiliate investments			18,682,876	7,286,632	32.42%
Total Portfolio Investments			**46,169,318**	**21,567,023**	**95.95%**
Total Investments			**$ 46,169,318**	**$ 21,567,023**	**95.95%**

(1) See Note 5 of the Notes to Financial Statements for a discussion of the methodologies used to value securities in the portfolio.
(2) Investment is on non-accrual status.
(3) Represents a security with a payment-in-kind component ("PIK"). At the option of the issuer, interest can be paid in cash or cash and PIK. The percentage of PIK shown is the maximum PIK that can be elected by the portfolio company.
(4) The investment in Rampart Detection Systems, Ltd does not represent a "qualifying asset" under Section 55(a) of the 1940 Act as the principal place of business is in British Columbia, Canada. As of December 31, 2020, less than 1% of the total fair value of investments represents non-qualifying assets.
(5) Investment is non-income producing as of December 31, 2020.
(6) Represents an illiquid investment. At December 31, 2020, 100% of the total fair value of portfolio investments are illiquid.
(7) Represents an investment valued using significant unobservable inputs.
(8) On March 14, 2019, the Company filed a lawsuit against Great Value Storage, LLC due to a breach of contract. See Note 8 of the Notes to Financial Statements. The Company has not received financial statements since August 2018.
(9) On September 1, 2020, the Company received notice from Performance Alloys, LLC that it was not allowed to make its monthly interest payment due to a minimum availability threshold on its revolving line of credit that it must maintain in the underlying agreements with its first lien holder.

See notes to financial statements (unaudited).

PRINCETON CAPITAL CORPORATION

SCHEDULE OF INVESTMENTS as of December 31, 2020
(Continued)

The following tables show the fair value of our portfolio of investments (excluding U.S. Treasury Bills) by geography and industry as of December 31, 2020.

	December 31, 2020	
Geography	**Investments at Fair Value**	**Percentage of Net Assets**
United States	$ 21,565,823	95.94%
Canada	1,200	0.01
Total	$ 21,567,023	95.95%

	December 31, 2020	
Industry	**Investments at Fair Value**	**Percentage of Net Assets**
Casual Dining	$ 9,613,503	42.77%
Storage Company Property Management	5,057,932	22.50
Staffing	3,008,208	13.38
Nickel Pipe, Fittings and Flanges	2,227,500	9.92
Energy Services	1,658,680	7.38
Security	1,200	-
Total	$ 21,567,023	95.95%

See notes to financial statements (unaudited).

PRINCETON CAPITAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2021
(Unaudited)

NOTE 1 – NATURE OF OPERATIONS

References herein to "we", "us" or "our" refer to Princeton Capital Corporation (the "Company" or "Princeton Capital"), unless the context specifically requires otherwise.

Princeton Capital Corporation, a Maryland corporation, was incorporated under the general laws of the State of Maryland on July 25, 2013. We are a non-diversified, closed-end investment company that has filed an election to be regulated as a business development company ("BDC"), under the Investment Company Act of 1940, as amended (the "1940 Act"). A goal of a BDC is to annually qualify and elect to be treated as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). The Company, however, did not meet the requirements to qualify as a RIC for the 2020 tax year and will be taxed as a corporation under Subchapter C of the Code and does not expect to meet the qualifications of a RIC until such time as certain strategic alternatives are achieved. While we have sought to invest primarily in private small and lower middle-market companies in various industries through first lien loans, second lien loans, unsecured loans, unitranche and mezzanine debt financing, often times with a corresponding equity investment, we are now (with a strategic alternatives process underway and limited resources) investing only in current investments and otherwise conserving cash. Our investment objective is to maximize the total return to our stockholders in the form of current income and capital appreciation through debt and related equity investments.

Prior to March 13, 2015, Princeton Capital's predecessor operated under the name Regal One Corporation ("Regal One"). Regal One had been located in Scottsdale, Arizona, and was a Florida corporation initially incorporated in 1959 as Electro-Mechanical Services Inc. Since inception, Regal One had been involved in several industries. In 1998, Electro-Mechanical Services Inc. changed its name to Regal One Corporation.

On March 7, 2005, Regal One's board of directors determined it was in the shareholders' best interest to change the focus of its operations to providing financial consulting services through its network of advisors and professionals, and to be regulated as a BDC under the 1940 Act. On September 16, 2005, Regal One filed a Form N54A (Notification of Election by Business Development Companies) with the Securities and Exchange Commission ("SEC"), which transformed Regal One into a BDC in accordance with sections 55 through 65 of the 1940 Act. Regal One reported as an operating BDC from March 31, 2006 until March 13, 2015 and since March 13, 2015 (following the Reincorporation described below) Princeton Capital has reported as an operating BDC.

On December 27, 2017, the Board approved (specifically in accordance with Rule 15a-4(b)(1)(ii) of the Investment Company Act) and authorized the Company to enter into an Interim Investment Advisory Agreement between the Company and House Hanover, LLC, a Delaware limited liability company ("House Hanover") (the "Interim Investment Advisory Agreement"), in accordance with Rule 15a-4 of the Investment Company Act. The effective date of the Interim Investment Advisory Agreement was January 1, 2018.

On April 5, 2018, the Board, including a majority of the independent directors, conditionally approved the Investment Advisory Agreement between the Company and House Hanover (the "House Hanover Investment Advisory Agreement") subject to the approval of the Company's stockholders at the 2018 Annual Meeting of Stockholders. The House Hanover Investment Advisory Agreement replaced the Interim Investment Advisory Agreement. On May 30, 2018, the Company's stockholders approved the House Hanover Investment Advisory Agreement. The effective date of the House Hanover Investment Advisory Agreement was May 31, 2018. The House Hanover Investment Advisory Agreement was last annually renewed by the Board and by a majority of the members of the Board who are not parties to the House Hanover Investment Advisory Agreement or "interested persons" (as such term is defined in the 1940 Act) of any such party, in accordance with the requirements of the 1940 Act and the House Hanover Investment Advisory Agreement on May 14, 2021.

Since January 1, 2018, House Hanover has acted as our investment advisor under the Interim Investment Advisory Agreement (from January 1, 2018 until May 31, 2018) and the House Hanover Investment Advisory Agreement (since May 31, 2018).

On November 15, 2019, our Board announced that the Company has initiated a strategic review process to identify, examine, and consider a range of strategic alternatives available to the Company, including but not limited to, (i) selling the Company's assets to a business development company or other potential buyer, (ii) merging with another business development company, (iii) liquidating the Company's assets in accordance with a plan of liquidation, (iv) raising additional funds for the Company, or (v) otherwise entering into another business combination, with the objective of maximizing stockholder value. As of March 31, 2021 and through the date of filing this Quarterly Report, the Company has not entered into any agreements regarding any strategic alternative.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, ("U.S. GAAP"). In accordance with Regulation S-X under the Securities Act of 1933 and Securities Exchange Act of 1934, the Company does not consolidate portfolio company investments. The accounting records of the Company are maintained in U.S. dollars. As an investment company, as defined by the 1940 Act, the Company follows investment company accounting and reporting guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946 – Financial Services - Investment Companies, which is U.S. GAAP. In the opinion of management, all adjustments (consisting of normal recurring accruals) necessary for a fair presentation are reflected in the interim financial statements. The reported amounts for the three months ended March 31, 2021 may not be indicative of the results ultimately achieved for the year ended December 31, 2021 which will be presented in the Company's annual report on form 10-K.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Changes in the economic environment, financial markets, creditworthiness of our portfolio companies and any other parameters used in determining these estimates could cause actual results to differ. It is likely that changes in these estimates will occur in the near term. The Company's estimates are inherently subjective in nature and actual results could differ materially from such estimates.

Portfolio Investment Classification

The Company classifies its investments in accordance with the requirements of the 1940 Act. Under the 1940 Act, "Control Investments" are defined as investments in companies in which the Company owns more than 25% of the voting securities or maintains greater than 50% of the board representation. Under the 1940 Act, "Affiliated Investments" are defined as those non-control investments in companies in which the Company owns between 5% and 25% of the voting securities. Under the 1940 Act, "Non-affiliated Investments" are defined as investments that are neither Control Investments nor Affiliated Investments. As of March 31, 2021, the Company had control investments in Advantis Certified Staffing Solutions, Inc., PCC SBH Sub, Inc., Rockfish Holdings, LLC, Rockfish Seafood Grill, Inc., Integrated Medical Partners, LLC and Dominion Medical Management, Inc. as defined under the 1940 Act. As of December 31, 2020, the Company had control investments in Advantis Certified Staffing Solutions, Inc., PCC SBH Sub, Inc., Rockfish Holdings, LLC, Rockfish Seafood Grill, Inc., Integrated Medical Partners, LLC and Dominion Medical Management, Inc. as defined under the 1940 Act.

Investments are recognized when we assume an obligation to acquire a financial instrument and assume the risks for gains or losses related to that instrument. Investments are derecognized when we assume an obligation to sell a financial instrument and forgo the risks for gains and losses related to that instrument. Specifically, we record all security transactions on a trade date basis. Investments in other non-security financial instruments, such as limited partnerships or private companies, are recorded on the basis of subscription date or redemption date, as applicable. Amounts for investments recognized or derecognized but not yet settled are reported as receivables for investments sold or payable for investments acquired, respectively, in the Statements of Assets and Liabilities.

Valuation of Investments

In accordance with U.S. GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, our board of directors uses various valuation approaches. In accordance with U.S. GAAP, ASC 820 establishes a fair value hierarchy for inputs and is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the board of directors. Unobservable inputs reflect our board of director's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

With respect to investments for which market quotations are not readily available, our board of directors undertakes a multi-step valuation process each quarter, as described below:

- Our quarterly valuation process begins with each portfolio company or investment being initially valued by an independent valuation firm, except for those investments where market quotations are readily available;

- Preliminary valuation conclusions are then documented and discussed with our senior management and our investment advisor

- The valuation committee of our board of directors then reviews these preliminary valuations and approves them for recommendation to the board of directors;

- The board of directors then discusses valuations and determines the fair value of each investment in our portfolio in good faith, based on the input of our investment advisor, the independent valuation firm and the valuation committee.

U.S. GAAP establishes a framework for measuring fair value that includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 — Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 — Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors including, the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the board of directors in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

Valuation Processes

The Company establishes valuation processes and procedures to ensure that the valuation techniques for investments that are categorized within Level 3 of the fair value hierarchy are fair, consistent, and verifiable. The Company's board of directors designates a Valuation Committee (the "Committee") to oversee the entire valuation process of the Company's Level 3 investments. The Committee is comprised of independent directors and reports to the Company's board of directors. The Committee is responsible for developing the Company's written valuation processes and procedures, conducting periodic reviews of the valuation policies, and evaluating the overall fairness and consistent application of the valuation policies.

The Committee meets on a quarterly basis, or more frequently as needed, to determine the valuations of the Company's Level 3 investments. Valuations determined by the Committee are required to be supported by market data, third-party pricing sources, industry accepted pricing models, counterparty prices, or other methods that the Committee deems to be appropriate.

The Company will periodically test its valuations of Level 3 investments through performing back testing of the sales of such investments by comparing the amounts realized against the most recent fair values reported, and if necessary, uses the findings to recalibrate its valuation procedures. On a quarterly basis, the Company engages the services of a nationally recognized third-party valuation firm to perform an independent valuation of the Company's Level 3 investments. This valuation firm provides a range of values for selected investments, which is presented to the Valuation Committee to determine the value for each of the selected investments.

Investment Valuation

We expect that most of our portfolio investments will take the form of securities that are not publicly traded. The fair value of loans, securities and other investments that are not publicly traded may not be readily determinable, and we will value these investments at fair value as determined in good faith by our board of directors, including reflecting significant events affecting the value of our investments. Most, if not all, of our investments (other than cash and cash equivalents) will be classified as Level 3 under Financial Accounting Standards Board Accounting Standards Codification "Fair Value Measurements and Disclosures", or ASC 820. This means that our portfolio valuations will be based on unobservable inputs and our own assumptions about how market participants would price the asset or liability in question. We expect that inputs into the determination of fair value of our portfolio investments will require significant management judgment or estimation. Even if observable market data are available, such information may be the result of consensus pricing information or broker quotes, which include a disclaimer that the broker would not be held to such a price in an actual transaction. The non-binding nature of consensus pricing and/or quotes accompanied by disclaimers materially reduces the reliability of such information. We expect to retain the services of one or more independent service providers to review the valuation of these loans and securities. The types of factors that the board of directors may take into account in determining the fair value of our investments generally include, as appropriate, comparison to publicly traded securities including such factors as yield, maturity and measures of credit quality, the enterprise value of a portfolio company, the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings and discounted cash flow, the markets in which the portfolio company does business and other relevant factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these loans and securities existed. Our net asset value could be adversely affected if our determinations regarding the fair value of our investments were materially higher than the values that we ultimately realize upon the disposal of such loans and securities.

We will adjust the valuation of our portfolio quarterly to reflect our board of directors' determination of the fair value of each investment in our portfolio. Any changes in fair value are recorded in our statement of operations as net change in unrealized gain or loss on investments.

Debt Securities

The Company's portfolio consists primarily of first lien loans, second lien loans, and unsecured loans. Investments for which market quotations are readily available ("Level 2 Loans") are generally valued using market quotations, which are generally obtained from an independent pricing service or broker-dealers. For other debt investments ("Level 3 Loans"), market quotations are not available and other techniques are used to determine fair value. The Company considers its Level 3 Loans to be performing if the borrower is not in default, the borrower is remitting payments in a timely manner, the loan is in covenant compliance or is otherwise not deemed to be impaired. In determining the fair value of the performing Level 3 Loans, the Board considers fluctuations in current interest rates, the trends in yields of debt instruments with similar credit ratings, financial condition of the borrower, economic conditions, success and prepayment fees, and other relevant factors, both qualitative and quantitative. In the event that a Level 3 Loan instrument is not performing, as defined above, the Board may evaluate the value of the collateral utilizing the same framework described above for a performing loan to determine the value of the Level 3 Loan instrument.

Equity Investments

Our equity investments, including common stock, membership interests, and warrants, are generally valued using a market approach and income approach. The income approach utilizes primarily the discount rate to value the investment whereas the primary inputs for the market approach are the earnings before interest, taxes, depreciation and amortization ("EBITDA") multiple and revenue multiples. The Black-Scholes Option Pricing Model, a valuation technique that follows the income approach, is used to allocate the value of the equity to the investment. The pricing model takes into account the contract terms (including maturity) as well as multiple inputs, including time value, implied volatility, equity prices, risk free rates, and interest rates.

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 and Restricted Cash

The Company deposits its cash and restricted cash in financial institutions and, at times, such balances may be in excess of the Federal Deposit Insurance Corporation insured limit; however, management does not believe it is exposed to any significant credit risk.

The following table provides a reconciliation of cash and restricted cash reporting within the statements of assets and liabilities that sum to the total of the same such amounts shown in the statements of cash flows:

	March 31, 2021	December 31, 2020
Cash	$ 1,343,733	$ 1,725,700
Restricted Cash	25,546	25,530
Total Cash and Restricted Cash	$ 1,369,279	$ 1,751,230

As of March 31, 2021 and December 31, 2020 restricted cash consisted of cash held for deposit with the law firm that represents the Company in its litigation with Great Value Storage, LLC.

U.S. Treasury Bills

At the end of each fiscal quarter, we may take proactive steps to be in compliance with the RIC diversification requirements under Subchapter M of the Code, which are dependent upon the composition of our total assets at quarter end. We may accomplish this in several ways, including purchasing U.S. Treasury Bills and closing out positions after quarter-end. As of March 31, 2021 and December 31, 2020, the Company did not purchase any U.S. Treasury Bills.

Revenue Recognition

Realized gains or losses on the sale of investments are calculated using the specific identification method. The Company measures realized gains or losses by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized, but considering unamortized upfront fees and prepayment penalties.

Interest income, adjusted for amortization of premium and accretion of discount, is recorded on an accrual basis. Origination, closing and/or commitment fees associated with senior and subordinated secured loans are accreted into interest income over the respective terms of the applicable loans. Upon the prepayment of a senior or subordinated secured loan, any prepayment penalties and unamortized loan origination, closing and commitment fees are recorded as interest income. Generally, when a payment default occurs on a loan in the portfolio, or if the Company otherwise believes that the borrower will not be able to make contractual interest payments, the Company may place the loan on non-accrual status and cease recognizing interest income on the loan until all principal and interest is current through payment, or until a restructuring occurs, and the interest income is deemed to be collectible. The Company may make exceptions to this policy if a loan has sufficient collateral value, is in the process of collection or is viewed to be able to pay all amounts due if the loan were to be collected on through an investment in or sale of the business, the sale of the assets of the business, or some portion or combination thereof.

Dividend income is recorded on the ex-dividend date.

Structuring fees, excess deal deposits, prepayment fees and similar fees are recognized as income as earned, usually when paid.

Other fee income from investment sources, includes annual fees and monitoring fees from our portfolio investments and are included in other income from non-control/non-affiliate investments and other income from affiliate investments. Income from such sources was $5,933 and $9,025 for the three months ended March 31, 2021, and 2020, respectively.

Other income from non-investment sources is generally comprised of interest income earned on cash in the Company’s bank account. Income from such sources was $35 and $235 for the three months ended March 31, 2021 and 2020, respectively.

Payment-in-Kind Interest (“PIK”)

We have investments in our portfolio that contain a PIK interest provision. Any PIK interest is added to the principal balance of such investments and is recorded as income, if the portfolio company valuation indicates that such PIK interest is collectible. For the three months ended March 31, 2021 and 2020, PIK interest was $0 and $21,804, respectively. In order to qualify as a RIC, substantially all of this income must be paid out to stockholders in the form of dividends, even if we have not collected any cash.

Net Change in Unrealized Gain or Loss

Net change in unrealized gain or loss will reflect the change in portfolio investment values during the reporting period, including any reversal of previously recorded unrealized appreciation or depreciation, when gains or losses are realized.

Legal Fees

Legal fees invoiced to the Company for the three months ended March 31, 2021 and 2020, were incurred in the normal operating course of business and are included in legal fees on the Statements of Operations.

The Company incurred legal fees related to the lawsuit against Great Value Storage, LLC (“GVS”). The amounts invoiced to the Company for the three months ended March 31, 2021 and 2020 were $14,423 and $2,380, respectively. These amounts are recoverable per the loan agreements and are invoiced to GVS and included in the account Due from portfolio companies on the Statements of Assets and Liabilities.

Federal and State Income Taxes

The Company uses the liability method of accounting for income taxes. Deferred tax assets and liabilities are recorded for tax loss carryforwards and temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, using statutory tax rates in effect for the year in which the temporary differences are expected to reverse. A valuation allowance is provided against deferred tax assets when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company did not meet the qualifications of a RIC for the 2020 tax year and will be taxed as a corporation under Subchapter C of the Internal Revenue Code of 1986 (the "Code"). The failure to qualify as a RIC, however, did not impact the 2020 tax year as the Company had net operating losses and no realized gains in the tax year. Further, the Company has net operating losses and capital losses from prior years it can carry forward to offset taxable income.

The Company does not expect to meet the qualifications of a RIC for the 2021 tax year and is likely to be taxed as a corporation under Subchapter C of the Code. However, in the event that the Company does meet the qualifications of a RIC for the 2021 tax year, it may not be in the best interests of the Company's stockholders to elect to be taxed as a RIC for the 2021 tax year due to the net operating losses and capital loss carryforwards the Company currently has. Management will make a determination that is in the best interests of the Company and its stockholders.

In order to qualify as a RIC, among other things, the Company is required to distribute to its stockholders on a timely basis at least 90% of investment company taxable income, as defined by the Code, for each year. If the Company achieves its status as a RIC, it generally will not pay corporate-level U.S. federal and state income taxes on any ordinary income or capital gains that it distributes at least annually to its stockholders as dividends. Rather, any tax liability related to income earned by the Company will represent obligations of the Company's investors and will not be reflected in the financial statements of the Company.

The Company evaluates tax positions taken or expected to be taken while preparing its financial statements to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. The Company recognizes the tax benefits of uncertain tax positions only where the position has met the "more-likely-than-not" threshold. The Company classifies penalties and interest associated with income taxes, if any, as income tax expense. Conclusions regarding tax positions are subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analyses of tax laws, regulations and interpretations thereof.

Dividends and Distributions

Dividends and distributions to common stockholders are recorded on the ex-dividend date. The amount, if any, to be paid as a dividend is approved by our board of directors each quarter and is generally based upon our management's estimate of our earnings for the quarter. For the three months ended March 31, 2021 and 2020, and through the date of issuance of this report, no dividends have been declared or distributed to stockholders.

Per Share Information

Basic and diluted earnings (loss) per common share is calculated using the weighted average number of common shares outstanding for the period presented.

Basic earnings (loss) per share is computed by dividing earnings (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net earnings (loss) per share is computed by dividing net earnings (loss) per share by the weighted average number of shares outstanding, plus, any potentially dilutive shares outstanding during the period. For the three months ended March 31, 2021 and 2020, basic and diluted earnings (loss) per share were the same, since there were no potentially dilutive securities outstanding.

Capital Accounts

Certain capital accounts including undistributed net investment income, accumulated net realized gain or loss, accumulated net unrealized gain or loss, and paid-in capital in excess of par, are adjusted, at least annually, for permanent differences between book and tax. In addition, the character of income and gains to be distributed is determined in accordance with income tax regulations that may differ from U.S. GAAP.

Recent Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-13 ("ASU 2018-13"), Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement. The amendments in ASU 2018-13 on this update eliminate, add and modify certain disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement. The amendments are effective for fiscal years beginning after December 15, 2019. Management has evaluated the new guidance, but does not expect the adoption of this guidance to have a material impact on the Company's financial statements.

In May 2020, the SEC adopted rule amendments that will impact the requirements of investment companies, including BDCs, to disclose the financial statements of certain of their portfolio companies or certain acquired funds (the "Final Rules"). The Final Rules adopted a new definition of "significant subsidiary" set forth in Rule 1-02(w)(2) of Regulation S-X under the Securities Act. Rules 3-09 and 4-08(g) of Regulation S-X require investment companies to include separate financial statements or summary financial information, respectively, in such investment company's periodic reports for any portfolio company that meets the definition of "significant subsidiary." The Final Rules adopt a new definition of "significant subsidiary" applicable only to investment companies that (i) modifies the investment test and the income test, and (ii) eliminates the asset test currently in the definition of "significant subsidiary" in Rule 1-02(w) of Regulation S-X. The new Rule 1-02(w)(2) of Regulation S-X is intended to more accurately capture those portfolio companies that are more likely to materially impact the financial condition of an investment company. The Final Rules will be effective on January 1, 2021, The adoption resulted in more portfolio companies meeting the significant subsidiary definition under the Final Rules, thus resulting in increased disclosures.

NOTE 3 – CONCENTRATION OF CREDIT RISK

In the normal course of business, the Company maintains its cash balances in financial institutions, which at times may exceed federally insured limits. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties.

NOTE 4 – NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS PER COMMON SHARE

The following information sets forth the computation of basic and diluted net increase (decrease) in net assets resulting from operations per common share for the three months ended March 31, 2021 and March 31, 2020.

	Three Months Ended March 31,	
	2021	**2020**
	(Unaudited)	**(Unaudited)**
Per Share Data (1):		
Net increase (decrease) in net assets resulting from operations	$ 4,106,724	$ (7,724,384)
Weighted average shares outstanding for period		
Basic	120,486,061	120,486,061
Diluted	120,486,061	120,486,061
Basic and diluted net increase (decrease) in net assets resulting from operations per common share		
Basic	$ 0.034	$ (0.064)
Diluted	$ 0.034	$ (0.064)

(1) Per share data based on weighted average shares outstanding.

NOTE 5 – FAIR VALUE OF INVESTMENTS

The Company's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with ASC Topic 820 – Fair Value Measurements and Disclosures ("ASC 820"). See Note 2 for a discussion of the Company's policies.

The following table presents information about the Company's assets measured at fair value as of March 31, 2021 and December 31, 2020:

	As of March 31, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Portfolio Investments				
First Lien Loans	$ -	$ -	$ 17,662,060	$ 17,662,060
Second Lien Loans	-	-	6,617,352	6,617,352
Equity	-	-	1,697,663	1,697,663
Total Portfolio Investments	-	-	25,977,075	25,977,075
Total Investments	$	$ -	$ 25,977,075	$ 25,977,075

	As of December 31, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Portfolio Investments				
First Lien Loans	$ -	$ -	$ 14,671,435	$ 14,671,435
Second Lien Loans	-	-	5,235,708	5,235,708
Equity	-	-	1,659,880	1,659,880
Total Portfolio Investments	-	-	21,567,023	21,567,023
Total Investments	$ -	$ -	$ 21,567,023	$ 21,567,023

During the three months ended March 31, 2021 and the year ended December 31, 2020, there were no transfers between Level, 1, Level 2 or Level 3.

The following table presents additional information about Level 3 assets measured at fair value. Both observable and unobservable inputs may be used to determine the fair value of positions that the Company has classified within the Level 3 category. As a result, the unrealized gains and losses for assets within the Level 3 category may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in unobservable long-dated volatilities) inputs.

Changes in Level 3 assets measured at fair value for the three months ended March 31, 2021 are as follows:

	First Lien Loans	**Second Lien Loans**	**Unsecured Loans**	**Equity**	**Total**
Fair value at beginning of period	$ 14,671,435	$ 5,235,708	$ -	$ 1,659,880	$ 21,567,023
Amortization	-	-	-	-	-
Purchases of investments	-	-	-	-	-
Sales of investments	-	-	-	-	-
Payment-in-kind interest	-	-	-	-	-
Change in unrealized gain on investments	2,990,625	1,381,644	-	37,783	4,410,052
Fair value at end of period	$ 17,662,060	$ 6,617,352	$ -	$ 1,697,663	$ 25,977,075
Change in unrealized gain on Level 3 investments still held as of March 31, 2021	$ 2,990,625	$ 1,381,644	$ -	$ 37,783	$ 4,410,052

Changes in Level 3 assets measured at fair value for the year ended December 31, 2020 are as follows:

	First Lien Loans	Second Lien Loans	Unsecured Loans	Equity	Total
Fair value at beginning of year	$ 13,740,173	$ 17,956,452	$ -	$ 1,655,877	$ 33,352,502
Purchases of investments	-	90,537	-	-	90,537
Sales or repayment of investments	-	(1,663,690)	(21,804)	-	(1,685,494)
Payment-in-kind interest	-	-	21,804	-	21,804
Realized gain (loss) on investments		(7,502,982)			(7,502,982)
Change in unrealized gain (loss) on investments	931,262	(3,644,609)	-	4,003	(2,709,344)
Transfer due to restructuring	-	-	-	-	-
Fair value at end of year	$ 14,671,435	$ 5,235,708	$ -	$ 1,659,880	$ 21,567,023
Change in unrealized gain (loss) on Level 3 investments still held as of December 31, 2020	$ 931,262	$ (828,344)	$ (2,816,265)	$ 4,003	$ (2,709,344)

The following table provides quantitative information regarding Level 3 fair value measurements as of March 31, 2021:

Description	Fair Value	Valuation Technique	Unobservable Inputs	Range (Average)
First Lien Loans	$ 5,933,973	Discounted Cash Flow	Discount rate	60.0%-70.0% (65.0%)
	11,728,087	Enterprise Value Coverage	EV / Store Level EBITDAR	5.25x-5.75x (5.50x)
			Location value	$775,000-$875,000 ($825,000)
Total	17,662,060			
Second Lien Loans	2,972,352	Enterprise Value Coverage	EV / LQA Revenue multiple	0.43x%-0.48% (0.45%)
	3,645,000	Black-Scholes	EV / 2021 Adjusted revenue	0.65x-0.65x (0.65x)
			Time Horizon	0.25x-1.50 years (0.88 years)
			Volatility	57.50%-57.50% (57.50%)
Total	6,617,352			
Unsecured Loans	-	Enterprise Value Coverage	EV / LTM Revenue multiple	0.43x-0.48x (0.45x)
Total	-			
Equity	-	Enterprise Value Coverage	EV / LQA Revenue Multiple	0.43x-0.48x (0.45x)
			EV / 2021 Adjusted Revenue	0.65x-0.65x (0.65x)
			EV / STORE LEVEL EBITDAR	5.25x-5.75x (5.50x)
			Location Value	$775,000-$875,000 ($825,000)
	1,696,463	Appraisal Value Coverage	Cost Approach	$1,377,000-$1,683,000 ($1,530,000)
			Sales Comparison Approach	$1,305,000-$1,595,000 ($1,450,000)
	-	Black-Scholes	Time Horizon	0.25-1.50 years (0.88 years)
			Volatility	57.50%-57.50% (57.50%)
Total	1,696,463			
Total Level 3 Investments	$ 25,975,875			

The Company's remaining Level 3 investments aggregating approximately $1,200 have been valued using unadjusted third party transactions. As a result, there were no unobservable inputs that have been internally developed by the Company in determining the fair values of these investments as of March 31, 2021.

The following table provides quantitative information regarding Level 3 fair value measurements as of December 31, 2020:

Description	**Fair Value**	**Valuation Technique**	**Unobservable Inputs**	**Range (Average)**
First Lien Loans	$ 5,057,932	Discounted Cash Flow	Discount Rate	60.0%-70.0% (65.0%)
	9,613,503	Enterprise Value Coverage	EV / Store level EBITDAR	5.00x-5.50x(5.25x)
			Location Value	$750,000-$850,000 ($800,000)
Total	14,671,435			
Second Lien Loans	3,008,208	Enterprise Value Coverage	EV / LQA Revenue Multiple	0.38x-0.43x (0.40x)
			EV / LQA EBITDA Multiple	6.00x-6.50x (6.25x)
			EV / 2021 Adjusted Revenue	0.65x-0.65x (0.65x)
	2,227,500	Black-Scholes	Time Horizon	0.00x-1.75years (0.88years)
			Volatility	57.50%-57.50% (57.50%)
Total	5,235,708			
Unsecured Loans	-	Enterprise Value Coverage	EV/LQA Revenue Multiple	0.38x-0.43x (0.40x)
			EV/LQA EBITDA Multiple	6.00x-6.50x (6.25x)
Total	-			
Equity	-	Enterprise Value Coverage	EV / LTM Revenue multiple	0.38x-0.43x (0.40x)
			EV/LQA EBITDA Multiple	6.00x-6.50x (6.25x)
			EV / 2021 Adjusted Revenue	0.65x-0.65x (0.65x)
			EV / STORE LEVEL EBITDAR	5.00x-5.50x (5.25x)
			Location Value	$750,000-$850,000 ($800,000)
	1,658,680	Appraisal Value Coverage	Cost Approach	$1,296,000-$1,584,000 ($1,440,000)
			Sales Comparison Approach	$1,296,000-$1,584,000 ($1,440,000)
		Black-Scholes	Time Horizon	0.00-1.75 years (0.88years)
			Volatility	57.50%-57.50% (57.50%)
Total	1,658,680			
Total Level 3 Investments	$ 21,565,823			

The Company's remaining Level 3 investments aggregating approximately $1,200 have been valued using unadjusted third party transactions. As a result, there were no unobservable inputs that have been internally developed by the Company in determining the fair values of these investments as of December 31, 2020.

As of March 31, 2021 and December 31, 2020, the Company used both market and income approaches to value certain equity investments as the Company felt this approach better reflected the fair value of these investments. By considering multiple valuation approaches (and consequently, multiple valuation techniques), the valuation approaches and techniques are not likely to change from one period of measurement to the next; however, the weighting of each in determining the final fair value of a Level 3 investment may change based on recent events or transactions. Refer to "Note 2—Significant Accounting Policies" for more detail.

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

The primary significant unobservable input used in the fair value measurement of the Company's debt securities (first lien loans, second lien loans and unsecured loans), including income-producing investments in funds, is the discount rate. Significant increases (decreases) in the discount rate in isolation would result in a significantly lower (higher) fair value measurement. In determining the discount rate, for the income (discounted cash flow) or yield approach, the Company considers current market yields and multiples, portfolio company performance, leverage levels and credit quality, among other factors in its analysis. Changes in one or more of these factors can have a similar directional change on other factors in determining the appropriate discount rate to use in the income approach.

The primary significant unobservable inputs used in the fair value measurement of the Company's equity investments are the EBITDA multiple and revenue multiple, which is used to determine the Enterprise Value. Significant increases (decreases) in the Enterprise Value in isolation would result in a significantly higher (lower) fair value measurement. To determine the Enterprise Value for the market approach, the Company considers current market trading and/or transaction multiples, portfolio company performance (financial ratios) relative to public and private peer companies and leverage levels, among other factors. Changes in one or more of these factors can have a similar directional change on other factors in determining the appropriate multiple to use in the market approach.

The primary unobservable inputs used in the fair value measurement of the Company's equity investments, when using an option pricing model to allocate the equity value to the investment, are the discount rate for lack of marketability and volatility. Significant increases (decreases) in the discount rate in isolation would result in a significantly lower (higher) fair value measurement. Significant increases (decreases) in the volatility in isolation would result in a significantly higher (lower) fair value measurement. Changes in one or more factors can have a similar directional change on other factors in determining the appropriate discount rate or volatility to use in the valuation of equity using an option pricing model.

NOTE 6 – RELATED PARTY TRANSACTIONS

House Hanover Investment Advisory Agreement

House Hanover has served as the Company's investment advisor since January 1, 2018 pursuant to the Interim Investment Advisory Agreement (until May 31, 2018) and the House Hanover Investment Advisory Agreement (since May 31, 2018). House Hanover is registered as an investment advisor under the 1940 Act.

Advisory Services

House Hanover is registered as an investment adviser under the 1940 Act and serves as the Company's investment advisor pursuant to the House Hanover Investment Advisory Agreement in accordance with the 1940 Act. House Hanover is owned by and an affiliate of Mr. Mark DiSalvo, the Company's Interim President, Interim Chief Executive Officer, and a director of the Company.

Subject to supervision by the Company's Board, House Hanover oversees the Company's day-to-day operations and provides the Company with investment advisory services. Under the terms of the House Hanover Investment Advisory Agreement, House Hanover, among other things: (i) determines the composition and allocation of the portfolio of the Company, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identifies, evaluates and negotiates the structure of the investments made by the Company; (iii) executes, closes, services and monitors the Company's investments; (iv) determines the securities and other assets that the Company shall purchase, retain, or sell; (v) performs due diligence on prospective portfolio companies; (vi) provides the Company with such other investment advisory, research and related services as the Company may, from time to time, reasonably require for the investment of its funds; and (vii) if directed by the Board, assists in the execution and closing of the sale of the Company's assets or a sale of the equity of the Company in one or more transactions. House Hanover's services under the House Hanover Investment Advisory Agreement may not be exclusive and it is free to furnish similar services to other entities so long as its services to the Company are not impaired. At the request of the Company, House Hanover, upon any transition of the Company's investment advisory relationship to another investment advisor or upon any internalization, shall provide reasonable transition assistance to the Company and any successor investment advisor.

Management Fee

Pursuant to the House Hanover Investment Advisory Agreement, the Company pays House Hanover a base management fee for investment advisory and management services. The cost of the base management fee is ultimately borne by the Company's stockholders. The House Hanover Investment Advisory Agreement does not contain an incentive fee component.

The base management fee is calculated at an annual rate of 1.00% of the Company's gross assets, including assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents net of all indebtedness of the Company for borrowed money and other liabilities of the Company. The base management fee is payable quarterly in arrears, and determined as set forth in the preceding sentence at the end of the two most recently completed calendar quarters. The Board may retroactively adjust the valuation of the Company's assets and the resulting calculation of the base management fee in the event the Company or any of its assets are sold or transferred to an independent third party or the Company or House Hanover receives an audit report or other independent third party valuation of the Company. To the extent that any such adjustment increases or decreases the base management fee of any prior period, the Company will be obligated to pay the amount of increase to House Hanover or House Hanover will be obligated to refund the decreased amount, as applicable.

Management fees earned by House Hanover for the three months ended March 31, 2021 and March 31, 2020 were $51,094 and $83,453, respectively.

As of March 31, 2021 and December 31, 2020, management fees of $603,215 and $552,121, respectively, were payable to House Hanover. House Hanover is allowing management fees to accrue and not be paid until such time as the Company has sufficient capital to pay them.

Incentive Fee

The Company is not obligated to pay House Hanover an incentive fee.

Payment of Expenses

House Hanover bears all compensation expense (including health insurance, pension benefits, payroll taxes and other compensation related matters) of its employees and bears the costs of any salaries or directors' fees of any officers or directors of the Company who are affiliated persons (as defined in the 1940 Act) of House Hanover. However, House Hanover, subject to approval by the Board of the Company, is entitled to reimbursement for the portion of any compensation expense and the costs of any salaries of any such employees to the extent attributable to services performed by such employees for the Company. During the term of the House Hanover Investment Advisory Agreement, House Hanover will also bear all of its costs and expenses for office space rental, office equipment, utilities and other non-compensation related overhead allocable to performance of its obligations under the House Hanover Investment Advisory Agreement.

Except as provided in the preceding paragraph the Company reimburses House Hanover all direct and indirect costs and expenses incurred by it during the term of the House Hanover Investment Advisory Agreement for: (i) due diligence of potential investments of the Company, (ii) monitoring performance of the Company's investments, (iii) serving as officers of the Company, (iv) serving as directors and officers of portfolio companies of the Company, (v) providing managerial assistance to portfolio companies of the Company, and (vi) enforcing the Company's rights in respect of its investments and disposing of its investments; provided, however, that, any third party expenses incurred by House Hanover in excess of $50,000 in the aggregate in any calendar quarter will require advance approval by the Board of the Company.

In addition to the foregoing, the Company will also be responsible for the payment of all of the Company's other expenses, including the payment of the following fees and expenses:

- organizational and offering expenses;
- expenses incurred in valuing the Company's assets and computing its net asset value per share (including the cost and expenses of any independent valuation firm);
- subject to the guidelines approved by the Board of Directors, expenses incurred by House Hanover that are payable to third parties, including agents, consultants or other advisors, in monitoring financial and legal affairs for the Company and in monitoring the Company's investments and performing due diligence on the Company's prospective portfolio companies or otherwise related to, or associated with, evaluating and making investments;
- interest payable on debt, if any, incurred to finance the Company's investments and expenses related to unsuccessful portfolio acquisition efforts;
- offerings of the Company's common stock and other securities;
- administration fees;
- transfer agent and custody fees and expenses;
- U.S. federal and state registration fees of the Company (but not House Hanover);
- all costs of registration and listing the Company's shares on any securities exchange;
- U.S. federal, state and local taxes;
- independent directors' fees and expenses;
- costs of preparing and filing reports or other documents required of the Company (but not House Hanover) by the SEC or other regulators;
- costs of any reports, proxy statements or other notices to stockholders, including printing costs;
- the costs associated with individual or group stockholders;
- the Company's allocable portion of the fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- direct costs and expenses of administration and operation of the Company, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and
- all other non-investment advisory expenses incurred by the Company regarding administering the Company's business.

Duration and Termination

Unless terminated earlier as described below, the House Hanover Investment Advisory Agreement will continue in effect for a period of one (1) year from its effective date. It will remain in effect from year to year thereafter if approved annually by the Company's Board or by the affirmative vote of the holders of a majority of the Company's outstanding voting securities, and, in either case, if also approved by a majority of Company's directors who are neither parties to the House Hanover Investment Advisory Agreement nor "interested persons" (as defined under the 1940 Act) of any such party. The House Hanover Investment Advisory Agreement was last annually renewed by the Board and by a majority of the members of the Board who are not parties to the House Hanover Investment Advisory Agreement or "interested persons" (as such term is defined in the 1940 Act) of any such party, in accordance with the requirements of the 1940 Act and the House Hanover Investment Advisory Agreement on May 14, 2021.

The House Hanover Investment Advisory Agreement may be terminated at any time, without the payment of any penalty, (i) upon written notice, effective on the date set forth in such notice, by the vote of a majority of the outstanding voting securities of the Company or by the vote of the Company's directors, or (ii) upon 60 days' written notice, by House Hanover. The House Hanover Investment Advisory Agreement automatically terminates in the event of its "assignment," as defined in the 1940 Act.

Indemnification

The House Hanover Investment Advisory Agreement provides that, absent willful misfeasance, bad faith or negligence in the performance of their duties, or by reason of the material breach or reckless disregard of their duties and obligations under the House Hanover Investment Advisory Agreement, House Hanover and its officers, managers, employees and members are entitled to indemnification from the Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of House Hanover's services under the House Hanover Investment Advisory Agreement or otherwise as the Company's investment advisor. The amounts payable for indemnification will be calculated net of payments recovered by the indemnified party under any insurance policy with respect to such losses.

At all times during the term of the House Hanover Investment Advisory Agreement and for one year thereafter, House Hanover is obligated to maintain directors and officers/errors and omission liability insurance in an amount and with a provider reasonably acceptable to the Board of the Company.

Administration Services and Service Agreement

House Hanover is entitled to reimbursement of expenses under the House Hanover Investment Advisory Agreement for administrative services performed for the Company.

On January 1, 2018, Princeton Capital Corporation directly entered into a service agreement with SS&C Technologies Holdings, Inc. (the "Sub-Administrator") to provide certain administrative services to the Company. In exchange for providing services, the Company pays the Sub-Administrator an asset-based fee with a $127,647 annual minimum as adjusted for any reimbursement of expenses. This annual minimum was amended in the service agreement on April 20, 2019 and increased on July 1, 2020 by the US Consumer Price Index – All Urban Consumers per the service agreement. This asset-based fee will vary depending upon our gross assets, as adjusted, as follows:

Gross Assets	Fee
first $150 million of gross assets	20 basis points (0.20%)
next $150 million of gross assets	15 basis points (0.15%)
next $200 million of gross assets	10 basis points (0.10%)
in excess of $500 million of gross assets	5 basis points (0.05%)

Administration fees were $67,500 and fees to the Sub-Administrator were $31,912 for the three months ended March 31, 2021, as shown on the Statements of Operations under administration fees.

Administration fees were $67,500 and fees to the Sub-Administrator were $31,250 for the three months ended March 31, 2020, as shown on the Statements of Operations under administration fees.

Managerial Assistance

As a BDC, we offer, and must provide upon request, managerial assistance to our portfolio companies. This assistance could involve monitoring the operations of our portfolio companies, participating in board of directors and management meetings, consulting with and advising officers of portfolio companies and providing other organizational and financial guidance. As of March 31, 2021, none of the portfolio companies had accepted our offer for such services.

NOTE 7 – FINANCIAL HIGHLIGHTS

	Three Months Ended March 31, 2021 (Unaudited)	Three Months Ended March 31, 2020 (Unaudited)
Per Share Data [1]:		
Net asset value at beginning of period	$ 0.187	$ 0.276
Net investment loss	(0.003)	(0.001)
Change in unrealized loss	0.037	(0.063)
Net asset value at end of period	$ 0.221	$ 0.212
Total return based on net asset value [2]	18.2%	(23.2)%
Weighted average shares outstanding for period, basic	120,486,061	120,486,061
Ratio/Supplemental Data:		
Net assets at end of period	$ 26,586,264	$ 25,555,945
Average net assets	$ 22,524,669	$ 33,194,503
Annualized ratio of net operating expenses to average net assets	6.9%	4.7%
Annualized ratio of net investment loss to average net assets	5.9%	(1.9)%
Annualized ratio of net investment loss to average net assets, excluding other income from non-investment sources	(5.5)%	(1.9)%
Annualized ratio of net operating expenses excluding management fees, incentive fees, and interest expense to average net assets	(5.5)%	3.7%
Annualized ratio of net decrease in net assets resulting from operations to average net assets	73.9%	(93.3)%
Portfolio Turnover	0.0%	0.3%

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Per Share Data [1]:					
Net asset value at beginning of year	$ 0.276	$ 0.345	$ 0.344	$ 0.365	$ 0.400
Net investment income (loss)	(0.005)	(0.009)	0.009	0.008	(0.004)
Change in unrealized gain (loss)	(0.022)	(0.060)	(0.007)	(0.035)	(0.019)
Realized gain (loss)	(0.062)	-	(0.001)	0.006	(0.012)
Net asset value at end of year	$ 0.187	$ 0.276	$ 0.345	$ 0.344	$ 0.365
Total return (loss) based on net asset value [2]	(32.6)%	(20.0)%	0.3%	(5.8)%	(8.8)%
Weighted average shares outstanding for year, basic	120,486,061	120,486,061	120,486,061	120,486,061	120,486,061
Ratio/Supplemental Data:					
Net assets at end of year	$ 22,479,540	$ 33,280,329	$ 41,554,951	$ 41,407,539	$ 43,985,319
Average net assets	$ 25,276,013	$ 38,504,249	$ 41,416,562	$ 42,634,685	$ 46,991,446
Total operating expenses to average net assets	6.2%	5.8%	5.4%	3.8%	5.8%
Net operating expenses to average net assets [3]	6.2%	5.8%	5.4%	3.3%	5.8%
Net operating expenses excluding management fees, incentive fees, and interest expense to average net assets	5.2%	4.9%	4.3%	2.8%	4.3%
Net operating expenses excluding management fees, incentive fees, and interest expense to average net assets, excluding management fee waiver	5.2%	4.9%	4.3%	3.2%	4.3%
Net investment income (loss) to average net assets	(2.7)%	(2.8)%	2.5%	2.4%	(1.1)%
Net investment income (loss) to average net assets, excluding management fee waiver	(2.7)%	(2.8)%	2.5%	1.9%	(1.1)%
Net investment income (loss) to average net assets, excluding other income from non-investment sources	(3.0)%	(2.8)%	2.5%	0.1%	(1.1)%
Net investment income (loss) to average net assets, excluding other income from non-investment sources, excluding management fee waiver [4]	(3.0)%	(2.8)%	2.5%	(0.4)%	(1.1)%
Net increase (decrease) in net assets resulting from operations to average net assets	(42.7)%	(21.5)%	0.4%	(6.0)%	(9.0)%
Portfolio Turnover	0.4%	0.7%	0.5%	7.0%	1.1%

(1) Financial highlights are based on weighted average shares outstanding.
(2) 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. The total returns are not annualized.
(3) Other income from non-investment sources only includes the reduction of previously accrued expenses totaling $968,256 for the year ended December 31, 2017.

NOTE 8 – 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. The Company maintains sufficient assets to provide adequate cover to allow it to satisfy its unfunded commitment amount as of March 31, 2021. The unfunded commitment is accounted for under ASC 820. As of the date of this report, all commitments have been funded.

Legal Proceedings

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 the Company's rights under contracts with its portfolio companies. Other than the Great Value Storage Litigation described below, the Company is not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us.

Great Value Storage Litigation

On March 14, 2019, we filed a complaint against Great Value Storage, LLC ("GVS"), World Class Capital Group, LLC ("World Class"), and Natin Paul, which we refer to collectively as the GVS Defendants, in the District Court for Harris County, Texas. GVS is one of the Company's portfolio companies. The complaint alleges that the GVS defendants are in breach of certain contractual obligations under a Note Purchase Agreement entered into between the parties on July 31, 2012, as amended (the "Note Purchase Agreement"), including failure to make payments owed to the Company under the Note Purchase Agreement. The Company seeks (i) actual damages, (ii) special, statutory, or exemplary damages, (iii) pre-judgment interest, (iv) post-judgment interest, (v) court costs, (vi) reasonable attorneys' fees, and (vii) all other relief to which the Company may be entitled to under law or equity. On April 15, 2019, the GVS Defendants filed an Answer with Request for Disclosure. On January 22, 2021, the Harris County District Court granted the Company's Motion for Partial Summary Judgment on its breach of contract claim against GVS and World Class. On March 4, 2021, the Final Judgment Order was entered awarding damages to the Company in the amount of $9,910,601. On March 9, 2021, the Harris County District Court granted the Company's Motion to Sever Remaining Claims. These remaining claims are pending in the Harris County District Court. The Company has not received financial statements from GVS since August 2018 and does not have current information regarding the properties owned by GVS affiliates which have been managed by GVS (some of which have filed for Chapter 11 bankruptcy). Because of the inherent uncertainty of litigation, the fair market value of our investment in GVS may be materially lower than the value included in our financial statements.

Risks and Uncertainties

COVID-19

As the global spread of COVID-19 continues, we have experienced increased market volatility and economic uncertainties which may materially impact the valuation of portfolio investments and in turn, the net asset value of the Company. This may have other financial or operational effects, though the extent of such impact is unpredictable at this time. Further, while the effects of this pandemic have negatively impacted our portfolio companies, four of them have benefited from the Paycheck Protection Program by the U.S. Small Business Administration.

NOTE 9 – UNCONSOLIDATED SIGNIFICANT SUBSIDIARIES

The Company's investments are primarily in private small and lower middle-market companies. In accordance with Rules 3.09 and 4.08(g) of Regulation S-X, the Company must determine which of its unconsolidated controlled portfolio companies are considered "significant subsidiaries", if any. On May 21 2020, the U.S. Securities and Exchange Commission adopted rule amendments to be effective on January 1, 2021. Under the new rules, a new definition of "significant subsidiary" was adopted.

In evaluating these investments, there are now two tests utilized to determine if any of the Company's control investments are considered significant subsidiaries; the investment and the income significant tests. The asset significant test was eliminated under the new rules. Rule 3.09 of Regulation S-X, as interpreted by the SEC, requires the Company to include separate audited financial statements of any unconsolidated majority-owned or controlled subsidiary in an annual report if the Company's control investment meets the definition of a significant subsidiary under either the investment or income significant tests. Rule 4-08(g) of Regulation S-X requires summarized financial information of an unconsolidated subsidiary in an annual report if it does not qualify under Rule 3.09 of Regulation S-X and the Company's control investment meets the definition of a significant subsidiary under either of the two significant tests. Rule 10-01(b)(1) of Regulation S-X requires summarized financial information for interim financial statements, if the Company's control investment meets the definition of a significant subsidiary under either the investment or income significant tests.

The Company has determined that Rockfish Seafood Grill, Inc. and Advantis Certified Staffing Solutions, Inc., two of the Company's four majority owned or control portfolio companies, was considered a significant subsidiary at March 31, 2021 as prescribed under Rule 10-01(b)(1) of Regulation S-X.

The following tables show the summarized financial information for Rockfish Seafood Grill, Inc. and Advantis Certified Staffing Solutions, Inc. (numbers in thousands):

	Rockfish Seafood Grill, Inc.		Advantis Certified Staffing Solutions, Inc.	
	Three months Ended March 31, 2021	Three months Ended March 31, 2020	Three months Ended March 31, 2021	Three months Ended March 31, 2020
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Income Statement				
Net Revenue	$ 4,345	$ 4,035	$ 758	$ 484
Gross Profit	3,064	2,861	181	124
Net Income (Loss)	(235)	(737)	19	(97)

NOTE 10 – SUBSEQUENT EVENTS

Subsequent to the quarter ending March 31, 2021 and through the date of this filing, there was no portfolio activity or other events to report.

PRINCETON CAPITAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2021
(Unaudited)

Schedule 12-14

The table below represents the fair value of control and affiliate investments at December 31, 2020 and any amortization, purchases, sales, and realized and change in unrealized gain (loss) made to such investments, as well as the ending fair value as of March 31, 2021.

Portfolio Company/Type of Investment (1)	Principal Amount/Shares/ Ownership % at March 31, 2021	Amount of Interest and Dividends Credited in Income	Fair Value at December 31, 2020	Purchases (2)	Sales	Change in Unrealized Gains/(Losses)	Fair Value at March 31, 2021
Control Investments							
Advantis Certified Staffing Solutions, Inc.							
Second Lien Loan, 12.0% Cash, due 11/30/2021(3)	$ 4,500,000	$ -	$ 3,008,208	$ -	$ -	$ (35,856)	$ 2,972,352
Unsecured loan Consolidated BL Note 6.33% due 12/31/2021	$ 1,381,586	21,564	-	-	-	-	-
Common Stock – Series A (3)	225,000	-	-	-	-	-	-
Common Stock – Series B (3)	9,500,000	-	-	-	-	-	-
Warrant for 250,000 Shares of Series A Common Stock, exercise price $0.01 per share, expires 1/1/2027(3)	1	-	-	-	-	-	-
Warrant for 700,000 Shares of Series A Common Stock, exercise price $0.01 per share, expires 1/1/2027(3)	1	-	-	-	-	-	-
Dominion Medical Management, Inc.							
Second Lien Loan, 12.0% Cash, 6% PIK due, 3/31/2020 (2) (3)	$ 1,516,144	-	-	-	-	-	-
Integrated Medical Partners, LLC							
Preferred Membership – Class A units (3)	800	-	-	-	-	-	-
Preferred Membership – Class B units (3)	760	-	-	-	-	-	-
Common Units (3)	14,082	-	-	-	-	-	-
PCC SBH Sub, Inc.							
Common Stock (3)	100	-	1,658,680	-	-	37,783	1,696,463
Rockfish Seafood Grill, Inc.							
First Lien Loan, 8% Cash, 6.0% PIK, due 3/31/2018 (3)	$ 6,352,944	-	6,910,188	-	-	2,154,897	9,065,085
Revolving Loan, 8% Cash, due 12/31/2021	$ 2,384,169	49,631	2,703,315	-	-	(40,313)	2,663,002
Rockfish Holdings, LLC							
Warrant for Membership Interest, exercise price $0.001 per 1% membership interest, expires 7/28/2028 (3)	10.000%	-	-	-	-	-	-
Membership Interest – Class A (3)	99.997%	-	-	-	-	-	-
Total Control Investments		$ 71,195	$ 14,280,391	$ -	$ -	$ 2,116,511	$ 16,396,902

(1) Represents an illiquid investment.
(2) Includes PIK interest.
(3) Non-income producing security.

PRINCETON CAPITAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 2021
(Unaudited)

The table below represents the fair value of control and affiliate investments at December 31, 2019 and any amortization, purchases, sales, and realized and change in unrealized gain (loss) made to such investments, as well as the ending fair value as of March 31, 2020.

Portfolio Company/Type of Investment [1]	Principal Amount/Shares/ Ownership % at March 31, 2020	Amount of Interest and Dividends Credited in Income	Fair Value at December 31, 2019	Purchases [2]	Sales	Change in Unrealized Gains/(Losses)	Fair Value at March 31, 2020
Control Investments							
Advantis Certified Staffing Solutions, Inc.							
Second Lien Loan, 12.0% Cash, due 11/30/2021[3]	$ 4,500,000	$ -	$ 2,816,265	$ -	$ -	$ (1,561,742)	$ 1,254,523
Unsecured loan Consolidated BL Note 6.33% PIK due 12/31/2020 [2]	$ 1,403,390	(21,804)	-	21,804	-	(21,804)	-
Common Stock – Series A [3]	225,000	-	-	-	-	-	-
Common Stock – Series B [3]	9,500,000	-	-	-	-	-	-
Warrant for 250,000 Shares of Series A Common Stock, exercise price $0.01 per share, expires 1/1/2027[3]	1	-	-	-	-	-	-
Warrant for 700,000 Shares of Series A Common Stock, exercise price $0.01 per share, expires 1/1/2027[3]	1	-	-	-	-	-	-
Dominion Medical Management, Inc.							
Second Lien Loan, 12.0% Cash, 6% PIK due, 3/31/2020 [2] [3]	$ 1,516,144	-	1,266,245	-	-	(886,022)	380,223
Integrated Medical Partners, LLC							
Preferred Membership – Class A units [3]	800	-	-	-	-	-	-
Preferred Membership – Class B units [3]	760	-	-	-	-	-	-
Common Units [3]	14,082	-	-	-	-	-	-
PCC SBH Sub, Inc.							
Common Stock [3]	100	-	1,654,677	-	-	5,999	1,660,676
Rockfish Seafood Grill, Inc.							
First Lien Loan, 8% Cash, 6.0% PIK, due 3/31/2018 [3]	$ 6,352,944	-	5,073,470	-	-	(2,111,669)	2,961,801
Revolving Loan, 8% PIK, due 12/31/2020 [2][3]	$ 2,384,169	-	2,383,886	-	-	48,496	2,432,382
Rockfish Holdings, LLC							
Warrant for Membership Interest, exercise price $0.001 per 1% membership interest, expires 7/28/2028 [3]	10.000%	-	-	-	-	-	-
Membership Interest – Class A [3]	99.997%	-	-	-	-	-	-
Total Control Investments		$ (21,804)	$ 13,194,543	$ 21,804	$ -	$ (4,526,742)	$ 8,689,605

(1) Represents an illiquid investment.
(2) Includes PIK interest.
(3) Non-income producing security.

End of notes to financial statements.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References herein to “we”, “us” or “our” refer to Princeton Capital Corporation (the “Company” or “Princeton Capital”), unless the context specifically requires otherwise.

Forward-Looking Statements

Some of the statements in this quarterly report on Form 10-Q constitute forward-looking statements, which relate to future events or our future performance or financial condition. Such forward-looking statements may include statements preceded by, followed by or that otherwise include the words “may,” “might,” “will,” “intend,” “should,” “could,” “can,” “would,” “expect,” “believe,” “estimate,” “anticipate,” “predict,” “potential,” “plan” or similar words. The forward-looking statements contained in this quarterly report on Form 10-Q involve risks and uncertainties, including statements as to:

- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- the effect of investments that we expect to make;
- our contractual arrangements and relationships with third parties;
- actual and potential conflicts of interest with our investment advisor;
- the dependence of our future success on the general economy and its effect on the industries in which we invest;
- the ability of our portfolio companies to achieve their objectives;
- the use of borrowed money to finance a portion of our investments;
- the adequacy of our financing sources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the ability of our investment advisor to locate suitable investments for us and to monitor and administer our investments;
- the ability of our investment advisor to attract and retain highly talented professionals;
- our ability to qualify and maintain our qualification as a regulated investment company and as a business development company; and
- the effect of future changes in laws or regulations (including the interpretation of these laws and regulations by regulatory authorities) and conditions in our operating areas, particularly with respect to business development companies or regulated investment companies; and
- the effect of the COVID-19 pandemic including the uncertainty surrounding its duration and global economic impact, as well as measures taken by governmental agencies, businesses and other third parties in response to counteract any negative effects.

We have based the forward-looking statements included in this quarterly report on Form 10-Q on information available to us on the date of this quarterly report on Form 10-Q, and we assume no obligation to update any such forward-looking statements. Actual results could differ materially from those anticipated in our forward-looking statements, and future results could differ materially from historical performance. We undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law or Securities and Exchange Commission (“SEC”) rule or regulation. You are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

Overview

We are an externally managed, non-diversified, closed-end investment company that has elected to be treated as a business development company ("BDC") under the Investment Company Act of 1940 (the "1940 Act" or "Investment Company Act"). While we have sought to invest primarily in private small and lower middle-market companies in various industries, we are now (with a strategic alternatives process underway and limited resources) investing only in current investments and otherwise conserving cash. Our investment objective is to maximize the total return to our stockholders in the form of current income and capital appreciation through debt and related equity investments in private small and lower middle-market companies. Since January 1, 2018, we have been managed by House Hanover, LLC ("House Hanover").

As a BDC, we must not acquire any assets other than "qualifying assets" specified in the 1940 Act unless, at the time the acquisition is made, at least 70% of our total assets are qualifying assets (with certain limited exceptions). Qualifying assets include investments in "eligible portfolio companies." Under the relevant SEC rules, the term "eligible portfolio company" includes all private companies, companies whose securities are not listed on a national securities exchange, and certain public companies that have listed their securities on a national securities exchange and have a market capitalization of less than $250 million, in each case organized in the United States.

On November 15, 2019, our Board announced that the Company has initiated a strategic review process to identify, examine, and consider a range of strategic alternatives available to the Company, including but not limited to, (i) selling the Company's assets to a business development company or other potential buyer, (ii) merging with another business development company, (iii) liquidating the Company's assets in accordance with a plan of liquidation, (iv) raising additional funds for the Company, or (v) otherwise entering into another business combination, with the objective of maximizing stockholder value.

Corporate History

In order to expedite the ramp-up of our investment activities and further our ability to meet our investment objectives on March 13, 2015, we (i) acquired approximately $11.2 million in cash, $43.5 million in equity and debt investments, and $1.9 million in restricted cash escrow deposits of Capital Point Partners, L.P. ("CPP") and Capital Point Partners II, L.P. ("CPPII") (together, the "Partnerships"), and (ii) issued approximately 115.5 million shares of our common stock based on a pre-valuation presumed fair value of $60.9 million and on a price of approximately $0.53 per share. While we have sought to invest primarily in private small and lower middle-market companies in various industries, we are now (with a strategic alternatives process underway and limited resources) investing only in current investments and otherwise conserving cash.

On an annual basis and in general, BDCs intend to elect to be treated for tax purposes as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986 (the "Code"). To qualify as a RIC, a BDC must, among other things, meet certain source-of-income and asset diversification requirements. As a RIC, BDCs generally will not have to pay corporate-level taxes on any income they distribute to their stockholders. We did not meet the qualifications of a RIC for the 2020 tax year and will be taxed as a corporation under Subchapter C of the Code. Further, we do not expect to meet the qualifications of a RIC until such time as certain strategic alternatives are achieved.

Portfolio Composition and Investment Activity

Portfolio Composition

We originate and invest primarily in private small and lower middle-market companies through first lien loans, second lien loans, unsecured loans, unitranche and mezzanine debt financing, and corresponding equity investments. United States Treasury securities may be purchased and temporarily held in connection with complying with RIC diversification requirements under Subchapter M of the Code.

At March 31, 2021, the Company had investments in 7 portfolio companies. The total cost and fair value of the total investments were approximately $46.2 million and $26.0 million, respectively. The composition of our investments by asset class as of March 31, 2021 is as follows:

Investments	Cost	Fair Value	Percentage of Total Portfolio
Portfolio Investments			
First Lien Loans	$ 15,537,699	$ 17,662,060	68.0%
Second Lien Loans	12,766,144	6,617,352	25.5
Unsecured Loans	1,381,586	-	-
Equity	16,483,889	1,697,663	6.5
Total Portfolio Investments	$ 46,169,318	$ 25,977,075	100.0%

At December 31, 2020, the Company had investments in 7 portfolio companies. The total cost and fair value of the total investments were approximately $46.2 million and $21.6 million, respectively. The composition of our investments by asset class as of December 31, 2020 is as follows:

Investments	Cost	Fair Value	Percentage of Total Portfolio
Portfolio Investments			
First Lien Loans	$ 15,537,699	$ 14,671,435	68.0%
Second Lien Loans	12,766,144	5,235,708	24.3
Unsecured Loans	1,381,586	-	-
Equity	16,483,889	1,659,880	7.7
Total Portfolio Investments	46,169,318	21,567,023	100.0
Total Investments	$ 46,169,318	$ 21,567,023	100.0%

At March 31, 2021, our weighted average yield of our portfolio investments, based upon cost and excluding non-yielding assets, was approximately 7.39% of which approximately 7.39% is current cash interest, all bearing a fixed rate of interest except for one debt investment bearing interest at a variable rate. At December 31, 2020, our weighted average yield based upon cost of our portfolio investments was approximately 7.39% of which approximately 7.39% is current cash interest.

At March 31, 2021 and December 31, 2020, we held no United States Treasury securities. United States Treasury securities may be purchased and temporarily held in connection with complying with RIC diversification requirements under Subchapter M of the Code.

Investment Activity

Our level of investment activity can vary substantially from period to period depending on many factors, including the amount of debt and equity capital to middle market companies, the level of merger and acquisition activity, the general economic environment and the competitive environment for the types of investments we make.

The primary portfolio investment activities for the three months ended March 31, 2021 are as follows:

- On March 4, 2021, the Final Judgment Order was entered, after the Harris County District Court granted the Company's Motion for Partial Summary Judgment on its breach of contract claim against Great Value Storage, LLC and World Class Capital Group, LLC, awarding damages to the Company in the amount of $9,910,601. On March 9, 2021, the Harris County District Court granted the Company's Motion to Sever Remaining Claims. These remaining claims are pending in the Harris County District Court. (See Note 8)

Asset Quality

In addition to various risk management and monitoring tools, our investment advisor used an investment rating system to characterize and monitor the quality of our debt investment portfolio. Equity securities and Treasury Bills are not graded. This debt investment rating system uses a five-level numeric scale. The following is a description of the conditions associated with each investment rating:

Investment Rating	Summary Description
1	Investments that are performing above expectations, and whose risks remain favorable compared to the expected risk at the time of the original investment.
2	Investments that are performing within expectations and whose risks remain neutral compared to the expected risk at the time of the original investment. All new loans will initially be rated 2.
3	Investments that are performing below expectations and that require closer monitoring, but where no loss of return or principal is expected. Portfolio companies with a rating of 3 may be out of compliance with financial covenants.
4	Investments that are performing substantially below expectations and whose risks have increased substantially since the original investment. These investments are often in work out. Investments with a rating of 4 will be those for which some loss of return but no loss of principal is expected.
5	Investments that are performing substantially below expectations and whose risks have increased substantially since the original investment. These investments almost always in work out. Investments with a rating of 5 are those for which some loss of return and principal is expected.

The following table shows the investment ratings of our debt investments at fair value as of March 31, 2021 and December 31, 2020:

	As of March 31, 2021			As of December 31, 2020		
Investment Rating	Fair Value	% of Total Portfolio	Number of Portfolio Companies	Fair Value	% of Total Portfolio	Number of Portfolio Companies
1	$ —	—%	—	$ —	—%	—
2	—	—	—	—	—	—
3	—	—	—	—	—	—
4	20,634,412	84.99	3	17,679,643	88.81	3
5	3,645,000	15.01	2	2,227,500	11.19	2
	$ 24,279,412	100.00%	5	$ 19,907,143	100.00%	5

Loans and Debt Securities on Non-Accrual Status

We will not accrue interest on loans and debt securities if we have reason to doubt our ability to collect such interest. As of March 31, 2021, we had 5 loans on non-accrual status and as of December 31, 2020, we had 5 loans on non-accrual status.

Results of Operations

An important measure of our financial performance is net increase (decrease) in net assets resulting from operations, which includes net investment income (loss), net realized gain (loss) and net change in unrealized gain (loss). Net investment income (loss) is the difference between our income from interest, dividends, fees and other investment income and our operating expenses including interest on borrowed funds. Net realized gain (loss) on investments is the difference between the proceeds received from dispositions of portfolio investments and their amortized cost. Net change in unrealized gain (loss) on investments is the net change in the fair value of our investment portfolio.

Revenues

We generate revenue in the form of interest income on debt investments and capital gains and distributions, if any, on investment securities that we may acquire in portfolio companies. Our debt investments typically have a term of five to seven years and bear interest at a fixed or floating rate. Interest on our debt securities is generally payable quarterly. Payments of principal on our debt investments may be amortized over the stated term of the investment, deferred for several years or due entirely at maturity. In some cases, our debt investments may pay interest in-kind, or PIK. Any outstanding principal amount of our debt securities and any accrued but unpaid interest will generally become due at the maturity date. The level of interest income we receive is directly related to the balance of interest-bearing investments multiplied by the weighted average yield of our investments. We expect that the dollar amount of interest and any dividend income that we earn to increase as the size of our investment portfolio increases. In addition, we may generate revenue in the form of prepayment fees, commitment, loan origination, structuring or due diligence fees, fees for providing managerial assistance and possibly consulting fees. These fees will be reorganized as they are earned.

Expenses

Our primary operating expenses include the payment of fees to House Hanover and our allocable portion of overhead expenses under the investment advisory agreement and other operating costs described below. We bear all other out-of-pocket costs and expenses of our operations and transactions, which may include:

- organizational and offering expenses;
- expenses incurred in valuing the Company's assets and computing its net asset value per share (including the cost and expenses of any independent valuation firm);
- subject to the guidelines approved by the Board of Directors, expenses incurred by our investment advisor that are payable to third parties, including agents, consultants or other advisors, in monitoring financial and legal affairs for the Company and in monitoring the Company's investments and performing due diligence on the Company's prospective portfolio companies or otherwise related to, or associated with, evaluating and making investments;
- interest payable on debt, if any, incurred to finance the Company's investments and expenses related to unsuccessful portfolio acquisition efforts;
- offerings of the Company's common stock and other securities;
- administration fees;
- transfer agent and custody fees and expenses;
- U.S. federal and state registration fees of the Company (but not our investment advisor);
- all costs of registration and listing the Company's shares on any securities exchange;
- U.S. federal, state and local taxes;
- independent directors' fees and expenses;
- costs of preparing and filing reports or other documents required of the Company (but not our investment advisor) by the SEC or other regulators;
- costs of any reports, proxy statements or other notices to stockholders, including printing costs;
- the costs associated with individual or group stockholders;
- the Company's allocable portion of the fidelity bond, directors' and officers'/errors and omissions liability insurance, and any other insurance premiums;
- direct costs and expenses of administration and operation of the Company, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and
- all other non-investment advisory expenses incurred by the Company in connection with administering the Company's business.

Comparison of the Three Months Ended March 31, 2021 and March 31, 2020

	Three Months Ended March 31, 2021 (unaudited)		Three Months Ended March 31, 2020 (unaudited)	
	Total	**Per Share (1)**	**Total**	**Per Share (1)**
Investment income				
Interest income (2)	$ 71,195	$ 0.001	$ 224,836	$ 0.001
Other income	5,968	0.000	9,260	0.000
Total investment income	77,163	0.001	234,096	0.001
Operating expenses				
Management fees	51,094	0.000	83,453	0.001
Administration fees	99,412	0.001	98,750	0.001
Audit fees	70,452	0.001	51,500	0.000
Tax preparation fees	-	0.000	470	0.000
Legal fees	19,684	0.000	32,317	0.000
Valuation fees	33,000	0.000	42,000	0.000
Directors' fees	37,500	0.000	37,500	0.000
Insurance expense	37,105	0.000	24,171	0.000
Interest expense	188	0.000	-	0.000
Other general and administrative expenses	32,056	0.000	21,056	0.000
Total net operating expenses	380,491	0.002	391,217	0.002
Net investment loss before tax	(303,328)	(0.003)	(157,121)	(0.001)
Income tax expense	-	0.000	2,051	0.000
Net investment loss after tax	**$ (303,328)**	**$ (0.003)**	**$ (159,172)**	**$ (0.001)**
Net realized gain (loss)	**$ -**	**$ -**	**$ -**	**$ -**
Net change in unrealized gain (loss)	**$ 4,410,052**	**$ 0.037**	**$ (7,565,212)**	**$ (0.063)**
Net increase (decrease) in net assets resulting from operations	**$ 4,106,724**	**$ 0.034**	**$ (7,724,384)**	**$ (0.064)**

(1) The basic per share figures noted above are based on a weighted average of 120,486,061 shares outstanding for both the three months ended March 31, 2021 and March 31, 2020, except where such amounts need to be adjusted to be consistent with what is disclosed in the financial highlights of our financial statements.

(2) Interest income includes PIK interest of $0 and $21,804 for the three months ended March 31, 2021 and 2020, respectively.

Operating Expenses

Total net operating expenses decreased from $391,217 for the three months ended March 31, 2020 to $380,491 for the three months ended March 31, 2021. The decrease is primarily due to a decrease in legal fees, management fees and valuation expense, partially offset by audit and insurance expense, for the three months ended March 31, 2021.

Total operating expenses per share remained consistent at $0.003 per share for the three months ended March 31, 2020, and for the three months ended March 31, 2021.

Net Investment Income (Loss)

Net investment loss (after tax) increased from a loss of $(159,172) for the three months ended March 31, 2020 to a loss of $(303,328) for the three months ended March 31, 2021. This increase in a loss was primarily due to a decrease in investment income, which was minimally offset by a decrease in expenses as explained above.

Net investment loss (after tax) per share increased from $(0.001) to $(0.003) for three months ended March 31, 2020 and 2021, respectively.

Net Realized Gain (Loss)

We measure realized gains (losses) by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, using the specific identification method, without regard to unrealized appreciation or depreciation previously recognized.

For the three months ended March 31, 2021 and 2020, we did not recognize any realized gain or loss

Net Change in Unrealized Gain (Loss)

Net change in unrealized gain (loss) primarily reflects the change in portfolio investment values during the reporting period, including the reversal of previously recorded appreciation or depreciation when gains or losses are realized.

Net change in unrealized gain (loss) on investments totaled a gain of $4,410,052 for the three months ended March 31, 2021 primarily in connection with gains of $2,114,584, $1,417,500 and $876,041 on Rockfish Seafood Grill, Inc., Performance Alloys, LLC., and Great Value Storage, LLC., which were partially offset by losses of $35,856 from Advantis Certified Staffing Solutions, Inc.

Net change in unrealized gain (loss) on investments totaled a loss of $(7,565,212) for the three months ended March 31, 2020 primarily in connection with losses of $2,063,173, $1,583,546 and $1,095,196 on Rockfish Seafood Grill, Inc., Advantis Certified Staffing Solutions, Inc., and Performance Alloys, LLC, which were partially offset by gains of $5,999 from PCC SBH Sub, Inc.

Financial Condition, Liquidity and Capital Resources

We intend to continue to generate cash from future offerings of securities and cash flows from operations, including earnings on investments in our portfolio and future investments, as well as interest earned from the temporary investment of cash in U.S. government securities and other high-quality debt investments that mature in one year or less. We may, if permitted by regulation, seek various forms of leverage and borrow funds to make investments.

As of March 31, 2021, we had $1,343,733 in cash and $25,546 in restricted cash, and our net assets totaled $26,586,264. We believe that our anticipated cash flows from operations will be adequate to meet our cash needs for our daily operations for at least the next twelve months.

Contractual Obligations

As of March 31, 2021, we did not have any contractual obligations that would trigger the tabular disclosure of contractual obligations under Section 303(a)(5) of Regulation S-K.

We have entered into one contract under which we have material future commitments, the House Hanover Investment Advisory Agreement, pursuant to which House Hanover serves as our investment adviser. Payments under the House Hanover Investment Advisory Agreement in future periods will be equal to a percentage of the value of our net assets.

The House Hanover Investment Advisory Agreement is terminable by either party without penalty upon written notice by the Company or 60 days' written notice by House Hanover. If this agreement is terminated, the costs we incur under a new agreement may increase. In addition, we will likely incur significant time and expense in locating alternative parties to provide the services we expect to receive under our investment advisory agreement. Any new investment advisory agreement would also be subject to approval by our stockholders.

Distributions

For the three months ended March 31, 2021 and 2020, and through the date of issuance of this report, no dividends have been declared or distributed to stockholders.

In order to qualify as a RIC and to avoid U.S. federal corporate level income tax on the income we distribute to our stockholders, we are required to distribute at least 90% of our net ordinary income and our net short-term capital gains in excess of net long-term capital losses, if any, to our stockholders on an annual basis. Additionally, we must distribute an amount at least equal to the sum of 98% of our net ordinary income (during the calendar year) plus 98.2% of our net capital gain income (during each 12-month period ending on October 31) plus any net ordinary income and capital gain net income for preceding years that were not distributed during such years and on which we paid no U.S. federal income tax to avoid a U.S. federal excise tax. To the extent that we have income available, we intend to make quarterly distributions to our stockholders. Our stockholder distributions, if any, will be determined by our board of directors on a quarterly basis. Any distribution to our stockholders will be declared out of assets legally available for distribution. The Company did not meet the requirements to qualify as a RIC for the 2020 tax year and will be taxed as a corporation under Subchapter C of the Code. It may not be in the best interests of the Company's stockholders to elect to be taxed as a RIC at the present time due to the net operating losses and capital loss carryforwards the Company currently has. Management will make a determination that is in the best interests of the Company and its stockholders. While the Company does not expect to meet the qualifications of a RIC until such time as certain strategic alternatives are achieved, it can still declare a dividend even though it is not required to do so.

We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of our distributions from time to time. In addition, we may be limited in our ability to make distributions due to the asset coverage requirements applicable to us as a BDC under the 1940 Act. If we do not distribute a certain percentage of our income annually, we could suffer adverse tax consequences, including the possible failure to qualify as a RIC. We cannot assure stockholders that they will receive any distributions.

To the extent our taxable earnings fall below the total amount of our distributions for that fiscal year, a portion of those distributions may be deemed a return of capital to our stockholders for U.S. federal income tax purposes. Thus, the source of a distribution to our stockholders may be the original capital invested by the stockholder rather than our income or gains. Stockholders should read any written disclosure accompanying any stockholder distribution carefully and should not assume that the source of any distribution is our ordinary income or capital gains.

We have adopted an "opt out" dividend reinvestment plan for our common stockholders. As a result, if we declare a distribution, the stockholders' cash distributions will be automatically reinvested in additional shares of our common stock unless a stockholder specifically "opts out" of our dividend reinvestment plan. If a stockholder opts out, that stockholder will receive cash distributions. Although distributions paid in the form of additional shares of our common stock will generally be subject to U.S. federal, state and local taxes in the same manner as cash distributions, stockholders participating in our dividend reinvestment plan will not receive any corresponding cash distributions with which to pay any such applicable taxes.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Related Party Transactions

Management Fees

Management fees earned by House Hanover for the three months ended March 31, 2021 and March 31, 2020 were $51,094 and $83,453, respectively.

As of March 31, 2021 and December 31, 2020, management fees of $603,215 and $552,121, respectively, were payable to House Hanover. House Hanover is allowing management fees to accrue and not be paid to allow the Company to build its cash balance and analyze the best use of its available funds.

Incentive Fees

The Company is not obligated to pay House Hanover an incentive fee. Incentive fees are a typical component of investment advisory agreements with business development companies.

Recent Accounting Pronouncements

See Note 2 of the financial statements for a description of recent accounting pronouncements, if any, including the expected dates of adoption and the anticipated impact on the financial statements.

Critical Accounting Policies

The preparation of our financial statements and related disclosures in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Changes in the economic environment, financial markets and any other parameters used in determining such estimates could cause actual results to differ. In addition to the discussion below, our significant accounting policies are further described in the notes to the financial statements.

Valuation of Portfolio Investments

As a BDC, we generally invest in illiquid loans and securities including debt and equity securities of middle-market companies. Under procedures established by our board of directors, we value investments for which market quotations are readily available at such market quotations. We obtain these market values from an independent pricing service or at the mean between the bid and ask prices obtained from at least two brokers or dealers (if available, otherwise by a principal market maker or a primary market dealer). Debt and equity securities that are not publicly traded or whose market prices are not readily available are valued at fair value as determined in good faith by our board of directors. Such determination of fair values may involve subjective judgments and estimates, although we engage independent valuation providers to review the valuation of each portfolio investment that does not have a readily available market quotation quarterly. Investments purchased within 60 days of maturity are valued at cost plus accreted discount, or minus amortized premium, which approximate fair value. With respect to unquoted securities, our board of directors values each investment considering, among other measures, discounted cash flow models, comparisons of financial ratios of peer companies that are public and other factors, that are provided by a nationally recognized independent valuation firm. This valuation firm provides a range of values for selected investments, which is presented to the Valuation Committee to determine the value for each of the selected investments.

When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, our board of directors uses the pricing indicated by the external event to corroborate and/or assist us in our valuation. Because there is not a readily available market for substantially all of the investments in our portfolio, we value our portfolio investments at fair value as determined in good faith by our board of directors using a documented valuation policy and a consistently applied valuation process. 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 differ significantly from the values that would have been used had a readily available market value existed for such investments, and the differences could be material.

With respect to investments for which market quotations are not readily available, our board of directors undertakes a multi-step valuation process each quarter, as described below:

- Our quarterly valuation process begins with each portfolio company or investment being initially valued by an independent valuation firm, except for those investments where market quotations are readily available;

- Preliminary valuation conclusions are then documented and discussed with our senior management, our investment advisor, and our auditors;

- The valuation committee of our board of directors then reviews these preliminary valuations and approves them for recommendation to the board of directors;

- The board of directors then discusses valuations and determines the fair value of each investment in our portfolio in good faith, based on the input of our investment advisor, the independent valuation firm and the valuation committee.

Revenue Recognition

Realized gain (loss) on the sale of investments is the difference between the proceeds received from dispositions of portfolio investments and their stated costs. Realized gains or losses on the sale of investments are calculated using the specific identification method.

Interest income, adjusted for amortization of premium and accretion of discount, is recorded on an accrual basis to the extent that we expect to collect such amounts. For loans and debt securities with contractual PIK interest, which represents contractual interest accrued and added to the loan balance that generally becomes due at maturity, we do not accrue PIK interest if the portfolio company valuation indicates that such PIK interest is not collectible. Generally, we will not accrue interest on loans and debt securities if we have reason to doubt our ability to collect such interest. Loan origination fees, original issue discount and market discount or premium are capitalized, and we then accrete or amortize such amounts using the effective interest method as interest income. Upon the prepayment of a loan or debt security, any unamortized loan origination is recorded as interest income. We record prepayment premiums on loans and debt securities as interest income.

Dividend income, if any, will be recognized on the ex-dividend date.

Generally, when a payment default occurs on a loan in the portfolio, or if the Company otherwise believes that the borrower will not be able to make contractual interest payments, the Company may place the loan on non-accrual status and cease recognizing interest income on the loan until all principal and interest is current through payment, or until a restructuring occurs, and the interest income is deemed to be collectible. The Company may make exceptions to this policy if a loan has sufficient collateral value, is in the process of collection or is viewed to be able to pay all amounts due if the loan were to be collected on through an investment in or sale of the business, the sale of the assets of the business, or some portion or combination thereof.

Recent Developments

Subsequent to the quarter ending March 31, 2021 and through the date of this filing, there was no portfolio activity or other events to report.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to financial market risks, including credit risk, illiquidity of investments in our portfolio and changes in interest rates.

Credit risk is the primary market risk associated with our business. Credit risk originates from the fact that some of our portfolio companies may become unable or unwilling to fulfill their contractual payment obligations to us and may eventually default on those obligations. These contractual payment obligations arise under the debt securities and other investments that we hold. They include payment of interest, principal, dividends, fees and payments under guarantees and similar instruments.

We primarily invest in illiquid debt and other securities of small and mid-sized private companies. In some cases these investments include additional equity components. Our investments may have no established trading market or are generally subject to restrictions on resale. The illiquidity of our investments may adversely affect our ability to dispose of debt and equity securities at times when it may be otherwise advantageous for us to liquidate such investments. As of March 31, 2021, all of our debt investments are fixed rate.

Item 4. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, or the Exchange Act) designed to ensure that information required to be disclosed in our reports that we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and accumulated and communicated to management, including our Interim Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding required disclosures.

In connection with the preparation of this Quarterly Report on Form 10-Q, as of the end of the fiscal period covered by this Quarterly Report on Form 10-Q (March 31, 2021), we performed an evaluation, under the supervision and with the participation of management, including our Interim Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15(b) and 15d-15(b) of the Exchange Act. Based on this evaluation, our Interim Chief Executive Officer and our Chief Financial Officer concluded that, as of March 31, 2021, our disclosure controls and procedures were effective in providing reasonable assurance (i) that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and (ii) that such information is accumulated and communicated to management in a manner that allows timely decisions regarding required disclosure.

(b) Changes in Internal Control over Financial Reporting

No changes to our internal control over financial reporting occurred during the quarter ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

As of March 31, 2021, there were no material legal proceedings against the Company or any of its officers or directors.

Great Value Storage Litigation

On March 14, 2019, the Company filed a complaint against Great Value Storage, LLC (“GVS”), World Class Capital Group, LLC (“World Class”), and Natin Paul, which we refer to collectively as the GVS Defendants, in the District Court for Harris County, Texas. GVS is one of the Company’s portfolio companies. The complaint alleges that the GVS defendants are in breach of certain contractual obligations under a Note Purchase Agreement entered into between the parties on July 31, 2012, as amended (the “Note Purchase Agreement”), including failure to make payments owed to the Company under the Note Purchase Agreement. The Company seeks (i) actual damages, (ii) special, statutory, or exemplary damages, (iii) pre-judgment interest, (iv) post-judgment interest, (v) court costs, (vi) reasonable attorneys’ fees, and (vii) all other relief to which the Company may be entitled to under law or equity. On April 15, 2019, the GVS Defendants filed an Answer with Request for Disclosure. On January 22, 2021, the Harris County District Court granted the Company’s Motion for Partial Summary Judgment on its breach of contract claim against GVS and World Class. On March 4, 2021, the Final Judgment Order was entered awarding damages to the Company in the amount of $9,910,601. On March 9, 2021, the Harris County District Court granted the Company’s Motion to Sever Remaining Claims. These remaining claims are pending in the Harris County District Court. The Company has not received financial statements from GVS since August 2018 and does not have current information regarding the properties owned by GVS affiliates which have been managed by GVS (some of which have filed for Chapter 11 bankruptcy).

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 the Company’s rights under contracts with its portfolio companies. Other than set forth above, the Company is not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, which could materially affect our business, financial condition and/or operating results. The risks described in our Annual Report on Form 10-K are not the only risks we face. Additional risks and uncertainties are not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results except as follows:

The impact that the COVID-19 pandemic has had and will continue to have on our business, results of operations, financial position and cash flow.

The global economy has been effected by the COVID-19 pandemic, including the small and medium sized businesses in which we are invested. The extent to which our operations may be impacted will depend largely on future developments, which are uncertain and cannot be predicted, including duration, the restrictions by governmental authorities to operate businesses and the effect that programs, such as the Paycheck Protection Program by the U.S. Small Business Administration, will have.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

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:

Exhibit	Description
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*	Certification of Chief Executive Officer and the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.

* Filedherewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Dated: May 14, 2021	Princeton Capital Corporation
	By: /s/ Mark S. DiSalvo Mark S. DiSalvo Interim Chief Executive Officer and Director (Principal Executive Officer)
Dated: May 14, 2021	Princeton Capital Corporation
	By: /s/ Gregory J. Cannella Gregory J. Cannella Chief Financial Officer (Principal Financial and Accounting Officer)

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER
THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Mark S. DiSalvo, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Princeton Capital Corporation (the “Registrant”);

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 the 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 15d-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;

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.

Date: May 14, 2021

/s/ Mark S. DiSalvo
Mark S. DiSalvo
Interim Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Gregory J. Cannella, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Princeton Capital Corporation (the "Registrant");

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 the 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 15d-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;

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.

Date: May 14, 2021

/s/ Gregory J. Cannella
Gregory J. Cannella
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, who are the Interim Chief Executive Officer and Chief Financial Officer of Princeton Capital Corporation (the "Company"), each hereby certify that to the best of his knowledge (1) this Quarterly Report on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly 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 this Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2021

/s/ Mark S. DiSalvo
Mark S. DiSalvo
Interim Chief Executive Officer
(Principal Executive Officer)

Date: May 14, 2021

/s/ Gregory J. Cannella
Gregory J. Cannella
Chief Financial Officer
(Principal Financial and Accounting Officer)