

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 September 30, 2022

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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 November 10, 2022 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

	September 30, 2022 (unaudited)	December 31, 2021
ASSETS		
Control investments at fair value (cost of \$27,353,273 and \$27,353,273, respectively)	\$ 17,965,147	\$ 22,615,962
Non-control/non-affiliate investments at fair value (cost of \$18,682,876 and \$18,682,876, respectively)	22,806,912	11,691,130
Total investments at fair value (cost of \$46,036,149 and \$46,036,149, respectively)	40,772,059	34,307,092
Cash	187,979	523,815
Restricted cash	40,624	40,586
Due from portfolio companies	229,540	225,396
Interest receivable, net of allowance for bad debt of \$430,445 and \$430,445, respectively	310,928	104,145
Taxes receivable	-	750
Prepaid expenses	82,876	30,473
Total assets	41,624,006	35,232,257
LIABILITIES		
Accrued management fees	512,735	262,324
Accounts payable	364,873	203,645
Due to affiliates ⁽¹⁾	472,500	273,016
Deferred fee income	-	17,996
Accrued expenses and other liabilities	78,521	2,284
Total liabilities	1,428,629	759,265
Net assets	\$ 40,195,377	\$ 34,472,992
NET ASSETS		
Common Stock, par value \$0.001 per share (250,000,000 shares authorized; 120,486,061 shares issued and outstanding at September 30, 2022 and December 31, 2021)	\$ 120,486	\$ 120,486
Paid-in capital	64,868,884	64,868,884
Accumulated deficit	(24,793,993)	(30,516,378)
Total net assets	\$ 40,195,377	\$ 34,472,992
Net asset value per share	\$ 0.334	\$ 0.286

(1) Amounts under Due to Affiliates are for accrued amounts payable to the Company's investment advisor, House Hanover, LLC for the reimbursement of administration fees that it incurs on the Company's behalf. See Note 7 of the Notes to Financial Statements.

The accompanying notes are an integral part of these unaudited condensed financial statements.

PRINCETON CAPITAL CORPORATION
STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Nine months Ended September 30,	
	2022	2021	2022	2021
INVESTMENT INCOME				
Interest income from non-control/non-affiliate investments	\$ 172,500	\$ -	\$ 511,875	\$ -
Interest income from control investments	254,679	254,209	570,415	397,391
Interest income paid-in-kind from control investments	-	97,401	-	97,401
Other income from non-control/non-affiliate investments	6,064	6,064	17,996	17,996
Other income from non-investment sources	17	21	55	85
Total investment income	433,260	357,695	1,100,341	512,873
OPERATING EXPENSES				
Management fees	83,014	74,347	247,395	182,778
Administration fees	105,257	101,643	308,543	300,467
Audit fees	21,320	21,115	128,876	112,682
Tax preparation fees	1,570	-	13,120	19,487
Legal fees	342,598	71,304	712,909	136,914
Valuation fees	28,500	33,000	94,500	99,000
Directors' fees	38,625	38,625	115,875	114,375
Insurance expense	47,654	41,201	136,658	119,059
Interest expense	1,638	-	3,963	188
Other general and administrative expenses	35,740	20,003	80,628	80,509
Total operating expenses	705,916	401,238	1,842,467	1,165,459
Net investment loss before tax	(272,656)	(43,543)	(742,126)	(652,586)
Income tax expense	-	-	456	-
Net investment loss after taxes	(272,656)	(43,543)	(742,582)	(652,586)
Net change in unrealized gain (loss) on:				
Non-control/non-affiliate investments	7,295,672	(953,012)	11,115,782	1,423,650
Control investments	(39,925)	(677,563)	(4,650,815)	9,481,917
Net change in unrealized gain (loss) on investments	7,255,747	(1,630,575)	6,464,967	10,905,567
Net increase (decrease) in net assets resulting from operations	\$ 6,983,091	\$ (1,674,118)	\$ 5,722,385	\$ 10,252,981
Net investment loss per share				
Basic	\$ (0.002)	\$ (0.000)	\$ (0.006)	\$ (0.005)
Diluted	\$ (0.002)	\$ (0.000)	\$ (0.006)	\$ (0.005)
Net increase (decrease) in net assets resulting from operations per share				
Basic	\$ 0.058	\$ (0.014)	\$ 0.047	\$ 0.085
Diluted	\$ 0.058	\$ (0.014)	\$ 0.047	\$ 0.085
Weighted average shares of common stock outstanding				
Basic	120,486,061	120,486,061	120,486,061	120,486,061
Diluted	120,486,061	120,486,061	120,486,061	120,486,061

The accompanying notes are an integral part of these unaudited condensed financial statements.

PRINCETON CAPITAL CORPORATION
STATEMENTS OF CHANGES IN NET ASSETS
(Unaudited)

	Three and Nine Months Ended September 30,	
	2022	2021
Net assets at beginning of year	\$ 34,472,992	\$ 22,479,540
Increase/(decrease) in net assets resulting from operations:		
Net investment loss	(317,025)	(303,328)
Net change in unrealized gain/(loss) on investments	(779,230)	4,410,052
Net increase/(decrease) in net assets resulting from operations	(1,096,255)	4,106,724
Total increase/(decrease) in net assets	(1,096,255)	4,106,724
Net assets at March 31	33,376,737	26,586,264
Increase/(decrease) in net assets resulting from operations		
Net investment loss	(152,901)	(305,715)
Net change in unrealized gain/(loss) on investments	(11,550)	8,126,090
Net increase/(decrease) in net assets resulting from operations	(164,451)	7,820,375
Total increase/(decrease) in net assets	(164,451)	7,820,375
Net assets at June 30	33,212,286	34,406,639
Increase/(decrease) in net assets resulting from operations		
Net investment loss	(272,656)	(43,543)
Net change in unrealized gain/(loss) on investments	7,255,747	(1,630,575)
Net increase/(decrease) in net assets resulting from operations	6,983,091	(1,674,118)
Total increase/(decrease) in net assets	6,983,091	(1,674,118)
Net assets at September 30	\$ 40,195,377	\$ 32,732,521
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

The accompanying notes are an integral part of these unaudited condensed financial statements.

PRINCETON CAPITAL CORPORATION
STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	2022	2021
Cash flows from operating activities:		
Net increase in net assets resulting from operations	\$ 5,722,385	\$ 10,252,981
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:		
Proceeds from sales, repayments, or maturity of investments in:		
Portfolio investments	-	230,570
Net change in unrealized gain on investments	(6,464,967)	(10,905,567)
Increase in investments due to PIK	-	(97,401)
Changes in operating assets and liabilities:		
Due from portfolio companies	(4,144)	(33,943)
Interest receivable	(206,783)	365
Prepaid expenses	(52,403)	(45,064)
Taxes receivable	750	6,000
Accrued management fees	250,411	(102,359)
Accounts payable	161,228	(32,460)
Due to affiliates	199,484	-
Tax expense payable	-	(456)
Deferred fee income	(17,996)	(17,996)
Accrued expenses and other liabilities	76,237	(26,039)
Net cash used in operating activities	(335,798)	(771,369)
Net decrease in cash and restricted cash	(335,798)	(771,369)
Cash and restricted cash at beginning of period	564,401	1,751,230
Cash and restricted cash at end of period	\$ 228,603	\$ 979,861
Cash and cash equivalents	\$ 187,979	\$ 939,287
Restricted Cash	40,624	40,574
Total Cash, Cash Equivalents and Restricted Cash	\$ 228,603	\$ 979,861
Supplemental disclosure of cash flow financing activities:		
Interest expense paid	\$ 3,963	\$ 188
Income tax paid	\$ 456	\$ 456

The accompanying notes are an integral part of these unaudited condensed financial statements.

PRINCETON CAPITAL CORPORATION
SCHEDULE OF INVESTMENTS as of September 30, 2022
(Unaudited)

Investments	Headquarters / Industry	Acquisition Date	Principal Amount/ Shares/ % Ownership	Amortized Cost	Fair Value ⁽¹⁾	% of Net Assets
Portfolio Investments ⁽⁶⁾						
<u>Control investments</u>						
Advantis Certified Staffing Solutions, Inc.	Houston, TX					
Second Lien Loan, 12.0% Cash, due 11/30/2021 ^{(2) (5) (7)}	Staffing	3/13/2015	\$ 4,500,000	\$ 4,500,000	\$ 4,044,044	10.06%
Unsecured loan 6.33%, due 12/31/2022 ⁽⁷⁾		10/01/2019	\$ 1,381,586	1,381,586	-	-%
Common Stock – Series A ^{(5) (7)}		7/02/2017	225,000	10,150	-	-%
Common Stock – Series B ^{(5) (7)}		7/02/2017	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)}		7/02/2017	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)}		12/31/2016	1	-	-	-%
Total				\$ 6,331,585	\$ 4,044,044	10.06%
Dominion Medical Management, Inc.	Milwaukee, WI					
First Lien Loan, 12.0% Cash, 6% PIK due, 3/31/2020 ^{(2) (3) (5) (7)}	Medical Business Services	3/22/2018	\$ 1,516,144	1,516,144	206,813	0.52%
Integrated Medical Partners, LLC						
Preferred Membership, Class A units ^{(5) (7)}		3/13/2015	800	4,196,937	-	-%
Preferred Membership, Class B units ^{(5) (7)}		3/13/2015	760	29,586	-	-%
Common Units ^{(5) (7)}		3/13/2015	14,082	-	-	-%
Total				\$ 5,742,667	\$ 206,813	0.52%
PCC SBH Sub, Inc.	Karnes City, TX					
Common stock ^{(5) (7)}	Energy Services	2/06/2017	100	2,525,481	1,726,047	4.29%
Rockfish Seafood Grill, Inc.	Richardson, TX					
First Lien Loan, 8% Cash, 6.0% PIK, due 3/31/2018 ^{(3) (7)}	Casual Dining	3/13/2015	\$ 6,352,944	6,352,944	9,737,243	24.23%
Revolving Loan, 8% Cash, due 12/31/2022 ⁽⁷⁾		6/29/2015	\$ 2,251,000	2,251,000	2,251,000	5.60%
Rockfish Holdings, LLC						
Warrant for Membership Interest, exercise price \$0.001 per 1% membership interest, expires 7/28/2028 ^{(5) (7)}		3/13/2015	10.0%	414,960	-	-%
Membership Interest – Class A ^{(5) (7)}		3/13/2015	99.997%	3,734,636	-	-%
Total				\$ 4,149,596	\$ -	-%
Total control investments				\$27,353,273	\$17,965,147	44.70%
<u>Non-control/non-affiliate investments</u>						
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	3/13/2015	\$ 6,800,586	\$ 6,800,586	\$11,372,699	28.29%

The accompanying notes are an integral part of these unaudited condensed financial statements.

PRINCETON CAPITAL CORPORATION
SCHEDULE OF INVESTMENTS as of September 30, 2022
(Unaudited) (Continued)

Investments	Headquarters / Industry	Acquisition Date	Principal Amount/Shares/ % Ownership	Amortized Cost	Fair Value ⁽¹⁾	% of Net Assets
<u>Non-control/non-affiliate investments</u> <u>(continued)</u>						
Performance Alloys, LLC	Houston, TX					
Second Lien Loan, 10% Cash, due 12/31/2023 (7)	Nickel Pipe, Fittings & Flanges	7/01/2016	\$ 6,750,000	\$ 6,750,000	\$ 7,320,000	18.21%
Membership Interest – Class B ⁽⁵⁾ (7)		7/01/2016	25.97%	5,131,090	4,113,013	10.23%
Total				\$ 11,881,090	\$ 11,433,013	28.44%
Rampart Detection Systems, Ltd.	British Columbia, Canada					
Common Stock Shares ⁽⁴⁾ (5)	Security	3/13/2015	600,000	1,200	1,200	-%
Total non-control/non-affiliate investments				\$ 18,682,876	\$ 22,806,912	56.73%
Total Portfolio Investments				\$ 46,036,149	\$ 40,772,059	101.43%
Total Investments				\$ 46,036,149	\$ 40,772,059	101.43%

(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 September 30, 2022, less than 1% of the total fair value of investments represents non-qualifying assets.

(5) Investment is non-income producing as of September 30, 2022.

(6) Represents an illiquid investment. At September 30, 2022, 100% of the total fair value of portfolio investments are illiquid. All of the Company’s portfolio investments are generally subject to restrictions on resale as “restricted securities.”

(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. On September 2, 2022, the Company entered into a Settlement, Assignment and Acceptance Agreement and subsequent to quarter end was paid in full on October 7, 2022. See Note 8 of the Notes to Financial Statements.

The accompanying notes are an integral part of these unaudited condensed financial statements.

PRINCETON CAPITAL CORPORATION
SCHEDULE OF INVESTMENTS
as of September 30, 2022
(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 September 30, 2022.

	September 30, 2022	
	Investments at Fair Value	Percentage of Net Assets
Geography		
United States	\$ 40,770,859	101.43%
Canada	1,200	-
Total	<u>\$ 40,772,059</u>	<u>101.43%</u>
	September 30, 2022	
	Investments at Fair Value	Percentage of Net Assets
Industry		
Casual Dining	\$ 11,988,243	29.83%
Nickel Pipe, Fittings and Flanges	11,433,013	28.44
Storage Company Property Management	11,372,699	28.29
Staffing	4,044,044	10.06
Energy Services	1,726,047	4.29
Medical Business Services	206,813	0.52
Security	1,200	-
Total	<u>\$ 40,772,059</u>	<u>101.43</u>

The accompanying notes are an integral part of these unaudited condensed financial statements.

PRINCETON CAPITAL CORPORATION
SCHEDULE OF INVESTMENTS as of December 31, 2021

Investments	Headquarters / Industry	Acquisition Date	Principal Amount/ Shares/ %	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	3/13/2015	\$ 4,500,000	\$ 4,500,000	\$ 4,441,765	12.89%
Unsecured loan 6.33%, due 12/31/2022 ⁽⁷⁾		10/01/2019	\$ 1,381,586	1,381,586	-	-%
Common Stock – Series A ^{(5) (7)}		7/02/2017	225,000	10,150	-	-%
Common Stock – Series B ^{(5) (7)}		7/02/2017	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)}		7/02/2017	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)}		12/31/2016	1	-	-	-%
Total				\$ 6,331,585	\$ 4,441,765	12.89%
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	3/22/2018	\$ 1,516,144	1,516,144	158,159	0.46%
Integrated Medical Partners, LLC						
Preferred Membership, Class A units ^{(5) (7)}		3/13/2015	800	4,196,937	-	-%
Preferred Membership, Class B units ^{(5) (7)}		3/13/2015	760	29,586	-	-%
Common Units ^{(5) (7)}		3/13/2015	14,082	-	-	-%
Total				\$ 5,742,667	\$ 158,159	0.46%
PCC SBH Sub, Inc.	Karnes City, TX					
Common stock ^{(5) (7)}	Energy Services	2/06/2017	100	2,525,481	1,745,113	5.06%
Rockfish Seafood Grill, Inc.	Richardson, TX					
First Lien Loan, 8% Cash, 6.0% PIK, due 3/31/2018 ^{(2) (3) (5) (7)}	Casual Dining	3/13/2015	\$ 6,352,944	6,352,944	12,294,480	35.66%
Revolving Loan, 8% Cash, due 12/31/2022 ⁽⁷⁾		6/29/2015	\$ 2,251,000	2,251,000	2,251,000	6.53%
Rockfish Holdings, LLC						
Warrant for Membership Interest, exercise price \$0.001 per 1% membership interest, expires 7/28/2028 ^{(5) (7)}		3/13/2015	10.0%	414,960	172,549	0.50%
Membership Interest – Class A ^{(5) (7)}		3/13/2015	99.997%	3,734,636	1,552,896	4.51%
Total				\$ 12,753,540	\$ 16,270,925	47.20%
Total control investments				\$ 27,353,273	\$ 22,615,962	65.61%
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	3/13/2015	\$ 6,800,586	\$ 6,800,586	\$ 4,854,720	14.08%

The accompanying notes are an integral part of these unaudited condensed financial statements.

PRINCETON CAPITAL CORPORATION
SCHEDULE OF INVESTMENTS as of December 31, 2021
(Continued)

Investments	Headquarters / Industry	Acquisition Date	Principal Amount/Shares/% Ownership	Amortized Cost	Fair Value ⁽¹⁾	% of Net Assets
<u>Non-control/non-affiliate investments</u> <u>(continued)</u>						
Performance Alloys, LLC	Houston, TX					
Second Lien Loan, 10% Cash, due 12/31/2023 ⁽⁷⁾	Nickel Pipe, Fittings & Flanges	7/01/2016	\$ 6,750,000	\$ 6,750,000	\$ 6,835,210	19.83%
Membership Interest – Class B ^{(5) (7)}		7/01/2016	25.97%	5,131,090	-	-%
Total				<u>\$ 11,881,090</u>	<u>\$ 6,835,210</u>	<u>19.83%</u>
Rampart Detection Systems, Ltd.	British Columbia, Canada					
Common Stock Shares ^{(4) (5)}	Security	3/13/2015	600,000	1,200	1,200	-%
Total non-control/non-affiliate investments				<u>\$ 18,682,876</u>	<u>\$ 11,691,130</u>	<u>33.91%</u>
Total Portfolio Investments				<u>\$ 46,036,149</u>	<u>\$ 34,307,092</u>	<u>99.52%</u>
Total Investments				<u>\$ 46,036,149</u>	<u>\$ 34,307,092</u>	<u>99.52%</u>

(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, 2021, less than 1% of the total fair value of investments represents non-qualifying assets.

(5) Investment is non-income producing as of December 31, 2021.

(6) Represents an illiquid investment. At December 31, 2021, 100% of the total fair value of portfolio investments are illiquid. All of the Company’s portfolio investments are generally subject to restrictions on resale as “restricted securities.”

(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.

The accompanying notes are an integral part of these unaudited condensed financial statements.

PRINCETON CAPITAL CORPORATION
SCHEDULE OF INVESTMENTS as of December 31, 2021
(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, 2021.

	December 31, 2021	
	Investments at Fair Value	Percentage of Net Assets
Geography		
United States	\$ 34,305,892	99.52%
Canada	1,200	0.00
Total	\$ 34,307,092	99.52%

	December 31, 2021	
	Investments at Fair Value	Percentage of Net Assets
Industry		
Casual Dining	\$ 16,270,925	47.20%
Nickel Pipe, Fittings and Flanges	6,835,210	19.83
Storage Company Property Management	4,854,720	14.08
Staffing	4,441,765	12.89
Energy Services	1,745,113	5.06
Medical Business Services	158,159	0.46
Security	1,200	-
Total	\$ 34,307,092	99.52%

The accompanying notes are an integral part of these unaudited condensed financial statements.

PRINCETON CAPITAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
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(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 2021 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 Regal One’s reincorporation from Florida to Maryland by merging with and into the Company with the Company continuing as the surviving corporation) 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 9, 2022.

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. On August 19, 2021, the Company provided an update with respect to our strategic review process and reported that the process was ongoing and that our options had been enhanced by significant valuation growth in our portfolio. As of September 30, 2022 and through the date of filing this Quarterly Report, the Company has not entered into any agreements regarding any strategic alternative and the strategic process remains ongoing.

PRINCETON CAPITAL CORPORATION
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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 nine months ended September 30, 2022 may not be indicative of the results ultimately achieved for the year ended December 31, 2022 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 September 30, 2022, 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, 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.

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.

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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 unless an internal valuation process is used, 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. For the fair value measurements as of September 30, 2022, the valuation technique for the Company’s investment in a First Lien Loan changed to remove the Receiver Recovery, Bankruptcy Recovery and Zero Recovery techniques. The reason for the change was that the Company entered into a settlement agreement prior to the end of the quarter and received funds within a week subsequent to quarter end.

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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 and unless an internal valuation process is used, 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 FASB, or ASC 820 "Fair Value Measurements and Disclosures". 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.

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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, Cash Equivalents 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. Cash Equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and present insignificant risk of changes in value.

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:

	September 30, 2022	December 31, 2021
Cash and Cash Equivalents	\$ 187,979	\$ 523,815
Restricted Cash	40,624	40,586
Total Cash, Cash Equivalents and Restricted Cash	\$ 228,603	\$ 564,401

As of September 30, 2022 and December 31, 2021, restricted cash consisted of cash held for deposit with law firms that represents the Company in its litigation with Great Value Storage, LLC.

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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 September 30, 2022 and December 31, 2021, the Company did not purchase any U.S. Treasury Bills. The Company does not expect to meet the qualifications of a RIC nor anticipate buying U.S. Treasury Bills until such time as certain strategic alternatives are achieved.

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 loan fees, 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 \$6,064 and \$6,064 for the three months ended September 30, 2022, and 2021, respectively. Income from such sources was \$17,996 and \$17,996 for the nine months ended September 30, 2022, and 2021, 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 \$17 and \$21 for the three months ended September 30, 2022 and 2021, respectively. Income from such sources was \$55 and \$85 for the nine months ended September 30, 2022 and 2021, respectively.

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 and nine months ended September 30, 2022 and 2021, were incurred in the normal operating course of business and are included in legal fees on the Statement of Operations.

The Company incurred legal fees related to the lawsuit against Great Value Storage, LLC ("GVS"). The amounts invoiced to the Company, prior to the final judgment received on March 4, 2021, for the nine months ended September 30, 2022 and 2021 were \$0 and \$14,423. These amounts are recoverable per the loan agreements and were invoiced to GVS and included in the amount Due from portfolio companies on the Statements of Assets and Liabilities. The amounts invoiced to the Company, after the final judgment received on March 4, 2021, for the nine months ended September 30, 2022 and 2021 were \$485,370 and \$35,003, respectively. These amounts are for fees incurred to recover our judgment and were expensed to Legal fees on the Statements of Operations.

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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 2021 tax year and was 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 2021 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 2022 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 2022 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 2022 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 and nine months ended September 30, 2022 and 2021, no dividends have been declared or distributed to stockholders. As disclosed in the Company’s Form 8-K that was filed on October 27, 2022, the Board of Directors has authorized and declared a cash dividend of \$0.075 per share of common stock payable on December 1, 2022 to stockholders of record as of the close of business on November 21, 2022.

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 and nine months ended September 30, 2022 and 2021, basic and diluted earnings (loss) per share were the same, since there were no potentially dilutive securities outstanding.

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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 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 were effective on January 1, 2021. The adoption resulted in no change to the Company’s disclosures of unconsolidated significant subsidiaries.

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 September 30, 2022 and September 30, 2021 and the nine months ended September 30, 2022 and September 30, 2021.

	Three Months Ended		Nine months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Per Share Data ⁽¹⁾:				
Net increase (decrease) in net assets resulting from operations	\$ 6,983,091	\$ (1,674,118)	\$ 5,722,385	\$ 10,252,981
Weighted average shares outstanding for period				
Basic	120,486,061	120,486,061	120,486,061	120,486,061
Diluted	120,486,061	120,486,061	120,486,061	120,486,061
Basic and diluted net increase (decrease) in net assets resulting from operations per common share				
Basic	\$ 0.058	\$ (0.014)	\$ 0.047	\$ 0.085
Diluted	\$ 0.058	\$ (0.014)	\$ 0.047	\$ 0.085

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

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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 September 30, 2022 and December 31, 2021, respectively:

	As of September 30, 2022			
	Level 1	Level 2	Level 3	Total
Portfolio Investments				
First Lien Loans	\$ -	\$ -	\$ 23,567,755	\$ 23,567,755
Second Lien Loans	-	-	11,364,044	11,364,044
Equity	-	-	5,840,260	5,840,260
Total Portfolio Investments	-	-	40,772,059	40,772,059
Total Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,772,059</u>	<u>\$ 40,772,059</u>

	As of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Portfolio Investments				
First Lien Loans	\$ -	\$ -	\$ 19,400,200	\$ 19,400,200
Second Lien Loans	-	-	11,435,134	11,435,134
Equity	-	-	3,471,758	3,471,758
Total Portfolio Investments	-	-	34,307,092	34,307,092
Total Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,307,092</u>	<u>\$ 34,307,092</u>

During the nine months ended September 30, 2022 and the year ended December 31, 2021, there were no transfers between Level 1, Level 2 or Level 3. During the nine months ended September 30, 2022, the company's investment in Dominion Medical Management, Inc. changed from a second lien loan to a first lien loan.

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 nine months ended September 30, 2022 are as follows:

	First Lien Loans	Second Lien Loans	Unsecured Loans	Equity	Total
Fair value at beginning of period	\$ 19,400,200	\$ 11,435,134	\$ -	\$ 3,471,758	\$ 34,307,092
Amortization	-	-	-	-	-
Purchases of investments	-	-	-	-	-
Sales or repayment of investments	-	-	-	-	-
Payment-in-kind interest	-	-	-	-	-
Change in unrealized gain (loss) on investments	4,009,396	87,069	-	2,368,502	6,464,967
Transfers in/out ⁽¹⁾	158,159	(158,159)	-	-	-
Fair value at end of period	<u>\$ 23,567,755</u>	<u>\$ 11,364,044</u>	<u>\$ -</u>	<u>\$ 5,840,260</u>	<u>\$ 40,772,059</u>
Change in unrealized gain (loss) on Level 3 investments still held as of September 30, 2022	<u>\$ 4,167,555</u>	<u>\$ (71,090)</u>	<u>\$ -</u>	<u>\$ 2,368,502</u>	<u>\$ 6,464,967</u>

(1) The Company's investment in Dominion Medical Management, Inc. changed from a second lien loan to a first lien loan in the third quarter of 2022.

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Changes in Level 3 assets measured at fair value for the year ended December 31, 2021 are as follows:

	First Lien Loans	Second Lien Loans	Unsecured Loans	Equity	Total
Fair value at beginning of year	\$ 14,671,435	\$ 5,235,708	\$ -	\$ 1,659,880	\$ 21,567,023
Purchases of investments	-	-	-	-	-
Sales or repayment of investments	(230,570)	-	-	-	(230,570)
Payment-in-kind interest	97,401	-	-	-	97,401
Realized gain (loss) on investments	-	-	-	-	-
Change in unrealized gain (loss) on investments	4,861,934	6,199,426	-	1,811,878	12,873,238
Transfer due to restructuring	-	-	-	-	-
Fair value at end of year	<u>\$ 19,400,200</u>	<u>\$ 11,435,134</u>	<u>\$ -</u>	<u>\$ 3,471,758</u>	<u>\$ 34,307,092</u>
Change in unrealized gain (loss) on Level 3 investments still held as of December 31, 2021	<u>\$ 4,861,934</u>	<u>\$ 6,199,426</u>	<u>\$ -</u>	<u>\$ 1,811,878</u>	<u>\$ 12,873,238</u>

The following table provides quantitative information regarding Level 3 fair value measurements as of September 30, 2022:

Description	Fair Value	Valuation Technique ⁽¹⁾	Unobservable Inputs	Range (Average ⁽²⁾)
First Lien Loans	\$ 11,372,699	Settlement Recovery	Market Yield	7.61%-9.85% (8.73%)
	11,988,243	Enterprise Value Coverage	EV / Store level EBITDAR	4.75x-5.25x (5.00x)
			Location Value	\$1,450,000-\$1,650,000 (\$1,550,000)
<i>Total</i>	<u>23,360,942</u>			
Second Lien Loans	11,364,044	Enterprise Value Coverage	EV / LTM Revenue	0.40x-0.45x (0.43x)
			EV / PF EBITDA	5.25x-6.25x (5.75x)
<i>Total</i>	<u>11,364,044</u>			
Unsecured Loans	-	Enterprise Value Coverage	EV / LTM Revenue	0.40x-0.45x (0.43x)
<i>Total</i>	<u>-</u>			
Equity	4,113,013	Enterprise Value Coverage	EV / LTM Revenue	0.40x-0.45x (0.43x)
			EV / PF EBITDA	5.25x-6.25x (5.75x)
			EV / Store level EBITDAR	4.25x-4.75x (5.00x)
			Location Value	\$1,450,000-\$1,650,000 (\$1,550,000)
	1,726,047	Appraisal Value Coverage	Cost Approach	\$1,467,000-\$1,793,000 (\$1,630,000)
			Sales Comparison Approach	\$1,404,000-\$1,716,000 (\$1,560,000)
<i>Total</i>	<u>5,839,060</u>			
Total Level 3 Investments	<u>\$ 40,564,046</u>			

(1) The valuation technique for the Company's investment in a First Lien Loan changed to remove the Receiver Recovery, Bankruptcy Recovery and Zero Recovery techniques. The reason for the change was that the Company entered into a settlement agreement prior to the end of the quarter and received funds within a week subsequent to quarter end.

(2) The average represents the arithmetic average of the unobservable inputs and is not weighted by the relative fair value.

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One of the Company's remaining Level 3 investments, valued at \$1,200, has been valued using unadjusted third party transactions. The other remaining Level 3 investment, valued at \$206,813, was an investment in a portfolio company that ceased operations in the 2nd quarter of 2022. This value consisted of an estimate of remaining cash available to distribute to priority lienholders. 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 September 30, 2022.

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

Description	Fair Value	Valuation Technique ⁽¹⁾	Unobservable Inputs	Range (Average ⁽²⁾)
First Lien Loans	\$ 4,854,720	Discounted Cash Flow	Discount Rate	55.00%-65.00% (60.00%)
		Judgment Recovery	Recovery Rate	40.00%-60.00% (50.00%)
		Judgment + Penalty Recovery	Recovery Rate	40.00%-60.00% (50.00%)
		Zero Recovery	Recovery Rate	0.00%-0.00% (0.00%)
	14,545,480	Enterprise Value Coverage	EV / Store level EBITDAR	4.75x-5.25x (5.00x)
			Location Value	\$1,275,000-\$1,375,000 (\$1,325,000)
Total	19,400,200			
Second Lien Loans	11,435,134	Enterprise Value Coverage	EV / RR Revenue Multiple	0.48x-0.53x (0.50x)
			EV / 2021 Revenue	0.60-0.70x (0.65x)
			EV / CFY EBITDA	7.50x-8.50x (8.00x)
			EV / CFY Revenue	0.95x-1.05x (1.00x)
		Pending Sale	Approach Weight	35.40%-35.40% (35.40%)
Total	11,435,134			
Unsecured Loans	-	Enterprise Value Coverage	EV / RR Revenue Multiple	0.48x-0.53x (0.50x)
Total	-			
Equity	1,725,445	Enterprise Value Coverage	EV / RR Revenue Multiple	0.48x-0.53x (0.50x)
			EV / 2021 Revenue	0.60x-0.70x (0.65x)
			EV / CFY EBITDA	7.50x-8.50x (8.00x)
			EV / CFY Revenue	0.95x-1.05x (1.00x)
			EV / STORE LEVEL EBITDAR	4.75x-5.25x (5.00x)
			Location Value	\$1,275,000-\$1,375,000 (\$1,325,000)
		Pending Sale	Approach Weight	35.40%-35.40% (35.40%)
	1,745,113	Appraisal Value Coverage	Cost Approach	\$1,458,000-\$1,782,000 (\$1,620,000)
			Sales Comparison Approach	\$1,350,000-\$1,650,000 (\$1,500,000)
Total	3,470,558			
Total Level 3 Investments	\$ 34,305,892			

(1) The valuation technique for the Company's investment in a First Lien Loan changed with addition of a Judgment Recovery, Judgment plus Penalty Recovery and Zero Recovery techniques. The reason for the change was the additional recovery options that presented itself in the fourth quarter. The valuation technique for the Company's investment in a Second Lien Loan and an Equity position changed with the addition of a Pending Sale technique. The reason for the change is that these investments are pending sale as of December 31, 2021.

(2) The average represents the arithmetic average of the unobservable inputs and is not weighted by the relative fair value.

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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, 2021.

As of September 30, 2022 and December 31, 2021, 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.

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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 September 30, 2022 and September 30, 2021 were \$83,014 and \$74,347, respectively. Management fees earned by House Hanover for the nine months ended September 30, 2022 and September 30, 2021 were \$247,395 and \$182,778, respectively.

As of September 30, 2022 and December 31, 2021, management fees of \$512,735 and \$262,324, respectively, were payable to House Hanover. House Hanover has allowed management fees to accrue and not be paid until such time as the Company has sufficient capital to pay them. On April 29, 2021, December 6, 2021, and November 2, 2022, the Company made payments to House Hanover for management fees in the amount of \$285,137, \$266,984, and \$512,735, respectively. The Company expects cash flows from operations plus cash reserves to be able to fund management fees going forward beginning in the fourth quarter of 2022.

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Incentive Fee

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.

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;

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- 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 9, 2022.

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.

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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 \$151,025 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, July 1, 2021 and again on July 1, 2022 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 \$37,757 for the three months ended September 30, 2022, as shown on the Statements of Operations under administration fees. Administration fees were \$202,500 and fees to the Sub-Administrator were \$106,043 for the nine months ended September 30, 2022, as shown on the Statements of Operations under administration fees.

Administration fees were \$67,500 and fees to the Sub-Administrator were \$34,143 for the three months ended September 30, 2021, as shown on the Statements of Operations under administration fees. Administration fees were \$202,500 and fees to the Sub-Administrator were \$97,967 for the nine months ended September 30, 2021, as shown on the Statements of Operations under administration fees.

As of September 30, 2022 and December 31, 2021, administration fees of \$472,500 and \$273,016, respectively, were payable to House Hanover and are recorded as Due to affiliates on the Statements of Assets and Liabilities. On October 26, 2022, the Board of Directors accepted a proposal from the Company’s investment adviser, House Hanover, LLC, of an adjustment in the amount of \$31,875 to reduce these outstanding administration fees payable for the allocation of Chief Compliance Officer administration fees. House Hanover has allowed administration fees to accrue and not be paid until such time as the Company has sufficient capital to pay them. On April 29, 2021, December 6, 2021, and November 2, 2022, the company made payments to House Hanover for administration fees in the amount of \$202,500, \$270,000, and \$440,625, respectively. The Company expects cash flows from operations plus cash reserves to be able to fund administration fees going forward beginning in the fourth quarter of 2022.

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 September 30, 2022, none of the portfolio companies had accepted our offer for such services, except for Advantis Certified Staffing Solutions, Inc. (“Advantis”). On May 1, 2022, Advantis requested one of its directors, Gregory J. Cannella who also serves as our Chief Financial Officer, become the Executive Chair of Advantis to provide executive authority and leadership in the absence of their former president, who resigned in March 2022. Mr. Cannella has agreed to take this position and in return will be compensated by Advantis in the amount of \$5,000 per month. The title and benefits of this position can be removed at any time by the board of directors of Advantis.

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NOTE 7 – FINANCIAL HIGHLIGHTS

	Three Months Ended September 30, 2022 (Unaudited)	Three Months Ended September 30, 2021 (Unaudited)
Per Share Data ⁽¹⁾:		
Net asset value at beginning of period	\$ 0.276	\$ 0.286
Net investment loss	(0.002)	-
Change in unrealized gain (loss)	0.060	(0.014)
Net asset value at end of period	<u>\$ 0.334</u>	<u>\$ 0.272</u>
Total return based on net asset value ⁽²⁾	21.0%	(4.9)%
Weighted average shares outstanding for period, basic	120,486,061	120,486,061
Ratio/Supplemental Data:		
Net assets at end of period	\$ 40,195,377	\$ 32,732,521
Average net assets	\$ 33,288,189	\$ 34,388,442
Ratio of net operating expenses to average net assets ⁽³⁾	8.4%	4.6%
Ratio of net operating expenses excluding management fees, incentive fees, and interest expense to average net assets ⁽³⁾	7.4%	3.8%
Ratio of net investment loss to average net assets ⁽³⁾	(3.2)%	(0.5)%
Ratio of net investment loss to average net assets, excluding other income from non-investment sources ⁽³⁾	(3.2)%	(0.5)%
Ratio of net increase (decrease) in net assets resulting from operations to average net assets ⁽³⁾	83.2%	(19.3)%
Portfolio Turnover	0.0%	0.40%

	Nine Months Ended September 30, 2022 (Unaudited)	Nine Months Ended September 30, 2021 (Unaudited)
Per Share Data ⁽¹⁾:		
Net asset value at beginning of period	\$ 0.286	\$ 0.187
Net investment loss	(0.006)	(0.005)
Change in unrealized gain (loss)	0.054	0.090
Net asset value at end of period	<u>\$ 0.334</u>	<u>\$ 0.272</u>
Total return based on net asset value ⁽²⁾	16.8%	45.5%
Weighted average shares outstanding for period, basic	120,486,061	120,486,061
Ratio/Supplemental Data:		
Net assets at end of period	\$ 40,195,377	\$ 32,732,521
Average net assets	\$ 33,703,681	\$ 27,905,393
Ratio of net operating expenses to average net assets ⁽³⁾	7.3%	5.6%
Ratio of net operating expenses excluding management fees, incentive fees, and interest expense to average net assets ⁽³⁾	6.3%	4.7%
Ratio of net investment loss to average net assets ⁽³⁾	(2.9)%	(3.1)%
Ratio of net investment loss to average net assets, excluding other income from non-investment sources ⁽³⁾	(2.9)%	(3.1)%
Ratio of net increase in net assets resulting from operations to average net assets ⁽³⁾	22.7%	49.1%
Portfolio Turnover	0.0%	0.47%

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	Year Ended December 31,				
	2021	2020	2019	2018	2017
Per Share Data ⁽¹⁾:					
Net asset value at beginning of year	\$ 0.187	\$ 0.276	\$ 0.345	\$ 0.344	\$ 0.365
Net investment income (loss)	(0.007)	(0.005)	(0.009)	0.009	0.008
Change in unrealized gain (loss)	0.106	(0.022)	(0.060)	(0.007)	(0.035)
Realized gain (loss)	-	(0.062)	-	(0.001)	0.006
Net asset value at end of year	\$ 0.286	\$ 0.187	\$ 0.276	\$ 0.345	\$ 0.344
Total return based on net asset value ⁽²⁾	52.9%	(32.60)%	(20.0)%	0.3%	(5.8)%
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	\$ 34,472,992	\$ 22,479,540	\$ 33,280,329	\$ 41,554,951	\$ 41,407,539
Average net assets	\$ 29,126,862	\$ 25,276,013	\$ 38,504,249	\$ 41,416,562	\$ 42,634,685
Total operating expenses to average net assets	6.0%	6.2%	5.8%	5.4%	3.8%
Net operating expenses to average net assets ⁽⁴⁾	6.0%	6.2%	5.8%	5.4%	3.3%
Net operating expenses excluding management fees, incentive fees, and interest expense to average net assets	5.1%	5.2%	4.9%	4.3%	2.8%
Net operating expenses excluding management fees, incentive fees, and interest expense to average net assets, excluding management fee waiver	5.1%	5.2%	4.9%	4.3%	3.2%
Net investment income (loss) to average net assets	(3.0)%	(2.7)%	(2.8)%	2.5%	2.4%
Net investment income (loss) to average net assets, excluding management fee waiver	(3.0)%	(2.7)%	(2.8)%	2.5%	1.9%
Net investment income (loss) to average net assets, excluding other income from non-investment sources	(3.0)%	(3.0)%	(2.8)%	2.5%	0.1%
Net investment income (loss) to average net assets, excluding other income from non-investment sources, excluding management fee waiver ⁽⁵⁾	(3.0)%	(3.0)%	(2.8)%	2.5%	(0.4)%
Net increase (decrease) in net assets resulting from operations to average net assets	41.2%	(42.7)%	(21.5)%	0.4%	(6.0)%
Portfolio Turnover	0.4%	0.4%	0.7%	0.5%	7.0%

(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) Financial Highlights for periods of less than one year are annualized and the ratios of operating expenses to average net assets and net investment loss to average net assets are adjusted accordingly. Non-recurring expenses are not annualized. For the three and nine months ended September 30, 2022 and 2021, the Company did not exclude any non-recurring expenses. Because the ratios are calculated for the Company's common stock taken as a whole, an individual investor's ratios may vary from these ratios.

(4) Net operating expenses includes a management fee waiver in the amount of \$216,559 for the year ended December 31, 2017.

(5) Other income from non-investment sources only includes the reduction of previously accrued expenses totaling \$968,256 for the year ended December 31, 2017.

PRINCETON CAPITAL CORPORATION
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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 September 30, 2022. 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, 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. 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 January 1, 2022, the Company amended and finalized proofs of claim in the U.S. Bankruptcy Court for the Northern District of Texas, as it has been discovered that Natin Paul had transferred the properties from the GVS Defendants and to the debtor entities, which are GVS affiliates that filed bankruptcy. On March 21, 2022, the bankruptcy court reserved \$15 million for our claim. On April 27, 2022, the Company filed an adversary proceeding in the bankruptcy court to recover amounts owed to the Company.

PRINCETON CAPITAL CORPORATION
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As disclosed in the Company's Form 8-K that was filed on September 9, 2022, on September 2, 2022, the Company entered into a Settlement, Assignment and Acceptance Agreement with Natin Paul and his related parties, whereby the Company would sell its promissory notes from GVS and World Class to Phoenix Lending, LLC, a newly formed Natin Paul related entity, in exchange for a settlement payment of \$11,372,699 to be funded out of the \$15 million reserve in the bankruptcy court. Further, the GVS affiliated parties agreed to indemnify the Company and retain \$1 million on reserve in the bankruptcy court for any future legal fees or claims related to the settlement. On October 7, 2022, the Company closed the settlement and received \$11,372,699.

Risks and Uncertainties

COVID-19

The Company is subject to risks associated with unforeseen events, including but not limited to, natural disasters, acts of terrorism and the emergence of a pandemic or other public health emergencies, which could create economic, financial and business disruptions. Certain impacts from the COVID-19 outbreak and its variants may have a significant negative impact on the Company's operations and performance. These circumstances may continue for an extended period of time, and may have an adverse impact on economic and market conditions. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual companies, are not known. The extent of the impact to the financial performance and the operations of the Company will depend on future developments, which are highly uncertain and cannot be predicted.

Russia/Belarus Action with Ukraine

Various social and political circumstances in the U.S. and around the world (including wars and other forms of conflict, including rising trade tensions between the United States and China, and other uncertainties regarding actual and potential shifts in the U.S. and foreign, trade, economic and other policies with other countries, terrorist acts, security operations and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and global health epidemics), may also contribute to increased market volatility and economic uncertainties or deterioration in the U.S. and worldwide. Specifically, the rising conflict between Russia and Ukraine, and resulting market volatility could adversely affect the Company's operations. In response to the conflict between Russia and Ukraine, the U.S. and other countries have imposed sanctions or other restrictive actions against Russia. Any of the above factors, including sanctions, export controls, tariffs, trade wars and other governmental actions, may materially impact the valuation of the portfolio investments and in turn, the net asset value of the Company. The specific impact on the Company's financial condition, results of operations, and cash flows is not determinable as of the date of these financial statements.

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 subsidiary in an annual report if the subsidiary investment value exceeds 20% of the Company's total investments at fair value, the income from the subsidiary investment exceeds 80% of the Company's change in net assets resulting from operations, or the income from the subsidiary investment exceeds 20% of the Company's change in net assets resulting from operations and the subsidiary investment value exceeds 5% of the Company's total investments at fair value. Rule 4-08(g) of Regulation S-X requires summarized financial information of an unconsolidated subsidiary in an annual report where the Company owns more than 25% of the voting securities or is otherwise controlled by the Company if it does not qualify under Rule 3.09 of Regulation S-X and if the subsidiary investment value exceeds 10% of the Company's total investments at fair value, the income from the subsidiary investment exceeds 80% of the Company's change in net assets resulting from operations, or the income from the subsidiary investment exceeds 10% of the Company's change in net assets resulting from operations and the subsidiary investment value exceeds 5% of the Company's total investments at fair value.

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Rule 10-01(b)(1) of Regulation S-X requires summarized financial information for interim financial statements, if the Company owns more than 25% of the voting securities or is otherwise controlled by the Company and if the subsidiary investment value exceeds 10% of the Company's total investments at fair value, the income from the subsidiary investment exceeds 80% of the Company's change in net assets resulting from operations, or the income from the subsidiary investment exceeds 10% of the Company's change in net assets resulting from operations and the subsidiary investment value exceeds 5% of the Company's total investments at fair value.

The Company has determined that Rockfish Seafood Grill, Inc., one of the Company's four majority owned or controlled portfolio company, was considered a significant subsidiary at September 30, 2022 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. (numbers in thousands):

	Rockfish Seafood Grill, Inc.	
	Nine months Ended September 30, 2022 (unaudited)	Nine months Ended September 30, 2021 (unaudited)
Income Statement		
Net Revenue	\$ 13,091	\$ 13,931
Gross Profit	\$ 9,031	\$ 9,813
Net Income (Loss)	\$ 384	\$ 1,265

NOTE 10 – SUBSEQUENT EVENTS

The Company evaluated subsequent events and transactions that occurred up to the date unaudited condensed financial statements were issued. Based upon this review, the Company did not identify any subsequent events, other than noted below, that would have required adjustment or disclosure in the unaudited condensed financial statements.:

On October 7, 2022, the Company received \$11,372,699 as its settlement payment in connection with the Settlement, Assignment and Acceptance Agreement with Great Value Storage, LLC and related parties.

On October 17, 2022, the Board terminated the “opt out” dividend reinvestment plan, as disclosed in the Company's 8-K filed on October 19, 2022. Written notice of such termination was mailed to the Company's stockholders on October 21, 2022, with an effective date of November 20, 2022.

On October 26, 2022, the Board of Directors accepted a proposal from the Company's investment adviser, House Hanover, LLC, of an adjustment in the amount of \$31,875 to reduce the outstanding amounts under Due to affiliates on the Statements of Assets and Liabilities for the allocation of Chief Compliance Officer administration fees. Further, the Board of Directors accepted a proposal of Chief Compliance Officer administration fees beginning October 1, 2022 to be allocated 65% to the Company and 35% to House Hanover, LLC.

As disclosed in the Company's Form 8-K that was filed on October 27, 2022, the Board of Directors has authorized and declared a cash dividend of \$0.075 per share of common stock payable on December 1, 2022 to stockholders of record as of the close of business on November 21, 2022.

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Schedule 12-14

The table below represents the fair value of control and affiliate investments at December 31, 2021 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 September 30, 2022.

Portfolio Company/Type of Investment ⁽¹⁾	Principal Amount/Shares/Ownership % at September 30, 2022	Amount of Interest and Dividends Credited in Income	Fair Value at December 31, 2021	Purchases ⁽²⁾	Sales	Transfers from Restructuring/Transfers into Control Investments	Change in Unrealized Gains/(Losses)	Fair Value at September 30, 2022
Control Investments								
Advantis Certified Staffing Solutions, Inc.								
Second Lien Loan, 12.0% Cash, due 11/30/2021 ⁽³⁾	\$ 4,500,000	\$ -	\$ 4,441,765	\$ -	\$ -	\$ -	\$ (397,721)	\$ 4,044,044
Unsecured loan Consolidated BL Note 6.33% due 12/31/2022	\$ 1,381,586	65,411	-	-	-	-	-	-
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.								
First Lien Loan, 12.0% Cash, 6% PIK due, 3/31/2020 ^{(2) (3)}	\$ 1,516,144	-	158,159	-	-	-	48,654	206,813
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	-	1,745,113	-	-	-	(19,066)	1,726,047
Rockfish Seafood Grill, Inc.								
First Lien Loan, 8% Cash, 6.0% PIK, due 3/31/2018	\$ 6,352,944	413,463	12,294,480	-	-	-	(2,557,237)	9,737,243
Revolving Loan, 8% PIK, due 12/31/2022	\$ 2,251,000	91,541	2,251,000	-	-	-	-	2,251,000
Rockfish Holdings, LLC								
Warrant for Membership Interest, exercise price \$0.001 per 1% membership interest, expires 7/28/2028 ⁽³⁾	10.0%	-	172,549	-	-	-	(172,549)	-
Membership Interest – Class A ⁽³⁾	99.997%	-	1,552,896	-	-	-	(1,552,896)	-
Total Control Investments		\$ 570,415	\$ 22,615,962	\$ -	\$ -	\$ -	\$ (4,650,815)	\$ 17,965,147

(1) Represents an illiquid investment.

(2) Includes PIK interest.

(3) Non-income producing security.

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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 September 30, 2021.

Portfolio Company/Type of Investment ⁽¹⁾	Principal Amount/Shares/ Ownership % at September 30, 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 September 30, 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	\$ -	\$ -	\$ 1,507,113	\$ 4,515,321
Unsecured loan Consolidated BL Note 6.33% due 12/31/2021	\$ 1,381,586	65,411	-	-	-	-	-
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	-	-	102,441	1,761,121
Rockfish Seafood Grill, Inc.							
First Lien Loan, 8% Cash, 6.0% PIK, due 3/31/2018 ⁽³⁾	\$ 6,352,944	-	6,910,188	-	-	5,072,136	11,982,324
Revolving Loan, 8% Cash, due 12/31/2021	\$ 2,251,000	429,381	2,703,315	97,401	(230,570)	(319,146)	2,251,000
Rockfish Holdings, LLC							
Warrant for Membership Interest, exercise price \$0.001 per 1% membership interest, expires 7/28/2028 ⁽³⁾	10.000%	-	-	-	-	311,946	311,946
Membership Interest – Class A ⁽³⁾	99.997%	-	-	-	-	2,807,427	2,807,427
Total Control Investments		\$ 494,792	\$ 14,280,391	\$ 97,401	\$ (230,570)	\$ 9,481,917	\$ 23,629,139

(1) Represents an illiquid investment.

(2) Includes PIK interest.

(3) Non-income producing security.

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;
- 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. As of September 30, 2022 and through the date of filing this Quarterly Report, the Company has not entered into any agreements regarding any strategic alternative.

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 2021 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 September 30, 2022, the Company had investments in 7 portfolio companies. The total cost and fair value of the total investments were approximately \$46.0 million and \$40.8 million, respectively. The composition of our investments by asset class as of September 30, 2022 is as follows:

Investments	Cost	Fair Value	Percentage of Total Portfolio
Portfolio Investments			
First Lien Loans	\$ 16,920,674	\$ 23,567,755	57.8%
Second Lien Loans	11,250,000	11,364,044	27.9
Unsecured Loans	1,381,586	-	-
Equity	16,483,889	5,840,260	14.3
Total Portfolio Investments	\$ 46,036,149	\$ 40,772,059	100.0%

At December 31, 2021, the Company had investments in 7 portfolio companies. The total cost and fair value of the total investments were approximately \$46.0 million and \$34.3 million, respectively. The composition of our investments by asset class as of December 31, 2021 is as follows:

Investments	Cost	Fair Value	Percentage of Total Portfolio
Portfolio Investments			
First Lien Loans	\$ 15,404,530	\$ 19,400,200	56.6%
Second Lien Loans	12,766,144	11,435,134	33.3
Unsecured Loans	1,381,586	-	-
Equity	16,483,889	3,471,758	10.1
Total Portfolio Investments	46,036,149	34,307,092	100.00
Total Investments	\$ 46,036,149	\$ 34,307,092	100.00%

At September 30, 2022, our weighted average yield of our portfolio investments, based upon cost and excluding non-yielding assets, was approximately 10.09% of which approximately 10.09% 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, 2021, our weighted average yield based upon cost of our portfolio investments was approximately 9.08% of which approximately 9.08% is current cash interest.

At September 30, 2022 and December 31, 2021, 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.

- In August 2022, Dominion Medical Management, Inc. (“DMM”) notified the Company that it had paid its senior lender in full. This resulted in the Company’s second lien loan to DMM becoming a first lien loan.
- On September 2, 2022, the Company entered into a Settlement, Assignment and Acceptance Agreement with Great Value Storage, LLC (“Great Value”) and its related parties. In exchange for a settlement payment of \$11,372,699, indemnification secured by \$1,000,000 held in trust, and dismissal of its claims in the bankruptcy proceeding, the Company agreed to sell, assign and transfer its rights to the loans to Great Value and the Judgment against Great Value and World Class Capital Group, LLC. The Company received payment in full on October 7, 2022.

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 September 30, 2022 and December 31, 2021:

Investment Rating	As of September 30, 2022			As of December 31, 2021		
	Fair Value	% of Total Portfolio	Number of Portfolio Companies	Fair Value	% of Total Portfolio	Number of Portfolio Companies
1	\$ —	—%	—	\$ —	—%	—
2	7,320,000	20.95	1	—	—	—
3	23,360,942	66.88	2	21,380,690	69.34	2
4	4,044,044	11.58	1	9,296,485	30.15	2
5	206,813	0.59	1	158,159	0.51	1
	\$ 34,931,799	100.00%	5	\$ 30,835,334	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 September 30, 2022, we had 3 loans on non-accrual status and as of December 31, 2021, we had 4 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 September 30, 2022 and September 30, 2021

	Three Months Ended September 30, 2022 (unaudited)		Three Months Ended September 30, 2021 (unaudited)	
	Total	Per Share ⁽¹⁾	Total	Per Share ⁽¹⁾
Investment income				
Interest income	\$ 427,179	\$ 0.004	\$ 351,610	\$ 0.003
Other income	6,081	0.000	6,085	0.000
Total investment income	433,260	0.004	357,695	0.003
Operating expenses				
Management fees	83,014	0.001	74,347	0.001
Administration fees	105,257	0.001	101,643	0.001
Audit fees	21,320	0.000	21,115	0.000
Tax preparation fee	1,570	0.000	-	-
Legal fees	342,598	0.003	71,304	0.001
Valuation fees	28,500	0.000	33,000	0.000
Directors' fees	38,625	0.000	38,625	0.000
Insurance expense	47,654	0.001	41,201	0.000
Interest expense	1,638	0.000	-	-
Other general and administrative expenses	35,740	0.000	20,003	0.000
Total net operating expenses	705,916	0.006	401,238	0.003
Net investment loss before tax	(272,656)	(0.002)	(43,543)	(0.000)
Income tax expense	-	-	-	-
Net investment loss after tax	\$ (272,656)	\$ (0.002)	\$ (43,543)	\$ (0.000)
Net change in unrealized gain (loss)	\$ 7,255,747	\$ 0.060	\$ (1,630,575)	\$ (0.014)
Net increase (decrease) in net assets resulting from operations	\$ 6,983,091	\$ 0.058	\$ (1,674,118)	\$ (0.014)

(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 September 30, 2022 and September 30, 2021, except where such amounts need to be adjusted to be consistent with what is disclosed in the financial highlights of our financial statements.

Operating Expenses

Total net operating expenses increased from \$401,238 for the three months ended September 30, 2021 to \$705,916 for the three months ended September 30, 2022. The increase is primarily due to an increase in legal fees and other general and administrative expenses for the three months ended September 30, 2022.

Total operating expenses per share increased from \$0.003 to \$0.006 per share for the three months ended September 30, 2021 and for the three months ended September 30, 2022.

Net Investment Income (Loss) after tax

Net investment income (loss) (after tax) increased from a loss of \$(43,543) for the three months ended September 30, 2021 to a loss of \$(272,656) for the three months ended September 30, 2022. This increase in a loss was primarily due to an increase in expenses as explained above, which was offset by an increase in investment income.

Net investment income (loss) (after tax) per share decreased from \$(0.000) to \$(0.002) for the three months ended September 30, 2021 and 2022, respectively.

Net Realized Gain (Loss)

We measure realized 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 September 30, 2022 and 2021, 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 \$7,255,747 for the three months ended September 30, 2022 primarily in connection by gains of \$997,665 and \$6,298,007 on Performance Alloys, LLC and Great Value Storage, LLC., respectively.

Net change in unrealized gain (loss) on investments totaled a loss of \$(1,630,575) for the three months ended September 30, 2021 primarily in connection with losses of \$(1,442,387), and \$(1,022,828) on Great Value Storage, LLC., and Rockfish Holdings, LLC., respectively, which was partially offset by a gain of \$489,375 on Performance Alloys, Inc.

Comparison of the Nine Months Ended September 30, 2022 and September 30, 2021

	Nine Months Ended September 30, 2022 (unaudited)		Nine Months Ended September 30, 2021 (unaudited)	
	Total	Per Share ⁽¹⁾	Total	Per Share ⁽¹⁾
Investment income				
Interest income ⁽²⁾	\$ 1,082,290	\$ 0.009	\$ 494,792	\$ 0.004
Other income	18,051	0.000	18,081	0.000
Total investment income	1,100,341	0.009	512,873	0.004
Operating expenses				
Management fees	247,395	0.002	182,778	0.002
Administration fees	308,543	0.002	300,467	0.002
Audit fees	128,876	0.001	112,682	0.001
Tax preparation fee	13,120	0.000	19,487	0.000
Legal fees	712,909	0.006	136,914	0.001
Valuation fees	94,500	0.001	99,000	0.001
Directors' fees	115,875	0.001	114,375	0.001
Insurance expense	136,658	0.001	119,059	0.001
Interest expense	3,963	0.000	188	0.000
Other general and administrative expenses	80,628	0.001	80,509	0.001
Total net operating expenses	1,842,467	0.015	1,165,459	0.010
Net investment loss before tax	(742,126)	(0.006)	(652,586)	(0.006)
Income tax expense	456	0.000	-	-
Net investment loss after tax	\$ (742,582)	\$ (0.006)	\$ (652,586)	\$ (0.006)
Net change in unrealized gain	\$ 6,464,967	\$ 0.054	\$ 10,905,567	\$ 0.091
Net increase in net assets resulting from operations	\$ 5,722,385	\$ 0.047	\$ 10,252,981	\$ 0.085

- (1) The basic per share figures noted above are based on a weighted average of 120,486,061 shares outstanding for both the nine months ended September 30, 2022 and September 30, 2021, 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 \$97,401 for the nine months ended September 30, 2022 and 2021, respectively.

Operating Expenses

Total net operating expenses increased from \$1,165,459 for the nine months ended September 30, 2021 to \$1,842,467 for the nine months ended September 30, 2022. The increase is primarily due to an increase in management expense, legal fees and audit fees for the nine months ended September 30, 2022, which was partially offset by a decrease in tax preparation fee and valuation fees.

Total operating expenses per share increased from \$0.010 per share for the nine months ended September 30, 2021 to \$0.015 per share for the nine months ended September 30, 2022.

Net Investment Loss after tax

Net investment loss after tax increased from a loss of \$652,856 for the nine months ended September 30, 2021 to a loss of \$742,582 for the nine months ended September 30, 2022. This increase in a loss was primarily due to an increase in expenses as explained above, which was offset by an increase in investment income.

Net investment loss after tax per share remained consistent at \$(0.006) for nine months ended September 30, 2021 and 2022, 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 nine months ended September 30, 2022 and 2021, we did not recognize any realized gain or loss.

Net Change in Unrealized Gain (Loss)

Net change in unrealized gain (loss) on investments totaled a gain of \$6,464,967 for the nine months ended September 30, 2022 primarily in connection with gains of \$4,597,803 and \$6,517,979 on Performance Alloys, LLC and Great Value Storage, respectively, which were partially offset by losses of \$2,557,237 and \$1,725,445 on Rockfish Seafood Grill, Inc. and Rockfish Holdings, respectively.

Net change in unrealized gain (loss) on investments totaled a gain of \$10,905,567 for the nine months ended September 30, 2021 primarily in connection with gains of \$4,752,990, \$3,119,373, and \$1,906,875 and \$1,507,113 on Rockfish Seafood Grill, Inc., Rockfish Holdings, LLC, Performance Alloys, Inc. and Advantis Certified Staffing Solutions, 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 September 30, 2022, we had \$187,979 in cash and cash equivalents and \$40,624 in restricted cash, and our net assets totaled \$40,195,377. 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 September 30, 2022, 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 nine months ended September 30, 2022 and 2021, , no dividends have been declared or distributed to stockholders. As disclosed in the Company's Form 8-K that was filed on October 27, 2022, the Board of Directors has authorized and declared a cash dividend of \$0.075 per share of common stock payable on December 1, 2022 to stockholders of record as of the close of business on November 21, 2022.

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 2021 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.

At the initial meeting of the Board of Directors (the "Board") held on March 13, 2015, the Board 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.

On October 17, 2022, the Board terminated the "opt out" dividend reinvestment plan, as disclosed in the Company's 8-K filed on October 19, 2022. Written notice of such termination was mailed to the Company's stockholders on October 21, 2022, with an effective date of November 20, 2022. As a result, any distributions declared for stockholders of record after November 20, 2022, will be paid in cash.

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 September 30, 2022 and September 30, 2021 were \$83,014 and \$74,347, respectively. Management fees earned by House Hanover for the nine months ended September 30, 2022 and September 30, 2021 were \$247,395 and \$182,778, respectively.

As of September 30, 2022 and December 31, 2021, management fees of \$512,735 and \$262,324, respectively, were payable to House Hanover. House Hanover has allowed 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. On April 29, 2021, December 6, 2021, and November 2, 2022, the Company made payments to House Hanover for management fees in the amount of \$285,137, \$266,984, and \$512,735, respectively. The Company expects cash flows from operations plus cash reserves to be able to fund management fees going forward beginning in the fourth quarter of 2022.

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.

Administration Fees

House Hanover is entitled to reimbursement of expenses under the House Hanover Investment Advisory Agreement for administrative services performed for the Company. Administration fees were \$67,500, and \$67,500 for the three months ended September 30, 2022 and 2021, respectively, as shown on the Statements of Operations under administration fees. Administration fees were \$202,500, and \$202,500 for the nine months ended September 30, 2022 and 2021, respectively, as shown on the Statements of Operations under administration fees. As of September 30, 2022 and December 31, 2021 there were \$472,500 and \$273,016, respectively, of administration fees owed to House Hanover, as shown on the Statements of Assets and Liabilities under Due to affiliates. On October 26, 2022, the Board of Directors accepted a proposal from the Company's investment adviser, House Hanover, LLC, of an adjustment in the amount of \$31,875 to reduce these outstanding administration fees payable for the allocation of Chief Compliance Officer administration fees. House Hanover has allowed administration fees to accrue and not be paid until such time as the Company has sufficient capital to pay them. On April 29, 2021, December 6, 2021, and November 2, 2022, the Company made payments to House Hanover for administration fees in the amount of \$202,500, \$270,000, and \$440,625, respectively. The Company expects cash flows from operations plus cash reserves to be able to fund administration fees going forward beginning in the fourth quarter of 2022.

On May 1, 2022, Advantis Certified Staffing Solutions, Inc. ("Advantis") requested one of its directors, Gregory J. Cannella who also serves as our Chief Financial Officer, become the Executive Chair of Advantis to provide executive authority and leadership in the absence of their former president, who resigned in March 2022. Mr. Cannella has agreed to take this position and in return will be compensated by Advantis in the amount of \$5,000 per month. The title and benefits of this position can be removed at any time by the board of directors of Advantis.

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, which 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

The Company evaluated subsequent events and transactions that occurred up to the date unaudited condensed financial statements were issued. Based upon this review, the Company did not identify any subsequent events, other than noted below, that would have required adjustment or disclosure in the unaudited condensed financial statements.

On October 7, 2022, the Company received \$11,372,699 as its settlement payment in connection with the Settlement, Assignment and Acceptance Agreement with Great Value Storage, LLC and related parties.

On October 17, 2022, the Board terminated the “opt out” dividend reinvestment plan, as disclosed in the Company’s 8-K filed on October 19, 2022. Written notice of such termination was mailed to the Company’s stockholders on October 21, 2022, with an effective date of November 20, 2022.

On October 26, 2022, the Board of Directors accepted a proposal from the Company’s investment adviser, House Hanover, LLC, of an adjustment in the amount of \$31,875 to reduce the outstanding amounts under Due to affiliates on the Statements of Assets and Liabilities for the allocation of Chief Compliance Officer administration fees. Further, the Board of Directors accepted a proposal of Chief Compliance Officer administration fees beginning October 1, 2022 to be allocated 65% to the Company and 35% to House Hanover, LLC.

As disclosed in the Company’s Form 8-K that was filed on October 27, 2022, the Board of Directors has authorized and declared a cash dividend of \$0.075 per share of common stock payable on December 1, 2022 to stockholders of record as of the close of business on November 21, 2022.

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 September 30, 2022, 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 (September 30, 2022), 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 September 30, 2022, 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 September 30, 2022 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 September 30, 2022, 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. 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 January 1, 2022, the Company amended and finalized proofs of claim in the U.S. Bankruptcy Court for the Northern District of Texas, as it has been discovered that Natin Paul had transferred the properties from the GVS Defendants and to the debtor entities, which are GVS affiliates that filed bankruptcy. On March 21, 2022, the bankruptcy court reserved \$15 million for our claim. On April 27, 2022, the Company filed an adversary proceeding in the bankruptcy court to recover amounts owed to the Company.

As disclosed in the Company’s Form 8-K that was filed on September 9, 2022, on September 2, 2022, the Company entered into a Settlement, Assignment and Acceptance Agreement with Natin Paul and his related parties, whereby the Company would sell its promissory notes from GVS and World Class to Phoenix Lending, LLC, a newly formed Natin Paul related entity, in exchange for a settlement payment of \$11,372,699 to be funded out of the \$15 million reserve in the bankruptcy court. Further, the GVS affiliated parties agreed to indemnify the Company and retain \$1 million on reserve in the bankruptcy court for any future legal fees or claims related to the settlement. On October 7, 2022, the Company closed the settlement and received \$11,372,699.

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, 2021, 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.

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.
99.1*	Settlement, Assignment and Acceptance Agreement with Great Value Storage, LLC and its related parties.

* Filed herewith.

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: November 10, 2022

Princeton Capital Corporation

By: /s/ Mark S. DiSalvo
Mark S. DiSalvo
Interim Chief Executive Officer and Director (Principal
Executive Officer)

Dated: November 10, 2022

Princeton Capital Corporation

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

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: November 10, 2022

/s/ Mark S. DiSalvo

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

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: November 10, 2022

/s/ Gregory J. Cannella

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

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 September 30, 2022, 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: November 10, 2022

/s/ Mark S. DiSalvo

Mark S. DiSalvo

Interim Chief Executive Officer

(Principal Executive Officer)

Date: November 10, 2022

/s/ Gregory J. Cannella

Gregory J. Cannella

Chief Financial Officer

(Principal Financial and Accounting Officer)

SETTLEMENT, ASSIGNMENT AND ACCEPTANCE AGREEMENT

This SETTLEMENT, ASSIGNMENT AND ACCEPTANCE AGREEMENT (the “Agreement”) is made as of this 2nd day of September 2022 (the “Execution Date”), by and between (i) Natin Paul, (ii) the Reorganized Debtors (as defined below), (iii) World Class Holdings I, LLC (“WCH”) (iv) the Adversary Defendants (as defined below), (v) Princeton Capital Corporation (“Princeton” or “Assignor”), and (vi) Phoenix Lending, LLC (the “Assignee”). Natin Paul, the Reorganized Debtors, WCH and the Adversary Defendants are referred to collectively as the “Great Value Parties”). The Great Value Parties and Princeton are referred to collectively as the “Settlement Parties” and the Assignor and the Assignee are referred to collectively as the “Assignment Parties,” together with the Settlement Parties, the “Parties.”

RECITALS

WHEREAS, Capital Point Partners II, L.P. (“CPP”), a predecessor-in-interest to the Assignor, Great Value Storage, LLC (“Great Value”), and World Class Capital Group, LLC (“WCCG”) are parties to that certain Note Purchase Agreement, dated July 31, 2012, as amended from time to time (so amended, the “Note Purchase Agreement”);

WHEREAS, pursuant to the Note Purchase Agreement, Great Value issued to CPP (a) that certain Senior Secured Promissory Note, dated July 31, 2012 (“Note A”) in the principal amount of \$2,000,000, (b) that certain Senior Secured Promissory Note, dated July 31, 2012 (“Note B”) in the principal amount of \$500,000 and (c) that certain Senior Secured Promissory Note, dated November 12, 2014 (“Note C”) and together with Note A and Note B, the “Notes”) in the principal amount of \$3,100,000. The Note Purchase Agreement, the Notes and each other document, agreement, instrument or certificate executed in connection therewith or pursuant thereto are hereinafter referred to as the “Transaction Documents.”

WHEREAS, Pursuant to that certain Assignment and Acceptance Agreement, dated March 13, 2015, CPP assigned all of its rights to and obligations under the Transaction Documents to Princeton.

WHEREAS, Princeton asserted a default under the Transaction Documents and on March 14, 2019, commenced an action styled as *Princeton Capital Corporation vs Great Value Storage LLC, et al.* pending in the 165th District Court of Harris County, Texas (the “Texas District Court”), Case No. 2019-18855 (the “State Action”).

WHEREAS, the defendants in the State Action are Great Value, WCCG and Natin Paul, in his individual capacity (the “State Defendants”);

WHEREAS, Princeton alleged causes of action against the State Defendants in the State Action for, among other things, breach of the Notes (the “State Claims”);

WHEREAS, on March 9, 2021, the Texas District Court ordered that Great Value and World Class were liable to Assignor for contract damages of \$9,759,713.84 and attorneys’ fees of \$150,887.50 (the “Judgment”).

WHEREAS, certain of the parties against whom the Judgment was entered have appealed the Judgment.

WHEREAS, after the entry of the Judgment, Princeton obtained the appointment of Seth Kretzer, as receiver for GVS and WCCG (the “Receiver”); however, as of the Execution Date, the Receiver has made no distribution to Princeton on account of the Judgment.

WHEREAS, on June 17, 2021 and June 23, 2021, GVS Texas Holdings I, LLC and certain of its affiliates (collectively, the “Reorganized Debtors”)¹ each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas (the “Bankruptcy Court”);

WHEREAS, the Reorganized Debtors’ bankruptcy cases are being jointly administered under Case No. 21-31121-MVL (the “Bankruptcy Cases”);

WHEREAS, in connection with the Promissory Notes and the Judgment, Princeton filed the following proofs of claim in the Bankruptcy Cases: (i) Claim No. 119-8 filed against GVS Portfolio I B, LLC; (ii) Claim No. 120-4 filed against GVS Portfolio I, LLC; (iii) Claim No. 121-78 filed against GVS Texas Holdings I, LLC; (iv) Claim No. 122-32 filed against GVS Texas Holdings II, LLC; (v) Claim No. 123-12 filed against GVS Ohio Holdings I, LLC; (vi) Claim No. 124-10 filed against GVS Ohio Holdings II, LLC; (vii) Claim No. 125-10 filed against WCH Mississippi Storage Portfolio I, LLC; (viii) Claim No. 126-6 filed against GVS Nevada Holdings I, LLC; (ix) Claim No. 127-7 filed against GVS Missouri Holdings I, LLC; (x) Claim No. 128-9 filed against New York Holdings I, LLC; (xi) Claim No. 129-8 filed against GVS Indiana Holdings I, LLC; (xii) Claim No. 130-7 filed against GVS Illinois Holdings I, LLC; (xiii) Claim No. 131-13 filed against GVS Tennessee Holdings I, LLC; (xix) Claim No. 132-7 filed against GVS Colorado Holdings I, LLC; and (xx) Claim No. 164-2 filed against GVS Portfolio I C, LLC (collectively, the “Princeton Proofs of Claim”);

WHEREAS, WCH and the Reorganized Debtors each filed objections to the Princeton Proofs of Claim in the Bankruptcy Cases (collectively the “Claim Objections”);

WHEREAS, on April 27, 2022, Princeton commenced an adversary proceeding in the Bankruptcy Court captioned *Princeton Capital Corporation v. GVS Texas Holdings I, LLC, et al*, Adv. Proceeding No. 22-03043 (the “Adversary Proceeding”) alleging causes of action against the Adversary Defendants² (defined below) for, among other things, fraudulent transfer and breach of contract, (together with all causes of action in the Adversary Proceeding, the “AP Claims”);

¹ The Reorganized Debtors in the chapter 11 cases are: GVS Texas Holdings I, LLC; GVS Texas Holdings II, LLC; GVS Portfolio I, LLC; GVS Portfolio I B, LLC; GVS Portfolio I C, LLC; WC Mississippi Storage Portfolio I, LLC; GVS Nevada Holdings I, LLC; GVS Ohio Holdings I, LLC; GVS Missouri Holdings I, LLC; GVS New York Holdings I, LLC; GVS Indiana Holdings I, LLC; GVS Tennessee Holdings I, LLC; GVS Ohio Holdings II, LLC; GVS Illinois Holdings I, LLC; and GVS Colorado Holdings I, LLC.

² The defendants in the Adversary Proceeding are GVS Texas Holdings I, LLC; GVS Texas Holdings II, LLC; GVS Portfolio I, LLC; GVS Portfolio I B, LLC; GVS Portfolio I C, LLC; WC Mississippi Storage Portfolio I, LLC; GVS Nevada Holdings I, LLC; GVS Ohio Holdings I, LLC; GVS Missouri Holdings I, LLC; GVS New York Holdings I, LLC; GVS Indiana Holdings I, LLC; GVS Tennessee Holdings I, LLC; GVS Ohio Holdings II, LLC; GVS Illinois Holdings I, LLC; GVS Colorado Holdings I, LLC; World Class Capital Group, LLC; Great Value Storage, LLC; Natin Paul; Sheena Paul; Barbara Lee; Jason Rogers; WC Ohio Storage Portfolio I, LP; WC Texas Storage Portfolio I, LP; WC Texas Storage Portfolio II, GP, LLC; WC Memphis Storage II, LP; WC Ohio Storage Portfolio I GP, LLC; WC Ohio Storage Portfolio II TIC, LLC; WC Ohio Storage Portfolio II Equity, LLC; WC Texas Storage Portfolio III MM, LLC; WC Mississippi Storage Portfolio I MM, LLC; WC Illinois Storage Portfolio I, LLC; WC Illinois Storage Portfolio TIC, LLC; WC 4641 Production MM, LLC; WC New York Storage Portfolio I, LLC; WC 4641 Production, LLC; WC TSPIGP, LLC; WC Texas Storage Portfolio II, LP; WC Texas Storage Portfolio III Property, LLC; WC Texas Storage Portfolio III, LLC; WC San Benito Storage, LP; WC San Benito GP, LLC; WC Memphis Storage GP, LLC; WC Memphis Storage II GP, LLC; WC Las Vegas Storage, LP; WC Kansas City Storage, LP; WC Las Vegas Storage GP, LLC; World Class Real Estate LLC; WC Memphis Storage, LP; WC 7116 S IH 35, L.P.; WC 10013 RR 620 N, LP; WC 13825 FM 306, L.P.; WC Kansas City Storage GP, LLP; and John Does (collectively, the “Adversary Defendants”).

WHEREAS, certain of the Adversary Defendants have moved to dismiss the Complaint filed by Princeton that commenced the Adversary Proceeding due to, *inter alia*, the failure to state a claim upon which relief can be granted and the lack of jurisdiction of the Bankruptcy Court over the matter;

WHEREAS, recognizing the dispute between Princeton, the Reorganized Debtors and the other Adversary Defendants, pursuant to the *Stipulation and Agreed Order with World Class Holdings I, LLC* [Docket No. 873-B] filed in the Bankruptcy Cases, the Reorganized Debtors established a \$15 million reserve for Princeton's outstanding claims (the "Princeton Reserve"), which is held in trust by Fidelity National Title (the "Title Company") pursuant to an escrow agreement and an Order of the Bankruptcy Court that does not permit disbursement of the Princeton Reserve absent a final, non-appealable order of the Bankruptcy Court or another court of competent jurisdiction;

WHEREAS, on August 22, 2022, Princeton and the Great Value Parties executed that certain settlement term sheet providing for the resolution of claims and issues between such parties and separately contemplated the negotiation and execution of a note purchase agreement in furtherance of that resolution. The terms and conditions in this Agreement are the culmination of the negotiations over such note purchase agreement and is new and separate from the settlement agreement discussed in the term sheet;

WHEREAS, the Parties have agreed to resolve, settle, and compromise all claims, demands, and differences between them, including, but not limited to, relating to the Bankruptcy Cases, the State Action, the State Claims, the Judgment, the Adversary Proceeding, the AP Claims, the Princeton Proofs of Claims, and the Claim Objections pursuant to the terms of this Agreement.

WHEREAS, as part of the resolution of the claims set forth in this Agreement, Princeton wishes to assign all of its rights to and obligations under the Transaction Documents and the Judgment to the Assignee on the terms and subject to the conditions set forth herein and the Assignee wishes to accept assignment of such rights and to assume such obligations from the Assignor on such terms and subject to such conditions.

NOW THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the Parties agree as follows:

1. **Note and Judgment Assignment and Acceptance.**

a. Agreement of Assignor and Assignee.

- i. Upon the receipt by Assignor of the Settlement Payment in good funds, the Assignor hereby sells, transfers, conveys and assigns to the Assignee, and the Assignee hereby purchases, accepts, assumes, and undertakes from the Assignor all right and title to all rights, benefits, obligations, liabilities, and indemnities of the Assignor under and in connection with the (i) the Note Purchase Agreement, (ii) the Notes and (iii) the Judgment.
- ii. Upon the receipt by Assignor of the Settlement Payment in good funds, the Assignor hereby sells, transfers, conveys and assigns to the Assignee and the Assignee hereby accepts, assumes, and undertakes from the Assignor (i) all right and title to all rights, benefits, obligations, liabilities, and indemnities of the Assignor under and in connection with the other Transaction Documents and the Judgment, and (ii) except to the extent released pursuant to the provisions of this Agreement, all claims, suits, causes of action, and any other right of the Assignor against any person, whether known or unknown, arising under or in connection with any or each of the Transaction Documents, including, but not limited to, the Judgment and any and all contract claims, commercial tort claims, malpractice claims, statutory claims, and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above. For the avoidance of doubt, the parties hereto acknowledge and agree that the Assignor's right and title to all rights and benefits under the Final Judgment Order signed by Judge Ursula Hall on March 4, 2021 in *Princeton Capital Corporation v. Great Value Storage, LLC, World Class Capital Group, LLC and Natin Paul* are included in item (ii) of the foregoing.
- iii. With effect on and after the Effective Date (as defined below), the Assignee shall be party to the Transaction Documents and succeed to all of the rights and be obligated to perform all of the obligations of the Assignor under the Transaction Documents and the Judgment. The Assignee agrees that on and after the Effective Date it will perform all obligations which by the terms of the Transaction Documents are required to be performed by it thereunder.

b. Representations, Warranties and Covenants of Assignee and Assignor.

- i. The Assignor represents, warrants and covenants as of the Execution Date and the date when this Agreement becomes effective pursuant to section 3 herein (the “Effective Date”) that:
- (a) it is the legal and beneficial owners of the interests being assigned by the Assignor hereunder and that such interests are free and clear of any lien or other adverse claim;
 - (b) it is duly organized and existing and it has the full power and authority to take, and have taken, all action necessary to execute and deliver this Agreement and any other documents required or permitted to be executed or delivered by the Assignor in connection with this Agreement and to fulfill its obligations hereunder;
 - (c) no notices to, or consents, authorizations, or approvals of, any person are required (other than any already given or obtained and still in full force and effect) for its due execution, delivery, and performance of this Agreement, and apart from any agreements or undertakings or filings required by the Transaction Documents, no further action by, or notice to, or filing with, any person is required for such execution, delivery, or performance;
 - (d) this Agreement has been duly executed and delivered by the Assignor and constitutes the legal, valid, and binding obligation of the Assignor, enforceable against the Assignor in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization, and other laws of general application relating to or affecting creditors’ rights and to general equitable principles;
 - (e) the Assignor has received no distributions or payments in satisfaction of the Judgment from the Receiver, is not a party to or beneficiary of any agreements made with or by the Receiver and, after the Execution Date and the Assignor shall not accept any distributions or payments in satisfaction of the Judgment or make any other agreements with the Receiver in satisfaction of the Judgment or in relation to any fees or expenses that may be determined payable to the Receiver, unless otherwise agreed to by the Parties;

- (f) unless compelled to do so by a court of competent jurisdiction, the Assignor agrees it will make no statement regarding (i) any motion by the Assignee to terminate the receivership or (ii) the amount of fees to be awarded to the Receiver ;
 - (g) the Assignor shall not take or support any action adverse to the World Class Release Parties in the Bankruptcy Court or any other court related to this Agreement, the Judgment or the settlement of disputes between the Settlement Parties unless such action relates to the enforcement of this Agreement including any provision hereof;
 - (h) the Assignor makes no representation or warranty in connection with, and assumes no responsibility with respect to, the solvency, financial condition, or statements of Great Value or World Class, or the performance or observance by Great Value or World Class, of any of its obligations under the Transaction Documents or any other instrument or document furnished in connection therewith.
- ii. The Assignee represents, warrants and covenants as of the Execution Date and the Effective Date that:
 - (a) it is duly organized and existing and has full power and authority to take, and has taken, all action necessary to execute and deliver this Agreement and any other documents required or permitted to be executed or delivered by it in connection with this Agreement, and to fulfill its obligations hereunder;
 - (b) no notices to, or consents, authorizations, or approvals of, any person are required (other than any already given or obtained and still in full force and effect) for its due execution, delivery, and performance of this Agreement; and apart from any agreements or undertakings or filings required by the Transaction Documents, no further action by, or notice to, or filing with, any person is required of them for such execution, delivery, or performance;
 - (c) this Agreement has been duly executed and delivered by the Assignee and constitutes the legal, valid, and binding obligation of the Assignee, enforceable against the Assignee in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization, and other laws of general application relating to or affecting creditors' rights and to general equitable principles;

- (d) the Assignee has been advised that none of the Notes have been registered under the Securities Act of 1933, as amended (the “Securities Act”) or any state securities laws and, therefore, cannot be resold unless they are registered under the Securities Act and applicable state securities laws or unless an exemption from such registration requirements is available;
- (e) the Assignee is aware that the Assignor is under no obligation to effect any such registration with respect to the Notes or to file for or comply with any exemption from registration;
- (f) the Assignee is receiving the Notes from the Assignor for its own account and not with a view to, or for resale in connection with, the distribution thereof in violation of the Securities Act; and
- (g) the Assignee has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of an investment in the Notes, is able to incur a complete loss of such investment in the Notes and to bear the economic risk of such investment for an indefinite period of time.

c. Subject to the indemnification provisions in section 1.e, Assignee does not assume any liability or responsibility for any action taken by Assignor in connection with the Notes, the Transaction Documents or the Judgment taken prior to the Effective Date, with all such liabilities and responsibilities remaining with the Assignor.

d. The Assignor and the Assignee hereby agree to promptly execute and deliver such other instruments, and take such other action, as either party may reasonably request in connection with the transactions contemplated by this Agreement, including the delivery of any notices or other documents or instruments to Great Value and World Class, which may be required in connection with this Agreement under the Transaction Documents.

e. Assignee and the Reorganized Debtors hereby indemnify and hold Assignor harmless from any and all of the following, which only arise out of the assignment of the Note and assignment of the Judgment as set forth in section 1 hereof: (i) all claims, liabilities, damages, judgments, fines and penalties asserted by the Receiver or Great Value Parties, including the Adversary Defendants (“Losses”) that are determined by entry of a final, non-appealable order by the Bankruptcy Court or a court of competent jurisdiction to be Losses, except to the extent the same shall have been finally adjudicated in a court of competent jurisdiction to have been directly caused by Assignor’s gross negligence, fraud or willful misconduct; and (ii) reasonable expenses, including out-of-pocket, incidental expenses and reasonable legal fees and expenses incurred in connection with Losses (“Expenses” and together with the Losses, the “Indemnification Obligation”). The Indemnification Obligation shall be secured by \$1 million dollars of the funds retained in the Princeton Reserve after payment of the Settlement Amount to Princeton, as contemplated by this Agreement (the “Indemnification Security”).³ The Indemnification Security shall be held by the Title Company and shall be disbursed either (i) upon submission thereto of joint written instructions executed by Princeton and the Great Value Parties, a form of which is attached hereto as Exhibit A or (ii) submission to the Title Company of a final, non-appealable order of the Bankruptcy Court authorizing and directing payment of all or portions of the Indemnification Obligation. Notwithstanding anything to the contrary in this section 1.e, the Indemnification Obligation shall not be applicable or enforceable against the Assignee or any Great Value Party to the extent any of the Indemnification Obligation is incurred as a result of the consent, acquiescence or other affirmative action of the Assignor. Notwithstanding anything to the contrary in this section 1.e, Princeton may periodically seek payment on account of an Expenses by filing a request for such payment to the Bankruptcy Court; *provided, however*, Assignor and the Great Value Parties reserve all rights with respect to any such request.

f. Assignor will be provided copies of all statements prepared by the Title Company when generated by the Title Company.

2. **Settlement Payment.** As consideration for the sale, assignment and transfer of the Notes and the Judgment and the in exchange for the dismissal of the actions described in section 4 and the releases described in sections 6 and 7 of this Agreement, upon the Effective Date, Assignee shall pay, or cause to be paid, to Princeton the amount of \$11,372,698.89 (the “Settlement Amount”) from funds currently held in the Princeton Reserve. Within three (3) business after the Effective Date, the Title Company shall effectuate the Escrow Instructions and the date upon which the Title Company remits payment to Princeton shall be the “Payment Date.”

3. **Settlement Effective Date.** This Agreement shall become effective on the first day upon which all of the following conditions have been satisfied (the “Effective Date”):

a. the execution of this Agreement by all Parties;

b. the filing of a motion, mutually acceptable to the Parties, seeking the approval of this Agreement and directing the Title Company to release the Settlement Amount from the Princeton Reserve (the “Settlement Motion”)

c. The entry of a final, non-appealable Order⁴ by the Bankruptcy Court, mutually acceptable to the Parties, approving the Motion (including, without limitation the provisions contained in paragraph 5 of the order attached as Exhibit B) and Escrow Instructions, a form of which is attached hereto as Exhibit B (the “Settlement Order”);

³ For the avoidance of doubt, should a court of competent jurisdiction find that entry into this Agreement shall be deemed to be gross negligence, fraud or willful misconduct against the Receiver, no exclusion for such gross negligence, fraud or willful misconduct shall be applicable.

⁴ For the avoidance of doubt, no Party hereto will appeal the Settlement Order so long as this Agreement is approved by the Bankruptcy Court as drafted and executed.

d. Princeton and the Reorganized Debtors have delivered to the Title Company the Settlement Order and the Escrow Instructions, a copy of which is attached hereto as Exhibit C; along with Escrow Instructions to the Title Company, which will leave the Indemnity Security Escrow on deposit with the Title Company; and

e. Delivery to Title Company of the documents and evidence set forth in section 4 hereof.

f. Any of the foregoing provisions set forth in sections 3.a, 3.b, 3.c, 3.d, 3.e hereof may be waived upon the mutual written agreement of the Parties.

4. Conditions Precedent to Effective Date.

a. Unless otherwise agreed to by the Parties in writing, on or before September 9, 2022, Princeton shall deliver to the Title Company:

- i. duly endorsed promissory notes (or lost note affidavits) as applicable, and other Transaction Documents (including official correspondence and further documents delivered pursuant to the terms of the Transaction Documents), the transactions related thereto and the Judgment, along with information showing calculation of the Judgment, but only insofar as any of such information is available to Princeton;
- ii. notices of dismissal with prejudice in the Adversary Proceeding substantially in the form attached hereto as Exhibit D, which the Great Value Parties or the Assignee, as applicable, may file after the Effective Date;
- iii. notices of the assignment of the Notes and Judgment and substitutions of parties in any and all actions pending in any court (including actions against Natin Paul in his individual capacity) as such relate to the enforcement of the Notes or collection of the Judgment, which the Great Value Parties or the Assignee, as applicable, may file after the Effective Date, the form of which is attached hereto as Exhibit E; and
- iv. notices withdrawing the Princeton Proofs of Claim with prejudice which the Great Value Parties or the Assignee, as applicable, may file after the Effective Date, the form of which is attached hereto as Exhibit F.

b. The Title Company shall provide notice to the Parties of its receipt of the items set forth in section 4.a hereof.

5. Further Assurances. In addition to the requirements of section 1.d hereof, the Parties shall cooperate reasonably with each other and with the other's respective representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement, and shall (a) furnish upon request to each other such further information reasonably requested by the Assignee from time to time for the purposes of enforcing its rights under the Transaction Documents and the Judgment; (b) execute and deliver to each other such other documents; and (c) do such other acts and things, all as any other Party may reasonably request for the purpose of carrying out the transactions contemplated by this Agreement, including but not limited to, with respect to the Escrow Instructions. The Parties shall cooperate with each other as necessary to obtain all consents and authorizations of third-parties, if any, to make all filings with and give all notices to third-parties which may be necessary or reasonably required in order to carry out the intent of this Agreement and the transactions contemplated hereby.

6. Release by the Great Value Parties. Effective upon the Payment Date, except as provided in Paragraph 8 or herein, Natin Paul, on behalf of himself as well as any persons he controls and any entities that he either owns or controls (in whole or in part), the Great Value Parties, WCCG, GVS and all of their respective officers, directors, members, managers, employees, insurers, advisory board members, and each of their successors, predecessors, beneficiaries, assigns, agents, attorneys, accountants, advisors, and representatives (the "World Class Release Parties") hereby forever release Princeton, and each of its officers, directors, owners, members, managers, shareholders, subsidiaries, investment funds employees, insurers, and each of their successors, predecessors, beneficiaries, assigns, agents, attorneys, accountants, advisors, and representatives (the "Princeton Released Parties") from any and all claims, actions, causes of action, suits, debts, dues, sums of money, accounts, controversies, agreements, promises, damages, judgments, executions, and demands whatsoever, in law or equity, whether known or unknown, liquidated or unliquidated, which the World Class Released Parties ever had, now have or hereafter can, shall or may have against any of the Princeton Released Parties for any matter, cause, thing, or reason whatsoever as of the Effective Date, including but not limited to, for or arising out of, or related to, the Bankruptcy Cases, the State Action, the State Claims, the Judgment, the Adversary Proceeding, the AP Claims, the Princeton Proofs of Claims, the Claim Objections, and other actual or potential claims that were or could have been asserted in the State Action, Adversary Proceeding, or the Princeton Proofs of Claim; *provided, however*, the foregoing release shall not (i) apply to any claim or cause of action against any third-party, including the Receiver (excluding the Princeton Released Parties) seeking damages or the return or recovery of monies, properties or assets otherwise taken, seized, transferred, conveyed or otherwise removed from such party's possession or control in connection with the efforts of any party to collect the Judgment on behalf of Princeton or (ii) result in the dismissal of any pending action or appeal of any action in which Princeton is a named party related to the Judgment (the "Appeal Actions"); *provided, further, however*, the World Class Release Parties shall not and shall be prohibited and enjoined from seeking any recovery (monetary or otherwise) from Princeton in connection with an Appeal Action.

7. **Release by Princeton.** Effective upon the Payment Date, except as provided in Paragraph 8, Princeton on behalf of itself and on behalf of each of the Princeton Released Parties, each hereby forever release and discharge Natin Paul, on behalf of himself as well as any persons he controls and any entities that he either owns or controls (in whole or in part), the Great Value Parties, WCCG, GVS, the State Defendants, the Adversary Defendants and their respective officers, directors, members, managers, employees, insurers, advisory board members, and each of their successors, predecessors, beneficiaries, assigns, agents, attorneys, accountants, advisors, and representatives (collectively, the “**World Class Released Parties**”) from any and all claims, actions, causes of action, suits, debts, dues, sums of money, accounts, controversies, agreements, promises, damages, judgments, executions, and demands whatsoever, in law or equity, whether known or unknown, liquidated or unliquidated, which the Princeton Released Parties ever had, now have or hereafter can, shall or may have against any of the World Class Released Parties for any matter, cause, thing, or reason whatsoever as of the Effective Date, including but not limited to, for or arising out of, or related to, the Bankruptcy Cases, the State Action, the State Claims, the Judgment, the Adversary Proceeding, the AP Claims, the Princeton Proofs of Claims, the Claim Objections, and other actual or potential claims that were or could have been asserted in the State Action, Adversary Proceeding, or the Princeton Proofs of Claim save and except for the Indemnification Obligation.

8. **Exceptions to Releases.** Notwithstanding any language to the contrary in sections 6, and 7 hereof, or any other provision of this Agreement, the Parties agree and acknowledge that this Agreement and the releases provided herein does not release or waive: (a) any obligation of a Party arising under or created by this Agreement; (b) the Indemnification Obligation; or (c) any present or future claim, appeal or litigation by the Great Value Parties against the Receiver or its agents, attorney, or representatives.

9. **Fees and Costs.** Each Party and Assignment Party shall bear its own fees and costs in connection with the Adversary Proceeding, the Settlement Motion and this Agreement. For the avoidance of doubt there shall be no other cost and expenses due to Princeton whatsoever other than the Settlement Amount, except any amounts that may be due under the Indemnification Obligation.

10. **Consultation with Counsel.** Each of the Parties has freely and voluntarily entered into this Agreement after an adequate opportunity and sufficient period of time to review, analyze and discuss all terms and conditions of this Agreement and all factual and legal matters relevant hereto with its counsel. Each of the Parties further acknowledges that it has actively and with full understanding participated in the negotiation of this Agreement and that this Agreement has been negotiated, prepared and executed without fraud, duress, undue influence or coercion of any kind or nature whatsoever having been exerted by or imposed upon any party to this Agreement.

11. **No Assignment.** No Party has assigned any of its claims, rights, and/or remedies arising under or relating in any way to the litigation being resolved hereby or associated property to any third party.

12. **No Admission of Wrongdoing.** This Agreement constitutes a compromise of disputes between the Parties. Nothing contained herein shall constitute or be deemed to be an admission by any Party as to any matter unless specifically stated herein. Nothing in this Agreement, nor any of the negotiations or proceedings connected with the Agreement, nor any of the documents or statements contained or referred to therein shall be offered or received against any Party in any litigation as evidence of, or be construed as or be deemed to be evidence of, any concession or admission by any Party with respect to the truth of any fact alleged by any Party against the other or the validity of any claim or defense that has been or could have been asserted in any proceeding or litigation involving the Parties.

13. **Time is of the Essence.** Time is of the essence for all dates and/or time described in this this Agreement.

14. **Remedies.** The Parties agree that irreparable damage would occur in the event of a breach of any provision of this Agreement that would result in the failure of the Effective Date and Payment Date to occur and that money damages or other legal remedies would not be an adequate remedy for any such damages. Accordingly, the Parties acknowledge and agree that in the event of any breach or threatened breach of the covenants, agreements and obligations set forth in this Agreement, each Party shall be entitled to any injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations under this Agreement (including those conditions precedent set forth in section 4 hereof), in addition to any other remedy to which such party is entitled at law or in equity. Each Party hereby agrees not to raise any objections to the availability of specific performance to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations under this Agreement. Each Party hereby waives (i) any defenses in any action for specific performance, including the defense that a remedy at law would be adequate and (ii) any requirement under any law to post a bond or other security as a prerequisite to obtaining equitable relief.

15. **Miscellaneous.**

a. Each of the Parties acknowledges, represents, and agrees that no promise, inducement or consideration has been offered or promised to any Party except as expressly set forth herein.

b. This Agreement is executed without reliance upon any statement or representation by any other Party or other Party's attorneys or representatives concerning the nature and extent of any claims and/or damages or legal liability therefor.

c. No failure or delay by any party hereto in exercising any right, power, or privilege hereunder or under that settlement term sheet dated August 22, 2022 (the "Settlement Term Sheet") shall operate as a waiver thereof, with all such rights, powers or privileges being expressly preserved, and any waiver of any breach of the provisions of this Agreement shall be without prejudice to any rights with respect to any other or further breach thereof or under the Settlement Term Sheet, which shall remain in force and effect.

d. All payments made hereunder shall be made without any set-off or counterclaim.

e. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart. Delivery of an executed counterpart of this Agreement by telefacsimile, electronic mail, or by any other electronic form of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement.

Signatures exchanged by email or facsimile transmission shall be deemed original signatures for all purposes and shall indicate and evidence such Party's final and fully-enforceable agreement to the terms of this Agreement.

f. This Agreement constitutes the final and fully-integrated agreement of the Parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral and written statements, understandings, and agreements between them or their counsel regarding the subject matter hereof. If any provision of this Agreement is determined to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect.

g. This Agreement shall be governed by the laws of the State of Texas without regard to any choice of law analysis that might call for application of some different law. The Parties each irrevocably submits to the non-exclusive jurisdiction and venue of the United States Bankruptcy Court for the Northern District of Texas, Dallas Division over any suit, action, or proceeding arising out of or relating to any dispute and irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such court. Each party to this Agreement hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding.

h. This Agreement may not be modified except in a writing signed by each of the Parties and no Party shall be entitled to rely on any other manner of attempted modification, which shall be void (and not merely voidable).

i. No Party has assigned or purported to assign any claim that otherwise would be released or discharged by this Agreement.

j. The captions of Sections herein are intended for convenience only and shall not be used in any way to interpret the contents of such Section.

k. In the event of any dispute between the parties arising out of, under, or in connection with this Agreement, the Transaction Documents, any related documents and agreements, or any course of conduct, course of dealing, or statements (whether oral or written) (collectively, the "Disputes"), the prevailing party shall be entitled to recover all of its reasonable costs and attorneys' fees incurred in such dispute, in addition to all other sums that it may be entitled.

l. This Agreement is enforceable regardless of whether or not the Appeal Actions are decided in favor of any or all of the Great Value Parties.

m. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHTS EACH MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON ANY DISPUTE.

16. **Authority.** Each Party and each signatory below represents that the signatory has all necessary authority to enter into the terms of this Agreement on behalf of the Party for which she or he is signing and to bind that Party to the terms of this Agreement. The Parties acknowledge that the other Party is specifically relying on these representations in entering into this Agreement and that the Parties' respective signatories have apparent and inherent authority to bind the Parties to the terms of this Agreement.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the dates indicated.

NATIN PAUL, ON BEHALF OF HIMSELF INDIVIDUALLY AND
ON BEHALF OF ALL ENTITIES THAT HE EITHER OWNS OR
CONTROL (IN WHOLE OR IN PART)

/s/ Natin Paul

Name: Natin Paul

Title: Authorized Representative

Date: September 2 , 2022

Settlement, Acceptance and Assignment Agreement Signature Pages

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the dates indicated.

NATIN PAUL, ON BEHALF OF HIMSELF INDIVIDUALLY AND
ON BEHALF OF ALL ADVERSARY DEFENDANTS

/s/ Natin Paul

Name: Natin Paul

Title: Authorized Representative

Date: September 2, 2022

Settlement, Acceptance and Assignment Agreement Signature Pages

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the dates indicated.

NATIN PAUL ON BEHALF OF THE REORGANIZED DEBTORS

/s/ Natin Paul

Name: Natin Paul

Title: Manager

Date: September 2, 2022

Settlement, Acceptance and Assignment Agreement Signature Pages

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the dates indicated.

WORLD CLASS HOLDINGS I, LLC

/s/ Natin Paul

Name: Natin Paul

Title: Manager

Date: September 2, 2022

Settlement, Acceptance and Assignment Agreement Signature Pages

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the dates indicated.

PRINCETON CAPITAL CORPORATION ON BEHALF OF ITSELF
AND THE PRINCETON RELEASED PARTIES

/s/ Mark S. DiSalvo

By: Mark S. DiSalvo

Title: Chief Executive Officer

Dated: September 2, 2022

Settlement, Acceptance and Assignment Agreement Signature Pages

IN WITNESS WHEREOF, the Parties have hereunto signed their names on the dates indicated.

PHOENIX LENDING LLC

/s/ Mickey Altman

Name: Mickey Altman

Title: Vice President

Date: September 2, 2022

Settlement, Acceptance and Assignment Agreement Signature Pages

Exhibit A

Form of Indemnity Security Escrow Release Instructions

[To Be Submitted By Parties]

Exhibit A – Form of Indemnity Security Escrow Release Instructions

Exhibit B

Form of Settlement Order

Exhibit B – Form of Settlement Order

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

GVS TEXAS HOLDINGS I, LLC et al ¹

Reorganized Debtors

Chapter 11

Case No. 21-31121-MVL

(Jointly Administered)

¹ The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, as applicable, are: GVS Texas Holdings I, LLC (7458); GVS Texas Holdings II, LLC (1225); GVS Portfolio I, LLC (6441); GVS Portfolio I B, LLC (7171); GVS Portfolio I C, LLC (3093); WC Mississippi Storage Portfolio I, LLC (0423); GVS Nevada Holdings I, LLC (4849); GVS Ohio Holdings I, LLC (6449); GVS Missouri Holdings I, LLC (5452); GVS New York Holdings I, LLC (5858); GVS Indiana Holdings I, LLC (3929); GVS Tennessee Holdings I, LLC (5909); GVS Ohio Holdings II, LLC (2376); GVS Illinois Holdings I, LLC (9944); and GVS Colorado Holdings I, LLC (0408). The location of the Reorganized Debtors' service address is: 814 Lavaca Street, Austin, Texas 78701.

Upon consideration of the *Emergency Motion Pursuant to Bankruptcy Rule 9019 for Entry of an Order Approving a Settlement and Compromise Between Princeton Capital Corporation and the Reorganized Debtors* (the “Emergency Motion”)² requesting that the Court approve the Settlement Agreement³ pursuant to Bankruptcy Rule 9019 and the related Escrow Instructions⁴ to the Title Company, the Court (1) having considered the Emergency Motion; (2) finding that (a) notice of the Emergency Motion was good and sufficient upon the particular circumstances and that no other or further notice need be given, (b) the Emergency Motion is a core proceeding under 28 U.S.C. § 157(b), (c) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and (d) venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409; (3) finding that the Parties demonstrated both (a) good, sufficient, and sound business purposes and justifications for the Settlement Agreement and the transactions, compromises, and releases provided therein, and (b) compelling circumstances for approval of the Settlement Agreement pursuant to Bankruptcy Rule 9019; (4) finding that the terms of the Settlement Agreement are fair and reasonable, falling above the lowest point in the range of reasonableness, and are in the best interests of the Parties and the Reorganized Debtors’ stakeholders as a whole; (5) having weighed the probability of success in litigation, the complexity of the litigation involved, and the expense, inconvenience, and delay necessarily attending to it, and taken into account the paramount interest of alleged creditors and, based on all of the foregoing, the Court has determined that the relief requested in the Emergency Motion is fair and equitable, in the best interests of the Parties, and should be approved in all respects; (6) finding that (a) in the absence of the Settlement Agreement, the Defendants face considerable litigation expense, risk, and delay, (b) the disputes between the Parties involve numerous legal and factual issues, and judicial resolution of these disputes will require additional, extensive and costly briefing and discovery, (c) even if the Defendants were successful in litigating against any claims, a judgment obtained may be subject to appeal with no guarantee as to the ultimate outcome, (d) there is no doubt that the Parties’ combined legal expenditures during a protracted litigation process would be substantial and further forestall any disbursement of the Princeton Reserve to any of the Parties, and (e) the Settlement Agreement resolves the Parties’ disputes now without the need for additional costly, uncertain litigation; and good and sufficient cause appearing therefor,

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Emergency Motion or Settlement Agreement, as applicable.

³ The Settlement Agreement is attached hereto as Exhibit 1.

⁴ The Escrow Instructions are attached hereto as Exhibit 2.

IT IS HEREBY ORDERED THAT:

1. The Emergency Motion is hereby **GRANTED**.
2. The Settlement Agreement is approved in its entirety.
3. Notwithstanding anything to the contrary in the *Amended Order Granting World Class Holdings I, LLC's Motion to Confirm Reinstatement of Natin Paul as Sole Officer of the Reorganized Debtors* [Docket No. 1377] (the "Reinstatement Order"), including, but not limited to, paragraph 5(b) thereof, on the Effective Date, the Title Company shall wire (a) the Settlement Amount of \$11,372,698.89 from the Princeton Reserve to Princeton and (b) \$2,627,301.11 from the Princeton Reserve to the entity or party designated by the Defendants pursuant to this Order and the Escrow Instructions in a form substantially similar to the form attached hereto as **Exhibit 2**. The remainder of the Princeton Reserve, in the amount of \$1 million, shall be distributed in accordance with those certain instructions annexed as **Exhibit A**⁵ to the Settlement Agreement (the "Indemnity Security Escrow Release Instructions"). For the avoidance of any doubt, this Order shall be deemed a final, non-appealable order for purposes of paragraph 5(b) of the Reinstatement Order.

⁵ The Settlement Agreement that will be attached to the final order shall have the final version of the Indemnity Security Escrow Release Instructions attached thereto as **Exhibit A**.

4. The Escrow Instructions attached hereto as Exhibit 2 are approved by this Court, and the Title Company shall comply with this Order and the Escrow Instructions no later than one (1) business day after receipt of the Escrow Instructions sent to the Title Company by counsel for Princeton via hand delivery. The hand delivered Escrow Instructions shall be signed by the hand of Judith W. Ross or Frances Smith, counsel for Princeton. The hand delivered Escrow Instructions shall be signed digitally on behalf of the Defendants. The hand delivered Escrow Instructions shall be substantially identical to the Escrow Instructions attached to this Order as **Exhibit 2**. The hand delivered Escrow Instructions shall include copies of this Order and the Reinstatement Order, entered in the chapter 11 cases, both physically attached to the hand delivered Escrow Instructions. If any of the requirements of this Paragraph 4 are not fully satisfied, then the Title Company is directed by this Court to disburse no funds from the Princeton Reserve; *provided, however*, that the Indemnity Security Escrow Release Instructions shall not be subject to this Paragraph 4. In the event that all requirements of this Paragraph 4 are fully satisfied, then immediately upon receipt of the hand delivered Escrow Instructions, the Title Company shall notify counsel for Princeton and the Defendants via email (at email addresses included in the Escrow Instructions) that the Title Company received the hand delivered Escrow Instructions in compliance with this Paragraph 4, and counsel for Princeton and Defendants shall then immediately provide the Title Company with their respective wire instructions via email in accordance with the Escrow Instructions.

5. Notwithstanding anything in the Reinstatement Order to the contrary, it is hereby ordered that Mr. Natin Paul, any family member of Mr. Natin Paul, any affiliate of Mr. Natin Paul,⁴ and any person acting at Mr. Natin Paul's direction, shall not seek removal of or to remove from the Title Company the Remaining Reserves (as defined in the Reinstatement Order) (exclusive of the Princeton Reserve that is to be released pursuant to the term of this Order) until further Order of this Court.

6. Notwithstanding the foregoing, the funds reserved for the Receiver Claims may be disbursed upon (1) the filing in this Court of a final, non-appealable order of the Texas state district court in the *Princeton Capital Corporation vs Great Value Storage LLC, et. al.* pending in the 165th District Court of Harris County, Texas, case no. 2019-18855 (the "Princeton Lawsuit") awarding the Receiver fees and expenses pursuant to the Order Appointing Receiver in the Princeton Lawsuit (the "Receiver Award") and (2) a subsequent final, non-appealable Order of this Court directing the Title Company to disburse funds in the amount of the Receiver Award to the Receiver less any amounts that the Receiver has collected that the state court approves the Receiver to apply to his total fees and expenses in connection with the Princeton Lawsuit; *provided, however*, that this paragraph shall only be effective if the Receiver files a motion to dismiss adversary proceeding in this Case, with prejudice and files a notice of withdrawal of any proofs of claims with prejudice the seek to collect the Receiver Award, within three business days of the entry of this Order. The Reinstatement Order shall remain in full force and affect except as modified herein.

7. Notice of the Emergency Motion as provided therein shall be deemed good and sufficient notice of such Emergency Motion under the circumstances and the requirements of the Bankruptcy Rules and the Local Rules are satisfied by such notice.

8. Notwithstanding the applicability of any Bankruptcy Rules, the terms and conditions of this Order shall not be stayed and shall be immediately effective and enforceable upon its entry.

9. The Defendants are authorized to take all such actions as are necessary or appropriate to implement the terms of this Order.

10. This Court shall retain jurisdiction over all matters arising from or related to the interpretation or implementation of this Order.

END OF ORDER

Exhibit C

Form of Settlement Payment Escrow Release Instructions

[To Be Submitted By Parties]

Exhibit C – Form of Settlement Payment Escrow Release Instructions

Exhibit D

Form of Notice of Dismissal of Adversary Proceeding

Exhibit D – Form of Notice of Dismissal of Adversary Proceeding

Judith W. Ross
State Bar No. 21010670
Jessica L. Voyce Lewis
State Bar No. 24060956
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COUNSEL FOR PRINCETON CAPITAL CORPORATION

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§ Chapter 11
	§
GVS TEXAS HOLDINGS I, LLC, <i>et al.</i> , ¹	§ Case No. 21-31121-MVL
	§
Debtors.	§ (Jointly Administered)
	§
<hr/>	
PRINCETON CAPITAL CORPORATION,	§
	§
Plaintiff,	§ Adv. No. 22-03043
	§
v.	§
	§
GVS TEXAS HOLDINGS I, LLC, <i>et al.</i> , ²	§

¹ The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor’s federal tax identification number, as applicable, are: GVS Texas Holdings I, LLC (7458); GVS Texas Holdings II, LLC (1225); GVS Portfolio I, LLC (6441); GVS Portfolio I B, LLC (7171); GVS Portfolio I C, LLC (3093); WC Mississippi Storage Portfolio I, LLC (0423); GVS Nevada Holdings I, LLC (4849); GVS Ohio Holdings I, LLC (6449); GVS Missouri Holdings I, LLC (5452); GVS New York Holdings I, LLC (5858); GVS Indiana Holdings I, LLC (3929); GVS Tennessee Holdings I, LLC (5909); GVS Ohio Holdings II, LLC (2376); GVS Illinois Holdings I, LLC (9944); and GVS Colorado Holdings I, LLC (0408) (collectively, the “Reorganized Debtors”). The location of the Reorganized Debtors’ service address is: 814 Lavaca Street, Austin, Texas 78701.

² The Defendants in this adversary proceeding are: GVS Texas Holdings I, LLC; GVS Texas Holdings II, LLC; GVS Portfolio I, LLC; GVS Portfolio I B, LLC; GVS Portfolio I C, LLC; WC Mississippi Storage Portfolio I, LLC; GVS Nevada Holdings I, LLC; GVS Ohio Holdings I, LLC; GVS Missouri Holdings I, LLC; GVS New York Holdings I, LLC; GVS Indiana Holdings I, LLC; GVS Tennessee Holdings I, LLC; GVS Ohio Holdings II, LLC; GVS Illinois Holdings I, LLC; GVS Colorado Holdings I, LLC; World Class Capital Group, LLC; Great Value Storage, LLC; Natin Paul; Sheena Paul; Barbara Lee; Jason Rogers; WC Ohio Storage Portfolio I, LP; WC Texas Storage Portfolio I, LP; WC Texas Storage Portfolio II, GP, LLC; WC Memphis Storage II, LP; WC Ohio Storage Portfolio I GP, LLC; WC Ohio Storage Portfolio II TIC, LLC; WC Ohio Storage Portfolio II Equity, LLC; WC Texas Storage Portfolio III MM, LLC; WC Mississippi Storage Portfolio I MM, LLC; WC Illinois Storage Portfolio I, LLC; WC Illinois Storage Portfolio TIC, LLC; WC 4641 Production MM, LLC; WC New York Storage Portfolio I, LLC; WC 4641 Production, LLC; WC TSPIGP, LLC; WC Texas Storage Portfolio II, LP; WC Texas Storage Portfolio III Property, LLC; WC Texas Storage Portfolio III, LLC; WC San Benito Storage, LP; WC San Benito GP, LLC; WC Memphis Storage GP, LLC; WC Memphis Storage II GP, LLC; WC Las Vegas Storage, LP; WC Kansas City Storage, LP; WC Las Vegas Storage GP, LLC; World Class Real Estate LLC; WC Memphis Storage, LP; WC 7116 S IH 35, L.P.; WC 10013 RR 620 N, LP; WC 13825 FM 306, L.P.; WC Kansas City Storage GP, LLP; and John Does.

Defendants.

WORLD CLASS HOLDINGS I, LLC

Intervenor.

§
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§

NOTICE OF DISMISSAL WITH PREJUDICE

PLEASE TAKE NOTICE THAT Princeton Capital Corporation, by its undersigned attorneys, in the above-captioned adversary proceeding (this “Adversary Proceeding”), dismisses this Adversary Proceeding with prejudice as ordered by the Court in the *Order of Dismissal of*

Adversary Proceeding [Docket No. ____].

DATED: _____, 2022
Dallas, Texas

Respectfully submitted,

/s/ DRAFT

Judith W. Ross
State Bar No. 21010670
Jessica L. Voyce Lewis
State Bar No. 24060956
ROSS & SMITH, PC
700 N. Pearl Street, Suite 1610
Dallas, TX 75201
Phone: 214-377-7879
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Email: jessica.lewis@judithwross.com

**COUNSEL FOR PRINCETON CAPITAL
CORPORATION**

CERTIFICATE OF SERVICE

I hereby certify that on this _____, 2022, I caused a true and correct copy of the foregoing to be filed and served through ECF notification upon all parties who receive notice in this matter pursuant to the Court's CM/ECF filing system.

/s/ DRAFT

Judith W. Ross

Exhibit E

Form of Notice of Assignment of Judgment and Substitution of Parties

[To Be Submitted By Parties]

Exhibit E – Form of Notice of Assignment of Judgment and Substitution of Parties

Exhibit F

Form of Notice of Withdrawal of Proofs of Claim

Exhibit F – Form of Notice of Withdrawal of Proofs of Claim

Judith W. Ross
State Bar No. 21010670
Jessica L. Voyce Lewis
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COUNSEL FOR PRINCETON CAPITAL CORPORATION

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

GVS TEXAS HOLDING I, LLC et al ¹

Reorganized Debtors

Chapter 11

Case No. 21-31121-MVL

(Jointly Administered)

NOTICE OF WITHDRAWAL OF PROOFS OF CLAIM

PLEASE TAKE NOTICE THAT Princeton Capital Corporation (“Princeton”), by its undersigned attorneys, in the above-captioned jointly administered bankruptcy cases, respectfully withdraws with prejudice the following amended proofs of claim filed by Princeton on January 21, 2022:

- i. Proof of Claim No. 119-8 filed against GVS Portfolio I B, LLC;²
- ii. Proof of Claim No. 120-4 filed against GVS Portfolio I, LLC;³
- iii. Proof of Claim No. 121-78 filed against GVS Texas Holdings I, LLC;⁴
- iv. Proof of Claim No. 122-32 filed against GVS Texas Holdings II, LLC;⁵

¹ The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor’s federal tax identification number, as applicable, are: GVS Texas Holdings I, LLC (7458); GVS Texas Holdings II, LLC (1225); GVS Portfolio I, LLC (6441); GVS Portfolio I B, LLC (7171); GVS Portfolio I C, LLC (3093); WC Mississippi Storage Portfolio I, LLC (0423); GVS Nevada Holdings I, LLC (4849); GVS Ohio Holdings I, LLC (6449); GVS Missouri Holdings I, LLC (5452); GVS New York Holdings I, LLC (5858); GVS Indiana Holdings I, LLC (3929); GVS Tennessee Holdings I, LLC (5909); GVS Ohio Holdings II, LLC (2376); GVS Illinois Holdings I, LLC (9944); and GVS Colorado Holdings I, LLC (0408). The location of the Reorganized Debtors’ service address is: 814 Lavaca Street, Austin, Texas 78701.

² Amends Proof of Claim No. 119-5.

³ Amends Proof of Claim No. 120-2.

⁴ Amends Proof of Claim No. 121-62.

⁵ Amends Proof of Claim No. 122-24.

- v. Proof of Claim No. 123-12 filed against GVS Ohio Holdings I, LLC;⁶
- vi. Proof of Claim No. 124-10 filed against GVS Ohio Holdings II, LLC;⁷
- vii. Proof of Claim No. 125-10 filed against WC Mississippi Storage Portfolio I, LLC;⁸
- viii. Proof of Claim No. 126-6 filed against GVS Nevada Holdings I, LLC;⁹
- ix. Proof of Claim No. 127-7 filed against GVS Missouri Holdings I, LLC;¹⁰
- x. Proof of Claim No. 128-9 filed against GVS New York Holdings I, LLC;¹¹
- xi. Proof of Claim No. 129-8 filed against GVS Indiana Holdings I, LLC;¹²
- xii. Proof of Claim No. 130-7 filed against GVS Illinois Holdings I, LLC;¹³
- xiii. Proof of Claim No. 131-13 filed against GVS Tennessee Holdings I, LLC;¹⁴
- xiv. Proof of Claim No. 132-7 filed against GVS Colorado Holdings I, LLC;¹⁵ and
- xv. Proof of Claim No. 164-2 filed against GVS Portfolio I C, LLC.¹⁶

⁶ Amends Proof of Claim No. 123-7.

⁷ Amends Proof of Claim No. 124-5.

⁸ Amends Proof of Claim No. 125-4.

⁹ Amends Proof of Claim No. 126-3.

¹⁰ Amends Proof of Claim No. 127-4.

¹¹ Amends Proof of Claim No. 128-5.

¹² Amends Proof of Claim No. 129-4.

¹³ Amends Proof of Claim No. 130-3.

¹⁴ Amends Proof of Claim No. 131-9.

¹⁵ Amends Proof of Claim No. 132-3.

¹⁶ Amends Proof of Claim No. 164-1.

DATED: _____, 2022
Dallas, Texas

Respectfully submitted,

/s/ DRAFT

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**COUNSEL FOR PRINCETON CAPITAL
CORPORATION**

CERTIFICATE OF SERVICE

I hereby certify that on this _____, 2022, I caused a true and correct copy of the foregoing to be filed and served through ECF notification upon all parties who receive notice in this matter pursuant to the Court's CM/ECF filing system.

/s/ DRAFT

Judith W. Ross
