



## Company Profile

Rand Capital (Nasdaq: RAND) is an externally-managed Business Development Company (BDC) with a wholly-owned subsidiary licensed by the U.S. Small Business Administration (SBA) as a Small Business Investment Company (SBIC). The Company's investment objective is to maximize total return to its shareholders with current income and capital appreciation by focusing its debt and related equity investments in privately-held, lower middle market companies with committed and experienced managements in a broad variety of industries.

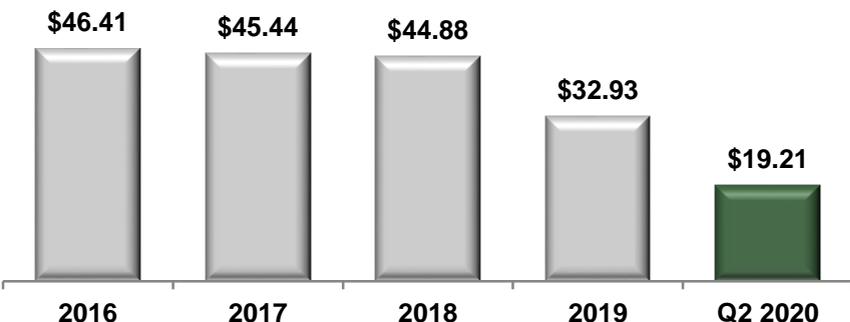
Rand invests in early to later stage businesses that have sustainable, differentiated and market-proven products, revenue of more than \$2 million, a path to free cash flow and up to \$5 million in EBITDA. The Company's investment activities are managed by its external investment adviser, Rand Capital Management, LLC.

## Key Investment Highlights – The New Rand

- Infusion of new capital to drive portfolio growth
- Expanded investment opportunities
- Transitioning portfolio to include more interest-yielding debt securities
- Ongoing dividend
- Anticipate reduced expense-to-asset ratio

## Rand Net Asset Value (NAV) Per Share

(at end of period, after tax)



## Market Highlights

Market data as of August 7, 2020 [Source: S&P Capital IQ]; ownership and assets as of most recent filings.

Market Cap	\$29.3 million
Recent Price	\$11.33
52-Week Range	\$10.25 - \$37.08
Shares Outstanding	2.59 million
Avg. Daily Volume (3 mos.)	10k
Total assets	\$61.1 million
Net assets	\$49.7 million
Net asset value per share	\$19.21
Institutional ownership	10%
Insider ownership	66%

## Q2 2020 Highlights

- Total investment income grew 15.7%
- Excellent liquidity available to drive portfolio growth, repurchase shares and weather economic cycle
- Net asset value ("NAV") at June 30, 2020 was \$49.7 million, down \$4.4 million compared with \$54.1 million at March 31, 2020. The decline in NAV was primarily the result of the \$4.75 million cash dividend issued on May 11, 2020, which was somewhat offset by the \$0.4 million increase in net assets from operations.
- On a per share basis, NAV declined to \$19.21 per share compared with \$33.20 at March 31, 2020. The per share decline was primarily the result of the approximately 960,000 additional shares distributed as part of the dividend.
- At June 30, 2020, portfolio fair value increased \$2.6 million, or 7%, to \$38.6 million from \$36.0 million on March 31, 2020
- Net investment income grew to \$0.08 per share in the second quarter compared with a loss of \$0.20 per share in the prior-year period.

## Investor Relations Contact

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### Investment Criteria

- Revenue >\$2 million and EBITDA \$0 to \$5 million
- Early to late stage private businesses
- Sustainable, differentiated market accepted product
- Skilled, motivated and invested management
- Broad, diverse industries with East or Midwest U.S. operations

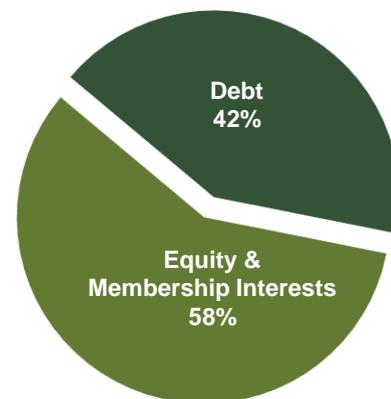
### Investment Structure

- Subordinated debt with warrants or preferred equity
- For expansion capital, growth or ownership transition
- Co-investor with institutional funds; minority owner
- Current interest combined with equity interests

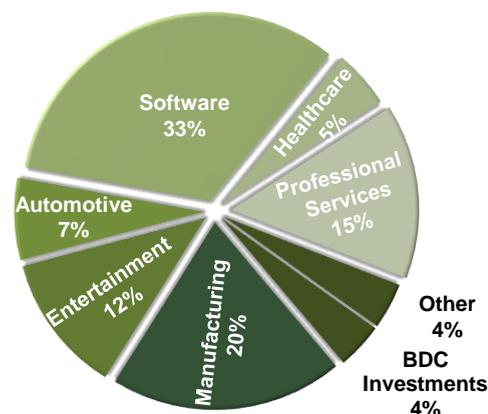
### Investment Terms

- Initial target size of \$1.5 million
- Typically \$750,000 to \$5 million investments
- Require board observation, informational rights, or board seat
- 5- to 7- year hold period

### Investments Mix

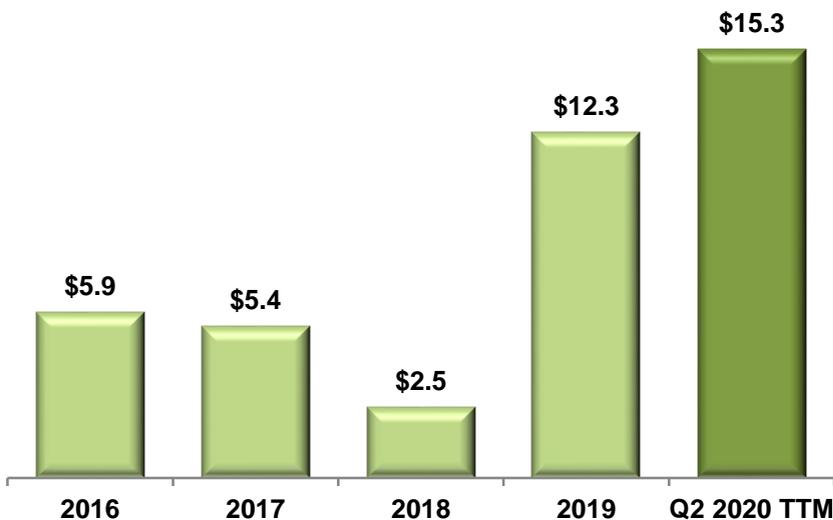


### Investments by Industry Classification



Based on total investments at fair value of \$38.6 million as of June 30, 2020

### New and Contributed Investments\* (\$ in millions)



\* New and Contributed Investments includes \$9.5 million of assets from the East transaction in 2019 and Q2 2020 TTM

### Five Largest Investments 56% of Portfolio as of June 30, 2020

