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Rand Capital Corporation

Rand Capital Portfolio Company, Rheonix Inc., to Launch Rapid, Fully Automated Coronavirus Disease 2019 (COVID-19) Assay

Assay to provide small and medium-sized labs access to fast, cost-effective, sample-to-answer testing for public health threat

BUFFALO, N.Y.--(BUSINESS WIRE)-- [Rand Capital Corporation](#) (Nasdaq: RAND) (“Rand” or “Rand Capital” or the “Company”), a business development company, announced that its portfolio company, [Rheonix Inc.](#) is developing a coronavirus (COVID-19) test kit for use on its Encompass MDx[®] workstation. Upon Rheonix’s receipt of emergency use authorization (EUA) from the Food and Drug Administration (FDA), the new test will allow for the fully automated detection of SARS-CoV-2 in respiratory specimens, facilitating testing at small and medium-sized labs in distributed locations.

The Rheonix system is a fully automated, sample-to-answer microfluidic system that provides test results in four hours and requires no technician involvement after the sample is loaded. The workstation automatically introduces clinical specimens directly from their barcoded collection tubes into the wells of the microfluidic Rheonix CARD[®] cartridges, and processes all virus detection reactions on the cartridge within the closed workstation. Once the test is completed, all biological waste remains enclosed in the disposable cartridge and is destroyed. The fully enclosed, self-contained workstation and cartridge system eliminate the technician’s need to handle the sample and reduce the possibility for spread of the highly communicable virus.

“A fully automated sample-to-answer testing solution that can be reliably run by small and medium-sized labs will be critical in mobilizing local and regional health networks to fight the COVID-19 public health emergency,” said Richard Montagna, Ph.D., FACB, senior vice president for scientific and clinical affairs, Rheonix. “We are grateful that the FDA is providing the flexibility necessary for innovative companies like Rheonix to act quickly to put testing in the hands of those most in need of rapid and dependable methods to control the spread of this virus.”

Allen F. (“Pete”) Grum, President and Chief Executive Officer of Rand Capital, commented, “We are proud to support Rheonix’s important mission of improving standards of care by making molecular diagnostics widely available. In this instance, the company has responded quickly to the needs of the healthcare community in helping to address the global coronavirus pandemic, demonstrating their nimbleness.”

Rheonix is working with a consortium of leading New York state collaborators to test and validate the assay. Inactivated samples of the coronavirus are being provided by

ZeptoMetrix, a Buffalo-based company that manufactures biological material for diagnostics development. A leading New York health care network is providing clinical samples and expertise, and Gregory Wilding, Ph.D., chair of the biostatistics department of the University at Buffalo School of Public Health and Health Professions, will validate the results. Rheonix anticipates submitting an emergency use authorization (EUA) to the FDA on the Rheonix COVID-19 MDx assay for the detection of SARS-CoV-2 as soon as validation is complete.

The fair value of Rand's investment in Rheonix was approximately \$703,000 as of December 31, 2019.

ABOUT RHEONIX

Rheonix has developed the suite of Encompass workstations, fully automated systems that provide highly multiplexed sample-to-answer molecular testing for use in clinical, research and applied testing laboratories. With minimal hands-on time, the Encompass systems offer true walkaway simplicity. Rheonix's growing portfolio offers multiplexed testing solutions including the Beer SpoilerAlert™ assay, the most comprehensive beer spoilage panel available; the Listeria PatternAlert™ assay, a rapid method for *Listeria* strain typing; and the NGS OnePrep™ solution, a fully integrated and automated DNA extraction and library prep solution. The Rheonix STI TriPlex™ Assay and Rheonix Encompass MDx® workstation are currently undergoing FDA 510(k) review. For more information, visit www.rheonix.com.

ABOUT RAND CAPITAL

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 and a path to free cash flow or up to \$5 million in EBITDA. The Company's investment activities are managed by its external investment adviser, Rand Capital Management, LLC. Additional information can be found at the Company's website where it regularly posts information: <https://www.randcapital.com/>.

Safe Harbor Statement

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than historical facts, including but not limited to statements regarding the intention of Rand Capital and Rand Capital SBIC, Inc. ("Rand SBIC") to elect to be taxed as a RIC for U.S. federal tax purposes; the intention to declare and pay a special cash and stock dividend; the expected timing for the payment of the special dividend; the estimated amount of the Company's accumulated earnings and profits; the intention to adopt a new dividend policy that includes regular cash dividends to shareholders; the expected benefits of the transaction such as a lower expense-to-asset ratio for Rand Capital, availability of additional resources and an enhanced investment team; the competitive ability and position of Rand Capital; and any assumptions underlying any of

the foregoing, are forward-looking statements. Forward-looking statements concern future circumstances and results and other statements that are not historical facts and are sometimes identified by the words "may," "will," "should," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "overestimate," "underestimate," "believe," "could," "project," "predict," "continue," "target" or other similar words or expressions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove to be incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) the risk that Rand Capital and/or Rand SBIC may be unable to fulfill the conditions required in order to elect to be treated as a RIC for U.S. tax purposes; (2) uncertainty of the expected financial performance of Rand Capital; (3) failure to realize the anticipated benefits of the transaction; (4) the risk that the board of directors of Rand Capital is unable or unwilling to adopt a new dividend policy that includes the payment of regular cash dividends on a going forward basis; (5) evolving legal, regulatory and tax regimes; (6) changes in general economic and/or industry specific conditions; and (7) other risk factors as detailed from time to time in Rand Capital's reports filed with the Securities and Exchange Commission ("SEC"), including Rand Capital's annual report on Form 10-K for the year ended December 31, 2019, later filed quarterly reports on Form 10-Q, the definitive proxy statement and other documents filed with the SEC. Consequently, such forward-looking statements should be regarded as Rand Capital's current plans, estimates and beliefs. Except as required by applicable law, Rand Capital assumes no obligation to update the forward-looking information contained in this release.

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Company:

Allen F. ("Pete") Grum

President and CEO

Phone: 716.853.0802

Email: pgrum@randcapital.com

Investors:

Deborah K. Pawlowski / Karen L. Howard

Kei Advisors LLC

Phone: 716.843.3908 / 716.843.3942

Email: dpawlowski@keiadvisors.com

khoward@keiadvisors.com

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