



May 11, 2020

Section 19(a) Notification of Source of Distributions

Rand Capital Corporation
Distribution of Special Dividend

On May 11, 2020, Rand Capital Corporation (“the Company”) paid its Special Dividend in the amount of \$1.62 per share to Company shareholders as of that date.

Certain Information Pertaining to Special Dividend Payments

The Company has declared and paid an aggregate special dividend of \$1.62 per share of common stock to Company shareholders, which represents the accumulated earnings and profits of the Company since its inception. The Company presently estimates that its 2020 distributions were derived from the following sources:

	<u>Current Distribution</u>	<u>% Breakdown of Current Distribution</u>	<u>Total Cumulative Distribution for Fiscal Year</u>	<u>% Breakdown of the Total Cumulative Distribution for Fiscal Year</u>
Net investment income	-	0%	-	0%
Capital gains	\$1.62	100%	\$1.62	100%
Return of capital	-	0%	-	0%
Total per share	\$1.62	100%	\$1.62	100%

As of March 31, 2020, after taking into account the payment of the Special Dividend specified above, the Company’s aggregate deficit from (1) the Company’s accumulated undistributed realized profits less losses on the sale of securities or other properties and (2) the Company’s net unrealized appreciation or depreciation of portfolio securities was approximately (\$2.7) million. The Company’s undistributed net realized gain on investments less the aggregate Special Dividend amount of approximately \$23.7 million, as of March 31, 2020, was approximately \$5.7 million. The Company’s net unrealized depreciation on investments, as of March 31, 2020, was approximately (\$8.4) million.

The amount and source of distributions reported in the Notice are estimates only and are not being provided for tax reporting purposes. The Company believes that such amounts reasonably represent the sources, however final determination of the amount and source of distributions will be made after the end of our fiscal year and will be reported to shareholders on 2020 Form 1099-DIV. This information is only being provided to satisfy the notification requirements of Section 19(a) of the Investment Company Act of 1940, as amended.

More Information About Rand Capital Corporation

Rand’s annual, quarterly and current reports, proxy statements and other information are filed with the Securities and Exchange Commission. This information is available on our website at www.RandCapital.com, or through the Securities and Exchange Commission website at www.sec.gov that contains such information.