

December 7, 2020



Rand Capital Corporation

Rand Capital Participates in Centivo \$34 Million Series B Funding

BUFFALO, N.Y.--(BUSINESS WIRE)-- [Rand Capital Corporation](#) (Nasdaq: RAND) ("Rand"), a business development company, today announced that it recently funded a \$500,000 Series B Preferred stock follow-on investment in its portfolio company, Centivo Corporation. The investment was part of a \$34 million capital raise and brings Rand's total investment in Centivo to \$800,000.

Allen F. ("Pete") Grum, President and Chief Executive Officer, noted, "We are excited to further support Centivo's efforts to bring lower cost, higher quality health care plans to more markets. We continue to support our legacy portfolio of investments that demonstrate the potential to provide long-term capital appreciation. And, even as we are focused primarily on building an income producing portfolio, we plan to continue to invest into those legacy companies alongside other co-investors. We believe that our \$500k investment into Centivo's recent \$34 million private placement is evidence of our evolved strategy."

In 2020, Centivo has experienced significant growth, tripling the number of clients and members it serves. Centivo is a different type of digital health plan for self-funded employers that intends to provide savings as compared with traditional insurance carriers and is easier to use for employers and employees. Centivo's health plan solution is available to mid-sized and large employers in New York, New Jersey, Connecticut, Southern California, Florida, and North Carolina. With the additional capital, Centivo plans to expand to more markets in 2021.

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 effectiveness of Rand's new investment strategy and its plan to invest in legacy portfolio companies; the ability to deploy its investment capital; the ability of Centivo to expand to more markets; the positive attributes of Centivo's health plan; the competitive ability and position of Rand; 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) evolving legal, regulatory and tax regimes; (2) changes in general economic and/or industry specific conditions; and (3) other risk factors as detailed from time to time in Rand's reports filed with the Securities and Exchange Commission ("SEC"), including Rand's annual report on Form 10-K for the year ended December 31, 2019, quarterly reports on Form 10-Q, and other documents filed with the SEC. Consequently, such forward-looking statements should be regarded as Rand's current plans, estimates and beliefs. Except as required by applicable law, Rand assumes no obligation to update the forward-looking information contained in this release.

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