

Rand Capital Declares Total Fourth Quarter Cash Dividend of \$0.63 per Share; Full Year 2023 Dividend Distributions up 60%

Total fourth quarter dividend consists of regular quarterly cash dividend of \$0.25 per share and special cash dividend of \$0.38 per share

Total 2023 cash dividend distributions of \$1.33 per share up 60% over 2022

BUFFALO, N.Y.--(BUSINESS WIRE)-- [Rand Capital Corporation](#) (Nasdaq: RAND) ("Rand"), a business development company providing alternative financing for lower middle market companies, announced today that its Board of Directors declared a total quarterly cash dividend of \$0.63 per share comprised of a \$0.25 per share regular quarterly cash dividend and a \$0.38 per share special cash dividend. Each of the dividends will be distributed on or about December 29, 2023, to shareholders of record as of December 18, 2023. Rand has approximately 2.6 million shares outstanding.

Daniel P. Penberthy, President and CEO, commented, "Rand has delivered strong results thus far during 2023 with continued earnings momentum driven by the improvement of our portfolio composition that is focused on income-producing investments. Additionally, we sold our debt and equity investment in Dealer Solutions and Design during the second quarter, which resulted in a sizable net gain. This overall performance enabled an increase to our quarterly dividend distribution earlier in the year and the distribution of the \$0.38 per share special dividend during the fourth quarter of 2023.

"Further demonstrating the strength of our strategy is the total \$1.33 per share of cash dividends paid this year, which is up 60% over 2022 and up 200% over a two-year period. Looking forward, we believe we can continue to replicate our success by leveraging our multiple sources of capital to grow our portfolio and drive investment income growth that will help to support future dividends."

Additional Information Regarding Dividend Distributions

The amount and timing of dividend distributions, including future dividend distributions, are subject to the discretion of Rand's Board of Directors. When declaring distributions, Rand's Board of Directors reviews estimates of taxable income available for distribution, which may differ from consolidated net income under generally accepted accounting principles due to (i) changes in unrealized appreciation and depreciation, (ii) temporary and permanent differences in income and expense recognition, and (iii) the amount of spillover income carried over from a given year for distribution in the following year.

The final determination of taxable income for each tax year, as well as the tax attributes for

distributions in such tax year, will be made after the close of the tax year.

ABOUT RAND CAPITAL

Rand Capital (Nasdaq: RAND) is an externally managed business development company (BDC). 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 strategy of the Company and its outlook; statements regarding the implementation of the Company's strategy and its growth trajectory; 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, 2022, 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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