



THIRD QUARTER 2021 FINANCIAL RESULTS

November 5, 2021

Allen F. “Pete” Grum
President & CEO

Daniel P. Penberthy
Executive Vice President & CFO



FORWARD LOOKING STATEMENTS

This presentation 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 Corporation (“Rand” or the “Company”) and Rand Capital SBIC, Inc. (“Rand SBIC”) to be taxed as a regulated investment company (“RIC”) for U.S. federal tax purposes; the effectiveness of, and execution on, Rand’s investment strategy; the investment processes to be used by Rand Capital Management each under the investment advisory and management agreement with Rand, 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) the risk that Rand and/or Rand SBIC may be unable to fulfill the conditions required in order to be treated as a RIC for U.S. tax purposes; (2) evolving legal, regulatory and tax regimes; (3) changes in general economic and/or industry specific conditions; and (4) 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, 2020, quarterly reports on Form 10-Q, the preliminary and definitive proxy statements 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 presentation.

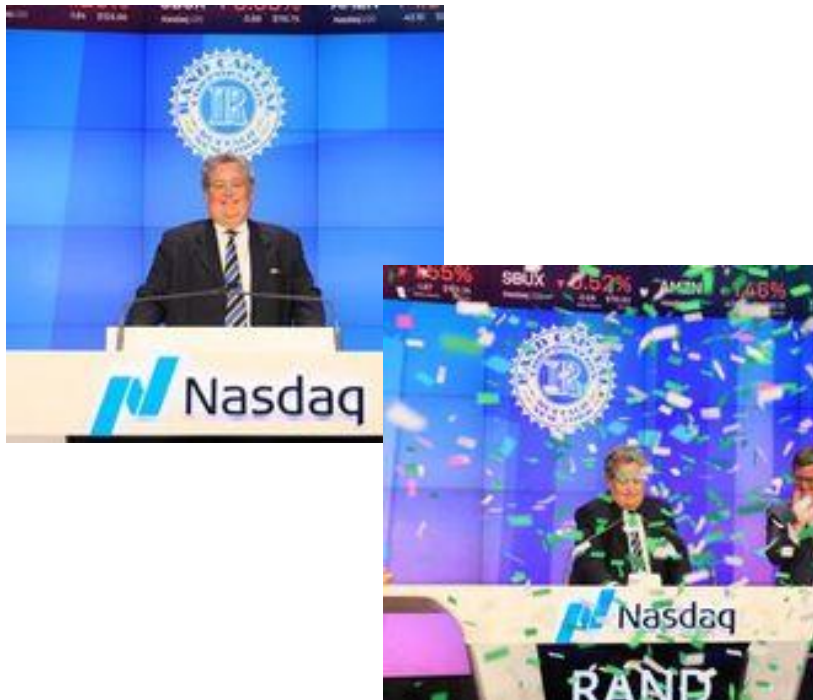
The Company’s investment activities are managed by its external investment adviser, Rand Capital Management, LLC. Additional information can be found at the Company’s website where it regularly posts information: <https://www.randcapital.com/>.

All information contained herein is for informational purposes and should not be construed as investment advice. It does not constitute an offer, solicitation or recommendation to purchase any security. Past performance does not guarantee future results. Diversification does not guarantee a profit or protect against a loss.

50TH ANNIVERSARY



- November 4, 2021 marked 50 years of trading on the Nasdaq
- Rand celebrated earlier this year by ringing the Nasdaq closing bell





LEADERSHIP TRANSITION AND BOARD CHANGES

All changes effective December 1, 2021

- Allen F. “Pete” Grum to retire as President and CEO and become Vice Chair of Board of Directors
- Daniel P. Penberthy appointed President and CEO
- Margaret Brechtel promoted to Executive Vice President and CFO
- Robert M. Zak appointed Chair of the Board
- Erland “Erkie” E. Kailbourne will remain as a director

“These are exciting times for Rand and indicative of the transformation we have been affecting over the last three years.” – current Chairman Erland “Erkie” E. Kailbourne



Allen “Pete” Grum



Daniel Penberthy



Margaret Brechtel



Robert Zak

THIRD QUARTER 2021 EXECUTION



Total investment income grew 37% to \$1.0 million YoY

- Driven by shift to income producing portfolio

Net asset value grew 4% to \$23.31 per share in the quarter; up 31% YTD*

Recognized \$1.6 million gain from portfolio exit

Recorded \$454 thousand of capital gains incentive fees;
Net investment income per share was \$0.02

Adjusted net investment income per share was \$0.20**

Subsequent to quarter end, repaid \$11 million of outstanding SBA leverage
and submitted a request to surrender the SBIC license

Delivering Cash Dividend Distributions:

Paid third quarter dividend distribution of \$0.10 per share in September 2021

Cumulative dividends paid in 2021: \$1.63 *(includes \$1.33 declared in Dec 2020)*

**Per share amounts based on weighted average shares outstanding*

***Adjusted Net Investment Income per share is a non-GAAP financial measure. Please see supplemental slides for a reconciliation between GAAP net investment income per share and non-GAAP adjusted net investment income per share and other important disclaimers regarding Rand's use of adjusted net investment income per share.*



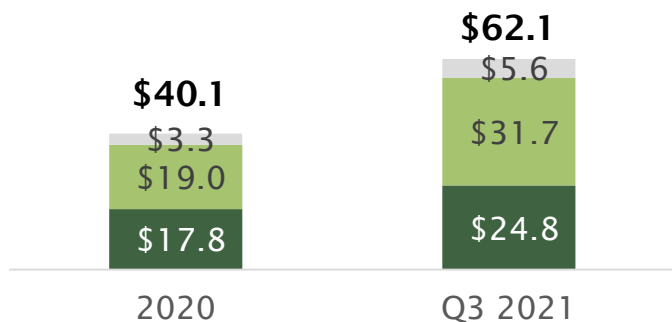
The Rand Building, Buffalo, NY



EVOLVED PORTFOLIO

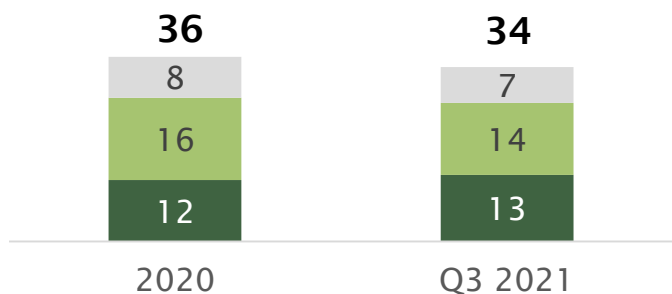
Fair Value Portfolio Mix

(\$ in millions)



Portfolio Mix

(# of Companies)



■ Debt ■ Equity ■ Public BDC

Portfolio fair value increased primarily due to valuation adjustments and new investments offset by sales and payoffs

- Q3 up \$2.3 million or 4%; increased 55% YTD

Mix at quarter-end, based on fair value:

40% Fixed-rate debt investments

35% Equity investments

16% ACV Auctions stock

9% Dividend paying, publicly traded BDCs

Made \$3.8 million in one new investment in the quarter

- \$15.1 million in new and follow-on investments YTD

Received \$3.8 million from exits and payoffs in the quarter

- Received \$6.3 million YTD

2021 Objective: Continue debt investment focus and exiting equity positions

Q3 2021 INVESTMENTS & EXITS/PAYOFFS



Total Q3 2021 Investments: \$3,812,500



*Outfits fixed operations facilities with shop equipment for auto dealers
\$3.8 million loan investment and equity investment*

Total Q3 2021 Exit and Payoff Proceeds: \$3,846,328



*Healthcare company providing affordable, high-quality healthcare
to American families*

Original equity investment Dec 2000; \$1.6 million gain on exit



*Sold 50,000 shares at average price of \$19.44 per share for
total value of \$972,000 (recognized gain of \$957,573)*



Received \$418,553 partial debt repayment

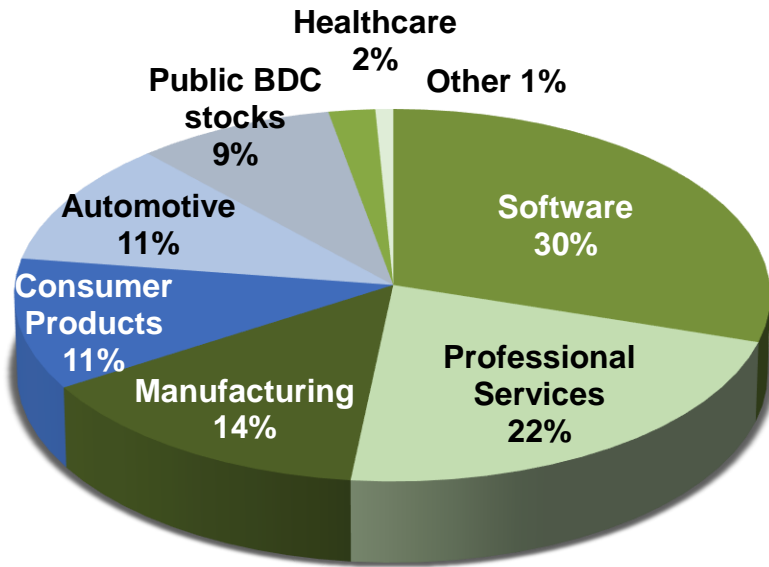
Received \$40,000 final loan payment from Advantage 24/7



DIVERSIFIED PORTFOLIO

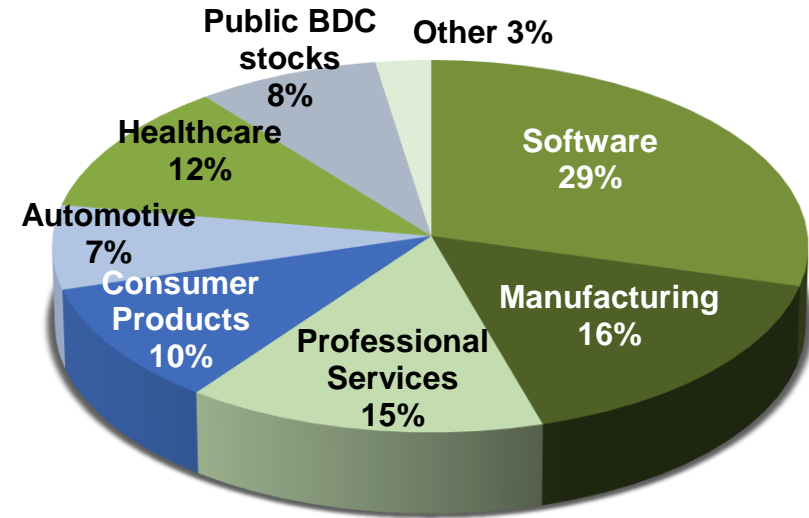
Investments by Industry Classification

September 30, 2021



Based on total investments at fair value of \$62.1 million






December 31, 2020



Based on total investments at fair value of \$40.1 million



TOP FIVE PORTFOLIO INVESTMENTS

(\$ in millions)						
Company	Investments at Fair Value	Year Acquired	Industry	% of Total Portfolio	Investment Type	
 ACV Auctions	\$9.8	2016	Software—Live Mobile Auctions for Automobile Dealers (Nasdaq: ACVA)	16%	Public equity	
 Tilson	\$8.9	2015	Professional Services—Cellular Info Systems, Construction, Mgmt.	15%	Equity – paying dividend	
 Open Exchange	\$5.6	2013	Software—Online presentation and training software	9%	Equity	
 ITA Inc.	\$3.9	2021	Manufacturing—Blind and shade manufacturing	7%	Term note (12% plus 2% PIK) Equity	
 Caitec	\$3.9	2020	Consumer Goods – Pet Product Manufacturer and Distributor	6%	Mezzanine debt (12% plus 2% PIK) Equity	
Total Top 5	\$32.0			53%		

All values as of September 30, 2021. Totals may not foot due to rounding.

\$62.1 million portfolio fair value with 34 portfolio companies



Financial Review

Daniel P. Penberthy
Executive Vice President & CFO



FINANCIAL SUMMARY

(in thousands, except per share data)

	Q3 2021	Q3 2020
Total investment income	\$ 1,012	\$ 737
Total expenses	962	456
Net investment income	53	280
<i>Net investment income per share*</i>	<i>\$ 0.02</i>	<i>\$ 0.11</i>
<i>Adjusted net investment income per share**</i>	<i>\$ 0.20</i>	<i>\$ 0.11</i>
Net realized and unrealized gain (losses) on investments	\$ 2,268	\$ (18)
Net increase in net assets from operations	2,321	263
<i>Per share*</i>	<i>\$ 0.90</i>	<i>\$ 0.10</i>
<i>Totals may not sum due to rounding</i>		

Investment income grew 37%

- Driven by increased interest income from portfolio companies, higher dividend and other income, and fee income

Total expenses of \$962 thousand

- Included capital gains incentive fee accrual of \$454 thousand
- Operating Expenses up \$52 thousand** (excludes capital gains incentive fee accrual)
 - Increase reflects higher base management fees payable to Rand's investment adviser related to the increase in assets under management

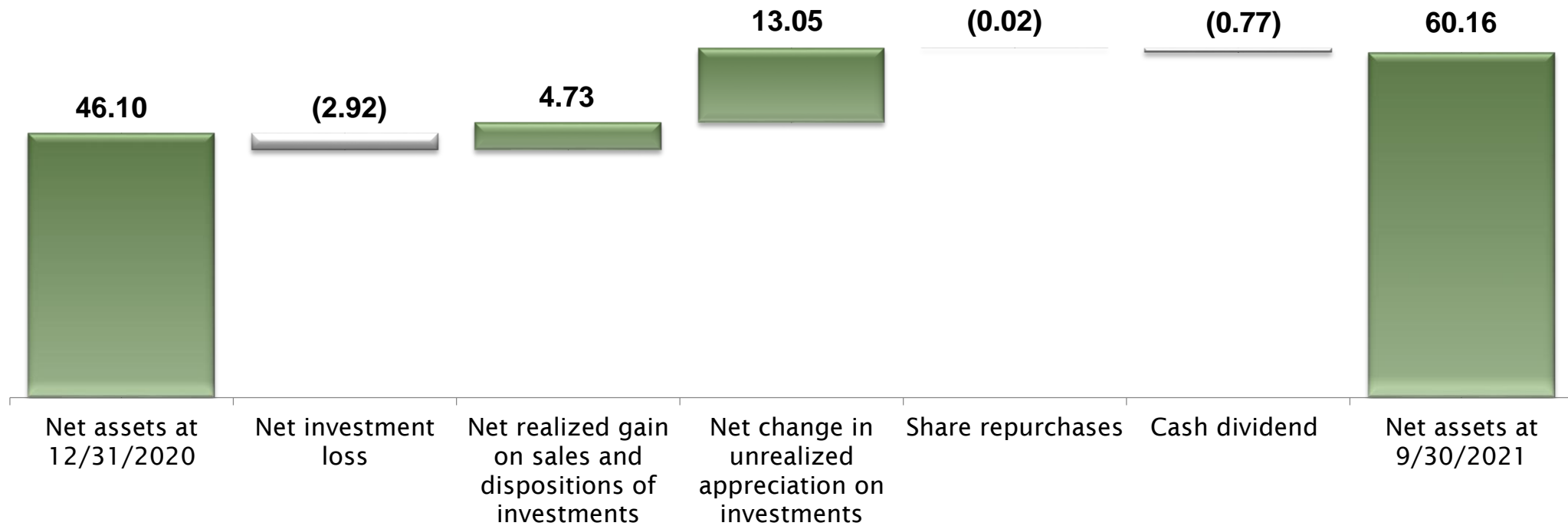
*Per share amounts based on weighted average shares outstanding of 2,581,021 in Q3 2021 and 2,585,403 in Q3 2020.

** Adjusted Net Investment Income per share and Operating Expenses are non-GAAP financial measures. Please see supplemental slides for a description of these non-GAAP financial measures and reconciliation tables between GAAP and non-GAAP.



NET ASSET VALUE CHANGE: Q3 YTD

(\$ in million)



Totals may not sum due to rounding

STRONG BALANCE SHEET, OPPORTUNITY FOR GROWTH



Net Asset Value Composition

At September 30, 2021

Per Share	Assets and Liabilities
\$5.15	\$13.3 million consolidated cash
\$5.95	\$15.3 million in public equity investments "Liquid"*
\$18.11	\$46.8 million in private investments
(\$4.20)	(\$10.8) million in SBA borrowings
(\$1.70)	(\$4.4) million other assets & liabilities, net
\$23.31	Net Asset Value (NAV) per share

*\$62.1 million in total portfolio investments includes \$15.3 million of highly liquid BDC and ACV stock

On November 2, 2021, Rand repaid its \$11 million of outstanding SBA leverage using cash on hand and submitted a request to surrender its SBIC license to the SBA

Paid dividend of \$0.10 per share in the third quarter 2021

Repurchased 1,148 shares of outstanding common stock for \$20,770 under a \$1.5 million share repurchase authorization

Strong liquidity position and pipeline of potential investments



SUPPLEMENTAL INFORMATION

ADJUSTED NET INVESTMENT INCOME PER SHARE



	Three Months Ended	
	September 30, 2021	September 30, 2020
Net investment income per share*	\$ 0.02	\$ 0.11
Capital gains incentive fees per share	0.18	-
Adjusted net investment income per share*	\$ 0.20	\$ 0.11

*Per share amounts based on weighted average shares outstanding of 2,581,021 in Q3 2021 and 2,585,403 in Q3 2020

In addition to reporting Net Investment Income per Share, which is a U.S. generally accepted accounting principle (“GAAP”) financial measure, Rand presents Adjusted Net Investment Income per Share, which is a non-GAAP financial measure. Adjusted Net Investment Income per Share is defined as GAAP Net Investment (Loss) Income per Share plus any capital gains incentive fees. GAAP Net Investment (Loss) Income per Share is the most directly comparable GAAP financial measure. Rand believes that Adjusted Net Investment Income per Share provides useful information to investors regarding financial performance because it is a method the Company uses to measure its financial and business trends related to its results of operations. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP.

OPERATING EXPENSES



	Three Months Ended	
	September 30, 2021	September 30, 2020
Total expenses	\$ 961,899	\$ 456,398
Exclude capital gains incentive fees	454,000	-
Operating expenses	\$ 507,899	\$ 456,398

In addition to reporting Total Expenses, which is a U.S. generally accepted accounting principle (“GAAP”) financial measure, Rand presents Operating Expenses, which is a non-GAAP financial measure. Operating expenses are defined as GAAP Total expenses less any expenses for capital gains incentive fees. GAAP Total expenses is the most directly comparable GAAP financial measure. Rand believes that Operating expenses provides useful information to investors regarding financial performance because it is a method the Company uses to measure its financial and business trends related to its results of operations. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP.



THIRD QUARTER 2021 FINANCIAL RESULTS

November 5, 2021