



Company Profile

Rand Capital (Nasdaq: RAND) is a 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).

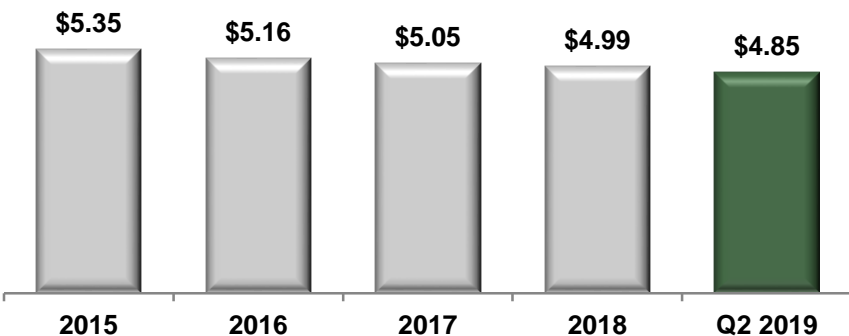
Rand currently focuses its equity investments in early or expansion stage companies and generally lends to more mature companies. The Company seeks investment opportunities in businesses with strong leaders who are bringing to market new or unique products, technologies or services that have a high potential for growth.

Investment Objectives and Strategy

- Drive near- and long-term portfolio growth
- Achieve long-term capital appreciation on equity investments
- Maintain current cash flow from debt and dividend-paying equity
- Partner with other investors
- Initial investment ~\$500k-\$1 million; max investment 30% of registered capital
- Will fund initial investment and participate in follow-on rounds
- Identify early expansion stage companies:
 - New and unique product, service or technology
 - Requires capital to commercialize or accelerate rate of growth
 - Annual revenue size – start-ups to ~\$10 million
 - Qualified and experienced management team
 - Businesses in Upstate NY and surrounding regions, broadening reach
 - Investing area is underserved
 - Geographic expansion through co-investment partners

Rand Net Asset Value (NAV) Per Share

(at end of period, after tax)



Market Highlights

Market data as of August 9, 2019 [Source: S&P Capital IQ]; ownership and assets as of most recent filings

Market Cap	\$16.7 million
Recent Price	\$2.64
52-Week Range	\$2.05 - \$3.60
Shares Outstanding	6.32 million
Avg. Daily Volume (3 mos.)	6.0k
Total assets	\$41.7 million
Net assets	\$30.6 million
Net asset value per share	\$4.85
Institutional ownership	37%
Insider ownership	10%

Q2 2019 Highlights

- Reported \$4.85 net asset value (NAV) per share at June 30, 2019, compared with \$5.06 at March 31, 2019. The sequential decrease was primarily due to net depreciation in certain portfolio investments in accordance with the Company's valuation policy and higher expenses related to the East transaction.
- Continued progress toward completion of \$25 million investment in Rand by East Asset Management. Transaction expected to close in second half of 2019, subject to remaining regulatory approval.
- Supported a current portfolio company, Genicon, Inc., with a \$250,000 follow-on investment in the form of a promissory note.
- Investment income increased 41% and 68% over the prior-year second quarter and first six months, respectively, driven by a nonrecurring dividend and higher interest income in the second quarter as well as nonrecurring loan repayment fee income in the six-month period.
- At June 30, 2019, portfolio fair value was \$31.2 million and consolidated cash was \$8.6 million, of which \$1.4 million is available for corporate purposes and \$7.2 million is restricted to the SBIC.

Investor Relations Contact

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Key Investment Highlights

- **BDC** – Participate in venture capital opportunities
 - Access to SBA capital
- **Investment Focus** – Early or expansion stage companies
 - New or unique products, technologies or services with high growth potential
 - Seek portfolio companies with strong leadership
- **Financial Strength** – Strong capital structure
 - Key investing partnerships
- **Proven Results** – Solid average investment returns
 - Internally managed; operating leverage
 - Experienced, stable management team

Five Largest Investments

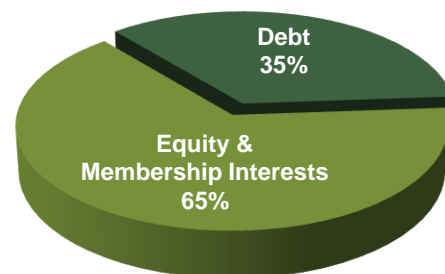
53% of Portfolio
as of June 30, 2019



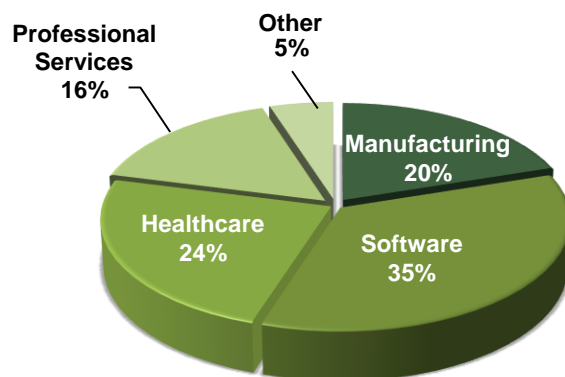
Investment Criteria

- Typical initial investments between \$0.5 million and \$1.0 million through equity or debt instruments in small- and medium-sized companies; follow-on investment(s) up to maximum of \$3 million total per company
- Partner with other investment firms
- Qualified and experienced management team
- New or unique product or service
- High potential for growth in revenue and cash flow
- Potential to realize appreciation in equity position
- Broad array of industries, except real estate
- Geographic concentration in Upstate New York and surrounding regions enables regular interaction with management
- Often serve on portfolio companies' Boards of Directors

Investments Mix



Investments by Industry Classification



Based on total investments at fair value of \$31.2 million as of June 30, 2019

New Investments (\$ in millions)

