



Company Profile

Rand Capital (Nasdaq: RAND) provides investors the ability to participate in venture capital opportunities through an investment in the Company's stock. 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).

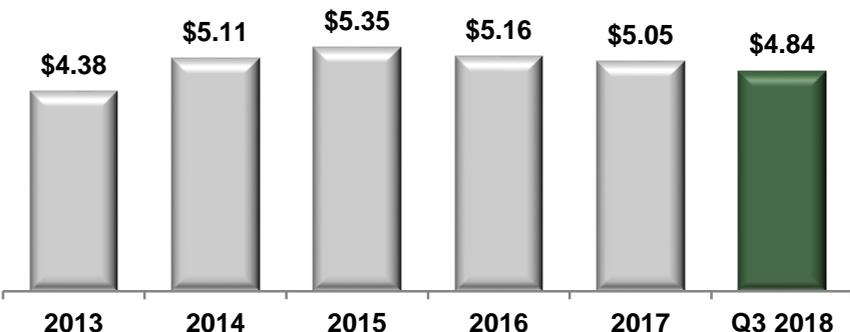
Rand focuses its equity investments in early or expansion stage companies and generally lends to more mature companies. The Company seeks investment opportunities in businesses with strong leaders who are bringing to market new or unique products, technologies or services that have a high potential for 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 November 19, 2018 [Source: S&P Capital IQ]; ownership and assets as of most recent filings

Market Cap	\$15.5 million
Recent Price	\$2.45
52-Week Range	\$2.05 - \$3.50
Shares Outstanding	6.32 million
Avg. Daily Volume (3 mos.)	3.4k
Total assets	\$38.7 million
Net assets	\$30.6 million
Net asset value per share	\$4.84
Net asset value CAGR (2012-2017)	5.3%
Institutional ownership	21%
Insider ownership	35%

Q3 2018 Highlights

- Reported \$4.84 net asset value (NAV) per share at September 30, 2018, compared with \$4.87 at June 30, 2018; decrease primarily due to realized loss upon sale of portfolio company, partially offset by a tax benefit
- Supported an existing portfolio company, BeetNPath LLC, by investing \$140,000 during the quarter
- Investment income increased 66% and 34% over the prior-year third quarter and year-to-date periods; driven by nonrecurring loan restructuring income in the third quarter
- At September 30, 2018, portfolio fair value was \$32.2 million and consolidated cash was \$4.4 million
- Portfolio consisted of 29 active companies comprised of ~57% in equity investments and ~43% in debt investments

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

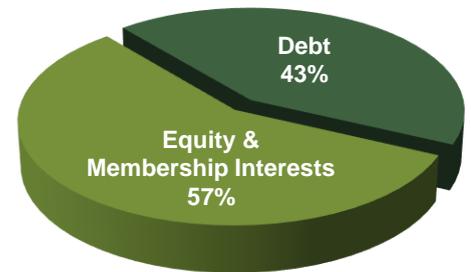
Five Largest Investments 48% of Portfolio as of September 30, 2018



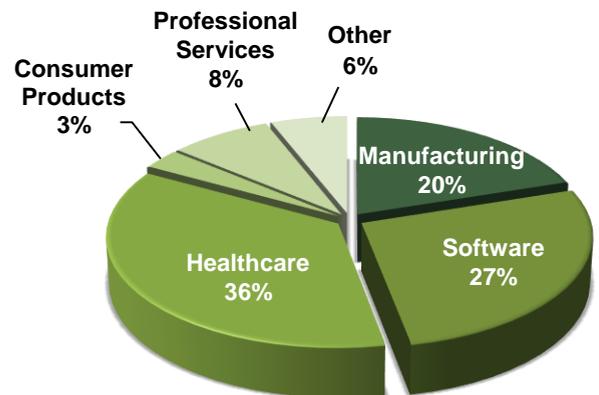
Investment Criteria

- 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 \$32.2 million as of September 30, 2018

New Investments (\$ in millions)

