

Rand Capital Initiates Quarterly Dividend at \$0.10 Per Share

BUFFALO, N.Y.--(BUSINESS WIRE)-- [Rand Capital Corporation](#) (Nasdaq: RAND) (“Rand”), a business development company (“BDC”), today announced that its Board of Directors declared its first regular quarterly cash dividend of \$0.10 per share. The cash dividend will be paid on or about March 29, 2021 to shareholders of record as of March 15, 2021. At December 31, 2020, Rand had approximately 2.6 million shares outstanding.

Pete Grum, President and CEO of Rand noted, “We are pleased to initiate our regular dividend at an annualized rate of 40 cents per share. We feel this is a conservative level based on our expectations of the income from our current portfolio and our expense projections for 2021. We have been an active investor in income producing assets and are creating a robust pipeline of potential new investments. We currently have approximately \$23 million in liquidity for new investments including our undrawn SBA commitment of \$3 million. We expect this investment activity to augment net investment income and as a result we believe we can grow our dividend over time.”

He added, “Within our portfolio are several exciting equity investments with whom we are working to produce liquidity events and potential capital gains related to these investments. Importantly, the Board will consider realized gains and losses from investment activity when determining the total amount of dividend to be paid annually.”

Rand’s 2020 dividend of \$1.33 per share was comprised of approximately \$0.94 from capital gains and \$0.39 from net investment income.

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) 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 are already generating 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 conservativeness of the current dividend rate, the assumptions made for income and expenses, the exits of portfolio companies, the net gain or losses to be realized through portfolio exits, the effectiveness of Rand's new investment strategy; the pace at which Rand can deploy its investment capital; 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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Source: Rand Capital Corporation