

August 9, 2016



Harris & Harris Group Issues Business Update and Reports Financial Statements as of June 30, 2016

NEW YORK, Aug. 09, 2016 (GLOBE NEWSWIRE) -- Harris & Harris Group, Inc. (NASDAQ:TINY), reported today that, as of June 30, 2016, its net asset value and net asset value per share were \$81,284,282 and \$2.63, respectively. The Company's Quarterly Report on Form 10-Q may be accessed at <http://ir.hhvc.com/sec.cfm>.

Review of the Second Quarter of 2016

During the second quarter of 2016, we continued to take steps to position the Company for potential future growth. We believe a number of accomplishments, including those by our portfolio companies during the quarter have the potential to contribute to this goal. These steps and accomplishments include:

- We increased our investment income by 60 percent and decreased our net operating loss by 34 percent during the second quarter of 2016 as compared with the second quarter of 2015. We increased our investment income by 77 percent and decreased our net operating loss by 39 percent during the first six months of 2016 as compared with the first six months of 2015;
- Mersana Therapeutics, Inc., raised an equity round of capital from new and current investors at a higher price per share than the company's prior round of financing. Lodo Therapeutics Corporation completed the second tranche of its initial equity round of financing. HZO, Inc., and NGX Bio, Inc., raised capital through issuance of convertible notes to new and existing investors;
- We made initial seed investments in two new precision health and precision medicine companies, Fleet Health Alliance, LLC and Muses Labs, Inc. We also joined a group of investors and corporate partners in AgTech Accelerator Corporation;
- We launched our first two co-investment funds offered by H&H Co-Investment Partners, LLC, an entity formed to provide shareholders who are accredited investors and other accredited investors the opportunity to invest alongside us in our portfolio companies on an individual portfolio company basis. The first two co-investment funds will invest in the current rounds of financing of D-Wave Systems, Inc., and HZO, Inc.
- Interome, Inc., our precision health and medicine company that integrates science and analytics to provide information about your health now and into the future, is an organizer of the UnDx Consortium. The UnDx Consortium brings together leading researchers and clinicians to help provide answers to a cohort of patients suffering from undiagnosed diseases. We currently own 100 percent of the outstanding

securities of Interome.

- Multiple of our portfolio companies announced new partnerships, including ORIG3N, Inc., with the National Football League's San Francisco 49ers; Ensemble Therapeutics Corporation with Novartis; Nanosys, Inc., with Hitachi; Enumeral Biomedical Holdings, Inc., with Pieris Pharma; and Metabolon, Inc., with Johns Hopkins and Tufts.
- TARA Biosystems, Inc., appointed serial entrepreneur and leading researcher, Professor Robert Langer of the Massachusetts Institute of Technology, to its board of directors.
- We sold our shares of Magic Leap, Inc., to two undisclosed buyers for aggregate gross proceeds of \$640,928 versus our cost basis of \$338,604.
- The acquisition of Bridgelux, Inc., by a consortium of buyers that was initially announced in July 2015, closed on August 1, 2016.

We also faced the following challenges during this quarter:

- Net asset value per share decreased from \$2.88 as of December 31, 2015, to \$2.63 as of June 30, 2016;
- Our price per share decreased from \$2.20 as of December 31, 2015, to \$1.61 as of June 30, 2016, and \$1.58 as of August 8, 2016;
- The values of public equities, particularly those of microcapitalization companies, are highly volatile. The price per share and market capitalization of Adesto Technologies Corporation decreased in value from \$5.62 at March 31, 2016, to \$3.28 at June 30, 2016, and closed at \$3.48 at August 8, 2016. Champions Oncology, Inc., decreased in value from \$3.64 at March 31, 2016, to \$2.15 at June 30, 2016, and closed at \$1.992 at August 8, 2016. While the price per share and market capitalization of Enumeral Biomedical Holdings, Inc., increased in value from \$0.16 at March 31, 2016, to \$0.20 at June 30, 2016, and OpGen, Inc., increased in value from \$1.41 at March 31, 2016, to \$1.52 at June 30, 2016, the price per share of each company's common stock continues to trade significantly below the price per share at the time of each company's initial public listing. Enumeral Biomedical Holdings and OpGen closed at \$0.187 and \$2.18, respectively, at August 8, 2016. Additionally, the values of comparable public market companies that are inputs in determining the values of certain of our portfolio companies also decreased during the quarter. Our own stock price has been under considerable pressure from these and other headwinds;
- Even though the financings of some of our portfolio companies may have occurred at increases in price per share from prior rounds of financing, such increases may not be reflected in full in our values owing to other rights and preferences afforded to investors in those rounds of financing. This challenge, in part, limited the positive potential contribution to our net asset value per share by companies that completed such rounds of financing during the second quarter of 2016;

As we have stated previously in our letters to shareholders and in our blog posts, our net

asset value is and will continue to be impacted significantly by the volatility of the public markets as our portfolio companies mature through two mechanisms: 1) the values of publicly traded comparable companies become significant inputs to value; and 2) our portfolio companies become publicly traded. As of the end of the prior quarter, this volatility contributed significantly to a sharp decrease in our net asset value. As of the end of this quarter, the net decreases in value owing to our publicly traded portfolio companies were offset by net increases in our privately held portfolio companies.

Please join us for our second quarter of 2016 shareholder update call on Tuesday, August 23, 2016, at 10:00 a.m. Eastern Time.

SUMMARY OF FINANCIAL POSITION

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)	June 30, 2015 (Unaudited)
Total Assets	\$ 88,428,366	\$ 96,461,286	\$ 111,756,732
Net Assets	\$ 81,284,282	\$ 88,711,671	\$ 104,482,738
Net Asset Value Per Share	\$ 2.63	\$ 2.88	\$ 3.34
Shares Outstanding	30,880,829	30,845,754	31,321,685

Harris & Harris Group is a publicly traded, internally managed business development company that builds transformative companies from disruptive science. Detailed information about Harris & Harris Group and its holdings can be found on its website at www.HHVC.com, on Facebook at www.facebook.com/harrisharrisvc and by following on Twitter [@harrisandharrisgroup](https://twitter.com/harrisandharrisgroup).

This press release may contain statements of a forward-looking nature relating to future events. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. These statements reflect the Company's current beliefs, and a number of important factors could cause actual results to differ materially from those expressed in this press release. Please see the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as well as subsequent filings, filed with the Securities and Exchange Commission for a more detailed discussion of the risks and uncertainties associated with the Company's business, including, but not limited to, the risks and uncertainties associated with venture capital investing and other significant factors that could affect the Company's actual results. Except as otherwise required by Federal securities laws, the Company undertakes no obligation to update or revise these forward-looking statements to reflect new events or uncertainties. The references to the websites www.HHVC.com and www.Facebook.com have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this press release. The Company is not responsible for the contents of third party websites.

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