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Rand Capital Co-leads \$28.6 Million Follow-on Capital Raise for Rheonix; Over \$70 Million Raised by Three of Rand's Largest Portfolio Holdings

Chequed.com and SocialFlow Also Complete Fundraising in Third Quarter 2015

BUFFALO, N.Y., Oct. 20, 2015 (GLOBE NEWSWIRE) -- Rand Capital Corporation (NASDAQ:RAND) ("Rand"), a business development company that makes venture capital investments in companies with emerging product, service or technology concepts, announced that one of the largest holdings in its portfolio, Rheonix, Inc. (www.rheonix.com), recently completed a \$28.6 million Series B equity raise. Rand co-led the offering with Cayuga Venture Fund, which is based in Ithaca, New York. Cayuga Venture Fund focuses its investments in start-up technology companies, many with a connection to Cornell University. Rand also partnered with past co-investors, including Advantage Capital Partners and Gefinor Capital, to complete this equity offering. Earlier in 2015, Rand had provided convertible bridge financing to support Rheonix during the fundraising process, and its \$680,000 bridge notes were converted to equity upon completion of the Series B offering.

Rheonix develops fully automated microfluidic-based molecular assays. Most recently, Rheonix was granted a patent for the Rheonix CARD® cartridge, which enables assays to be performed on the company's Rheonix Card and Encompass family of products. The fully enclosed Rheonix CARD® cartridge makes molecular testing simpler and easier to perform and at a fraction of the cost of other options while also eliminating the potential for contamination, reducing user error, and streamlining workflow.

Rand has invested a total of \$2.8 million in Rheonix since 2009, representing one of Rand's five largest holdings at 8.9% of its net assets as of June 30, 2015.

Allen F. ("Pete") Grum, President and Chief Executive Officer of Rand Capital, stated, "Rheonix is at the forefront of developing molecular testing tools that are easier to use, more economical and less vulnerable to errors, compared with traditional products. Their recent patent award adds to our confidence that their suite of products is superior to other tools in the market and that Rheonix is in an excellent position to penetrate key market sectors, including research, healthcare and food safety testing."

Gregory J. Galvin, Chief Executive Officer and Chairman of Rheonix, added, "The support of Rand Capital and our other investors has been critical in allowing us to develop breakthrough technologies and fully automated products that are game changers in the molecular diagnostic testing market. This latest round of investments provides us with significant new capital to further new product development and increase our focus on

commercialization and marketing."

Additional Rand Holdings, Chequed.com and SocialFlow, Raise Significant New Capital

In addition to Rheonix, two other Rand portfolio holdings, Chequed.com, Inc. (<https://www.chequed.com/>) and SocialFlow, Inc. (<http://www.socialflow.com/>), recently completed significant capital raises and funding commitments of \$35 million and \$7.5 million, respectively. Chequed.com, a leading provider of cloud-based Predictive Talent Selection™ technology, has been a Rand holding since 2010 and was 5.0% of its net assets at June 30, 2015. As previously announced, Chequed.com combined with Assess Systems in August 2015, creating a leading next-generation Human Capital Management (HCM) software and services firm that provides cloud-based, data-driven hiring and talent management solutions. SocialFlow, a premier provider of social marketing optimization technology that drives superior results from earned, owned and paid media strategies, has been a Rand holding since 2013 and was 5.4% of its net assets at June 30, 2015. At the end of the 2015 second quarter, Rand owned approximately 16% of Chequed.com and 4% of SocialFlow.

Daniel P. Penberthy, Rand's Executive Vice President, commented, "For three of Rand's largest holdings to have raised over \$70 million of capital in such a short timeframe is an extraordinary achievement. Having two of these companies based in Upstate New York speaks to the strong entrepreneurial environment and viability of early and expansion stage businesses in our region, which is building our pipeline of investment opportunities. Additionally, with the majority of the capital raised sourced from investors on the east and west coast as well as internationally, this substantiates the quality of investments in our region. As these companies execute their strategies and deliver shareholder returns, we anticipate that it will be a catalyst for the creation of new high potential enterprises seeking venture capital financing and further outside capital investment here."

ABOUT RHEONIX

Rheonix Inc. is committed to improving standards of care by making molecular diagnostics available to more people, in more places, more often. Rheonix, through experienced leadership and creative vision, has developed the Encompass *Optimum*™ platform, a highly customizable technology with unmatched versatility and affordability for use in research laboratories. The platform performs fully automated, complex molecular assays in an easy-to-use and economical format on the Rheonix CARD® cartridge. With both the Rheonix CARD and Encompass *Optimum* family of products, Rheonix is well-positioned to penetrate key market sectors, from reference labs through point-of-care and everywhere in between. For more information, visit www.rheonix.com.

ABOUT CHEQUED.COM

Chequed.com is an emerging leader in the rapidly growing market for Predictive Employee Selection technology. Chequed's revolutionary Performance Engine™ delivers rapid, accurate predictions of a new hire's performance. In August 2015, it combined with Assess Systems, a leading provider of comprehensive employment assessments, to form to create a next-generation HCM software and services firm. For more information, visit

www.chequed.com and www.assess-systems.com.

ABOUT SOCIALFLOW

SocialFlow is the premier social marketing optimization technology, enabling the world's most powerful brands to drive superior results with their earned, owned and paid media strategies.

Powered by high-performance, proprietary technology and predictive data analytics, the company offers a full suite of services that expand audience engagement and seamlessly integrate businesses goals with a company's social media strategy. Founded in 2009, New York-based SocialFlow works with numerous well-respected brands and publishers such as Burberry, Pepsi, Walmart and Stuart Weitzman. To learn more about SocialFlow, please visit us at www.socialflow.com.

ABOUT RAND CAPITAL

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), and its wholly-owned subsidiary is licensed by the U.S. Small Business Administration (SBA) as a Small Business Investment Company (SBIC). Rand focuses its investments in early or expansion stage companies with strong leadership that are bringing to market new or unique products, technologies or services that have a high potential for growth. Additional information can be found at the Company's website where it regularly posts information: www.randcapital.com.

Safe Harbor Statement

This news release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements concerning future net asset value growth, investment returns and opportunities. These statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Corporation to differ materially from the results expressed or implied by such statements, including general economic and business conditions, conditions affecting the valuation of the Corporation's portfolio, the timing and opportunity for investments or divestitures as well as conditions affecting the portfolio companies' markets, competitor responses, and market acceptance of their products and services and other factors disclosed in the Corporation's periodic reports filed with the Securities and Exchange Commission. Consequently, such forward looking statements should be regarded as the Corporation's current plans, estimates and beliefs. The Corporation assumes no obligation to update the forward-looking information contained in this release.

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