

Carolina Skiff, a Rand Capital Portfolio Company, Announces Production Expansion to Support Continuing Growth

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- ***Carolina Skiff's leading market share drives expansion needs***
- ***2017 model year product line launching in August; adds more family-friendly Sea Chasers, including larger Hybrid Fish and Cruise models***

Rand Capital Corporation (NASDAQ: RAND) ("Rand"), a venture capital company that makes primarily equity investments in companies with emerging product, service or technology concepts, announced that one of its portfolio companies, Carolina Skiff LLC (<http://www.carolinaskiff.com>), is expanding its production facilities in Waycross, GA to support its continuing growth. Carolina Skiff is currently the nation's number one boat brand in retail sales of fiberglass saltwater outboard boats 14 feet and over, as reported by Statistical Surveys, Inc. The investment will consolidate existing operations and expand the company's manufacturing square footage by more than 25%, improving operating efficiency as well as significantly increasing production capacity.

Joseph I. Kirkland III, President and CEO of Carolina Skiff, commented, "This is certainly an exciting time for Carolina Skiff. 2015 was our best year yet, in terms of sales and operating performance, and we're poised to surpass those results in 2016. To support these expectations, we're enhancing our 2017 model year product offerings to present an improved line of Skiffs, as well as expanding our Sea Chaser line. This will include larger models, including a 27' Hybrid Fish and Cruise model, a new 26' LX Bay Runner, and a 24' Ultra Series. Furthermore, we expect our multi-million dollar facility expansion to be up and running by year's end. Bottom line, this added capacity will allow us to provide our dealers with the boats required to meet increased consumer demand for Carolina Skiff products."

Allen F. ("Pete") Grum, President and Chief Executive Officer of Rand Capital, added, "Rand is pleased to be associated with the team at Carolina Skiff as they produce record sales and profits. The investment in new manufacturing space and the introduction of new models bodes well for their future."

Carolina Skiff has been in Rand's investment portfolio since January 2004 and represented approximately 1.8% of its net assets at March 31, 2016. Rand owns approximately 7% of the common membership units of Carolina Skiff.

ABOUT CAROLINA SKIFF

With the most durable, versatile, stable, and economical boats on the planet -- Carolina Skiff has maintained its reputation for more than 30 years. From fit to finish, Carolina Skiff boats provide the most features and the best functionality available on the market, providing boat enthusiasts the best value in both performance and comfort. With more than 60 models to

choose from, offering pleasure boats, fishing boats, runabouts, and commercial boats, Carolina Skiff delivers the most in value, quality and style. More information can be found at <http://www.carolinaskiff.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 as well as Rand's plans for utilizing proceeds from sales of portfolio companies when and if received. These statements involve known and unknown risks, uncertainties and other factors that could cause the actual results to differ materially from the results expressed or implied by such statements, including general economic and business conditions, 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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