

March 31, 2021



# Rand Capital Announces \$4.5 Million in Funding for New Portfolio Companies in First Quarter 2021

BUFFALO, N.Y.--(BUSINESS WIRE)-- [Rand Capital Corporation](#) (Nasdaq: RAND) (“Rand”), a business development company, today announced that it recently funded two new portfolio companies with a total investment of approximately \$4.5 million, primarily through debt instruments with equity components.

Rand funded a term loan with warrants for Seybert’s Billiard Supply as part of a larger investment led by Moa Capital, a growth private equity firm. In partnership with the Seybert’s founder, Sid Kreis, Moa acquired an equity interest in the company while also providing growth capital. Seybert’s, which was founded in 1998, carries a variety of premium billiard equipment for serious billiard players and is the largest distributor of Predator Billiard cues in the U.S. Seybert’s has developed one of the leading e-commerce platforms for the billiard category and is known for its quality product and service. With the capital infusion, Seybert’s is planning to expand its social media presence and grow its e-commerce marketing and customer service platforms. Its marketing strategy will leverage the company’s long-standing reputation and expertise in the sport. More information can be found at <https://www.seyberts.com/>.

Rand partnered with Callodine Strategic Credit (“CSC”), an affiliate of Rand’s external adviser, Rand Capital Management (“RCM”), and Baymark Capital to provide acquisition and growth capital in connection with the formation of a full-service fire protection platform created by the merger of Swanson Fire Protection and Residential & Commercial Fire Protection. Rand’s participation in the transaction consisted of debt funding in the form of a subordinated debenture and the acquisition of preferred equity. The merged companies offer a suite of end-to-end fire protection products and services for commercial and residential facilities in a fast-growing industry. With offices in Jacksonville, Florida and Waldorf, Maryland, the combined company has operations spanning across multiple states. Combined under the name BMP Swanson Holdco, LLC, the company has grown revenue on a historical combined company basis since 2017, has established a solid reputation in the industry and the merged companies have been in business for a combined 48 years.

Allen F. (“Pete”) Grum, President and Chief Executive Officer, noted, “These investments demonstrate our continued effort to deploy capital with proven management teams and experienced investment partners. We are focused on increasing net investment income through providing growth and expansion capital to growing and successful companies.”

## 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 up to \$5 million in EBITDA. The Company's investment activities are managed by its external investment adviser, Rand Capital Management, LLC ("RCM"). Additional information can be found at the Company's website where it regularly posts information: <https://www.randcapital.com/>.

## **ABOUT CALLODINE STRATEGIC CREDIT**

Callodine Strategic Credit ("CSC") provides mezzanine debt and structured capital solutions to lower middle-market companies predominately located in the Southeast, Midwest, and Mid-Atlantic. CSC's funds are used for growth, acquisitions, recapitalizations, and refinancings in a broad array of industry sectors. The CSC partners have a significant track record working with lower middle-market companies. CSC is an affiliate of Rand's external investment adviser, Rand Capital Management, LLC ("RCM"). Both CSC and RCM are subsidiaries of Callodine Group, LLC. For more information, visit [www.callodine.com](http://www.callodine.com).

## **ABOUT MOA CAPITAL**

Moa Capital is a growth private equity firm focused on companies in the lower middle market. The firm was founded by experienced middle-market private equity investors who recognize the significant opportunity with businesses that are too small for larger private equity firms and do not offer the high growth rates required by venture capital investors. These businesses typically generate less than \$8 million of EBITDA, are in niche markets and have a track record of steady financial performance. Moa Capital has a network of operating executives that assist with developing the business strategy and implementing growth initiatives. Moa Capital offers flexible capital solutions that are not restricted by time horizon or limited to control investments. Moa Capital is unaffiliated with CSC and RCM.

## **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 effectiveness of Rand's investment strategy; the ability to deploy its investment capital; the success of new portfolio companies; the opportunities created with new investment partners; 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, 2020, 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.*

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20210331005256/en/>

**Company:**

Allen F. ("Pete") Grum

President and CEO

Phone: 716.853.0802

Email: [pgrum@randcapital.com](mailto:pgrum@randcapital.com)

**Investors:**

Deborah K. Pawlowski

Kei Advisors LLC

Phone: 716.843.3908

Email: [dpawlowski@keiadvisors.com](mailto:dpawlowski@keiadvisors.com)

Source: Rand Capital Corporation