



Rand Capital Announces Sale of its Equity Interest in Microcision LLC

- ***Rand sold its interest for \$1.5 million, realizing a \$1.5 million pre-tax gain on its equity investment initiated in 2009***
- ***Rand's sale was part of a broader change in Microcision's ownership allowing management to have control of the company***
- ***Microcision also repaid Rand principal of approximately \$453,000 and updated the terms and maturity of its \$1.5 million subordinated note due to Rand***

BUFFALO, N.Y.--(BUSINESS WIRE)-- [Rand Capital Corporation](#) (Nasdaq: RAND) ("Rand" or "Rand Capital"), a business development company, announced the sale of its equity interest in one of its portfolio companies, [Microcision LLC](#). The sale, which closed on December 31, 2019, resulted in Rand's proceeds of \$1.5 million, realizing a pre-tax gain of \$1.5 million on its cost basis. Additionally, Microcision repaid approximately \$453,000 of principal to Rand, reducing the balance of its subordinated note to \$1.5 million. In January, Rand restated the subordinated note to an 11% interest rate and a five year maturity, and received a warrant for 5% of Microcision's equity.

"We successfully transitioned the ownership of Microcision at favorable terms to all parties involved, resulting in a win-win-win transaction," noted Bob Kramer, Microcision's President and majority owner. "Most importantly, we were able to retain our independence, which we believe enhances our differentiation, driving our leading position in the marketplace. We undertake significant research and development in partnership with our innovative customers. This process results in providing the most technologically advanced medical devices that improve the quality of life for millions of people around the globe. We are thankful to Rand for their long-standing support of our growth, development and market positioning."

Allen F. ("Pete") Grum, President and Chief Executive Officer of Rand Capital, commented, "We were happy to work with Microcision management to restructure the equity of the company, positioning them for the future. In addition to monetizing our equity interest, we were able to continue our investment in the company by providing subordinated debt and a warrant to participate in their future growth."

ABOUT MICROCISION

Microcision is a leading manufacturer of life-changing, life-saving medical device implants and instrumentation. The company's continuous investment targets the most sophisticated systems and machining technologies, producing the most complicated medical device implants and assemblies as efficiently as possible. Applications include small bone

orthopedics, spine fusion, dental implant, neurological, maxillofacial, hand, wrist, foot and ankle, drug delivery systems and numerous other medical uses. Learn more at:

<https://www.microcision.com/>.

ABOUT RAND CAPITAL

Rand Capital (Nasdaq: RAND) is a 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). 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. 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 Capital's reports filed with the Securities and Exchange Commission ("SEC"), including Rand Capital's annual report on Form 10-K for the year ended December 31, 2018, later filed quarterly reports on Form 10-Q, the definitive proxy statement and other documents filed with the SEC. Consequently, such forward-looking statements should be regarded as Rand Capital's current plans, estimates and beliefs. Except as required by applicable law, Rand Capital assumes no obligation to update the forward-looking information contained in this release.

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Company:

Allen F. ("Pete") Grum

President and CEO

Phone: 716.853.0802

Email: pgrum@randcapital.com

Investors:

Deborah K. Pawlowski / Karen L. Howard

Kei Advisors LLC

Phone: 716.843.3908 / 716.843.3942

Email: dpawlowski@keiadvisors.com /

khoward@keiadvisors.com

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