



## Company Profile

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) with a wholly-owned subsidiary licensed by the U.S. Small Business Administration (SBA) as a Small Business Investment Company (SBIC).

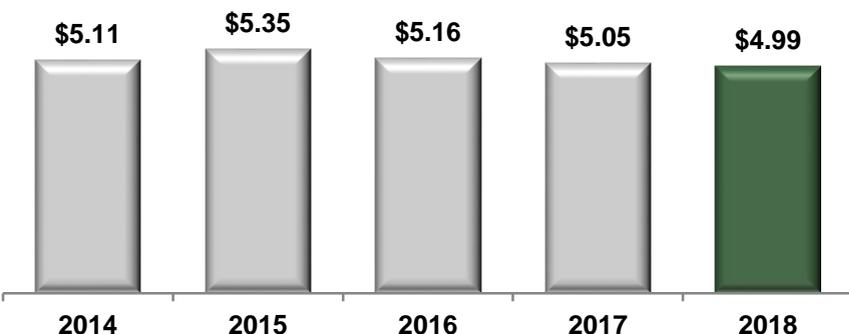
Rand focuses its equity investments in early or expansion stage companies and generally lends to more mature companies. The Company seeks investment opportunities in businesses with strong leaders who are bringing to market new or unique products, technologies or services that have a high potential for growth.

## Investment Objectives and Strategy

- Drive near- and long-term portfolio growth
- Achieve long-term capital appreciation on equity investments
- Maintain current cash flow from debt and dividend-paying equity
- Partner with other investors
- Initial investment ~\$500k-\$1 million; max investment 30% of registered capital
- Will fund initial investment and participate in follow-on rounds
- Identify early expansion stage companies:
  - New and unique product, service or technology
  - Requires capital to commercialize or accelerate rate of growth
  - Annual revenue size – start-ups to ~\$10 million
  - Qualified and experienced management team
  - Businesses in Upstate NY and surrounding regions, broadening reach
  - Investing area is underserved
  - Geographic expansion through co-investment partners

## Rand Net Asset Value (NAV) Per Share

(at end of period, after tax)



## Market Highlights

Market data as of March 20, 2019 [Source: S&P Capital IQ]; ownership and assets as of most recent filings

|                            |                 |
|----------------------------|-----------------|
| Market Cap                 | \$18.3 million  |
| Recent Price               | \$2.89          |
| 52-Week Range              | \$2.05 - \$3.60 |
| Shares Outstanding         | 6.32 million    |
| Avg. Daily Volume (3 mos.) | 55.7k           |
| Total assets               | \$40.5 million  |
| Net assets                 | \$31.5 million  |
| Net asset value per share  | \$4.99          |
| Institutional ownership    | 17%             |
| Insider ownership          | 33%             |

## Q4 2018 Highlights

- Announced proposed investment of \$25 million by East Asset Management
- Received \$6 million SBIC funding commitment
- Reported \$4.99 net asset value (NAV) per share at December 31, 2018, compared with \$4.84 at September 30, 2018; increase primarily driven by net appreciation in certain portfolio investments
- Added one new portfolio company in the fourth quarter, Tech 2000
- Supported four existing portfolio companies: Empire Genomics, Tilson Technology Management, Genicon, and BeetNPath
- Investment income increased 76% and 45% over the prior-year fourth quarter and year-to-date periods; driven by incremental interest and dividends, as well as nonrecurring items
- At December 31, 2018, portfolio fair value was \$34.7 million and consolidated cash was \$4.0 million
- Portfolio consisted of 30 active companies comprised of ~59% in equity investments and ~41% in debt investments

## Investor Relations Contact

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## Key Investment Highlights

- **BDC** – Participate in venture capital opportunities
  - Access to SBA capital
- **Investment Focus** – Early or expansion stage companies
  - New or unique products, technologies or services with high growth potential
  - Seek portfolio companies with strong leadership
- **Financial Strength** – Strong capital structure
  - Key investing partnerships
- **Proven Results** – Solid average investment returns
  - Internally managed; operating leverage
  - Experienced, stable management team

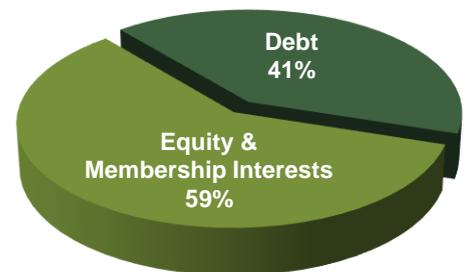
## Five Largest Investments 46% of Portfolio as of December 31, 2018



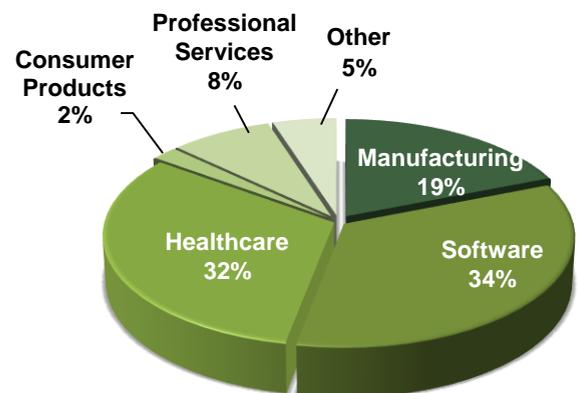
## Investment Criteria

- Typical initial investments between \$0.5 million and \$1.0 million through equity or debt instruments in small- and medium-sized companies; follow-on investment(s) up to maximum of \$3 million total per company
- Partner with other investment firms
- Qualified and experienced management team
- New or unique product or service
- High potential for growth in revenue and cash flow
- Potential to realize appreciation in equity position
- Broad array of industries, except real estate
- Geographic concentration in Upstate New York and surrounding regions enables regular interaction with management
- Often serve on portfolio companies' Boards of Directors

## Investments Mix



## Investments by Industry Classification



Based on total investments at fair value of \$34.7 million as of December 31, 2018

## New Investments (\$ in millions)

