

December 21, 2020



Rand Capital Declares 2020 Cash Dividend of \$1.33 per Share

Dividend to be paid on January 19, 2021 to shareholders of record as of December 31, 2020

BUFFALO, N.Y.--(BUSINESS WIRE)-- [Rand Capital Corporation](#) (Nasdaq: RAND) (“Rand”), a business development company (“BDC”), today announced that its Board of Directors declared a 2020 cash dividend of \$1.33 per share. The 2020 cash dividend will be paid on or about January 19, 2021 to shareholders of record as of December 31, 2020. The cash dividend is expected to represent over 90% of estimated taxable income for Rand in 2020.

Pete Grum, President and CEO of Rand, commented, “With this dividend, we have transformed Rand into a dividend paying BDC and will elect to be treated as a regulated investment company (“RIC”) for 2020. The \$1.62 per share dividend paid earlier this year represented our accumulated earnings for the history of the company through 2019. In 2021, we expect to distribute our income on a quarterly basis to establish a regular dividend-paying pattern.”

When declaring distributions, Rand’s Board of Directors reviews estimates of taxable income available for distribution, which may differ from consolidated net income under generally accepted accounting principles due to (i) changes in unrealized appreciation and depreciation, (ii) temporary and permanent differences in income and expense recognition, and (iii) the amount of spillover income carried over from a given year for distribution in the following year. The final determination of taxable income for each tax year, as well as the tax attributes for distributions in such tax year, will be made after the close of the tax year.

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. 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. All statements, other than historical facts, including but not limited to statements regarding the percentage of Rand's estimated taxable income for 2020 that the 2020 cash dividend represents, the election of RIC status for 2020, the payment of quarterly dividends in 2021, 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) the risk that Rand may be unable to fulfill the conditions required in order to elect to be treated as a RIC for U.S. federal tax purposes in 2020; (2) evolving legal, regulatory and tax regimes; (3) the risk that Rand may be unable to declare and pay regular quarterly dividends on a going forward basis; (4) changes in general economic and/or industry specific conditions; and (5) 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, 2019, 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.

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Source: Rand Capital Corporation