



FIRST QUARTER 2023 FINANCIAL RESULTS

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FORWARD LOOKING STATEMENTS

This presentation 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 expectations of Rand Capital Corporation (“Rand” or the “Company”) to continue to be taxed as a regulated investment company (“RIC”) for U.S. federal income tax purposes; the effectiveness of, and execution on, Rand’s investment strategy and 2023 objectives; the investment processes used by its external investment adviser, Rand Capital Management, LLC under the investment advisory and management agreement with Rand, the competitive ability and position of Rand, the amount of the Company’s dividend per share in future periods, 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 continue to fulfill the conditions required in order to be treated as a RIC for U.S. federal income tax purposes; (2) evolving legal, regulatory and tax regimes; (3) changes in general economic and/or industry specific conditions; and (4) 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, 2022, quarterly reports on Form 10-Q, the preliminary and definitive proxy statements 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 presentation.

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/>.

All information contained herein is for informational purposes and should not be construed as investment advice. It does not constitute an offer, solicitation or recommendation to purchase any security. Past performance does not guarantee future results. Diversification does not guarantee a profit or protect against a loss.

FIRST QUARTER 2023 EXECUTION



- ✓ Total investment income increased 65% to \$1.85 million over the 2022 first quarter
 - Driven by strong growth in interest, dividend and fee income
- ✓ Net investment income per share was \$0.28 compared with \$0.30 in the prior-year period
- ✓ Net asset value per share was \$23.00
- ✓ Total investments were \$5.6 million in Q1
- ✓ Board of Directors renewed \$1.5 million share repurchase program

Delivering Cash Dividends:

- ✓ Paid \$0.20 per share cash dividend for the first quarter in March 2023
- ✓ Increased regular quarterly dividend 25% to \$0.25 per share for second quarter 2023



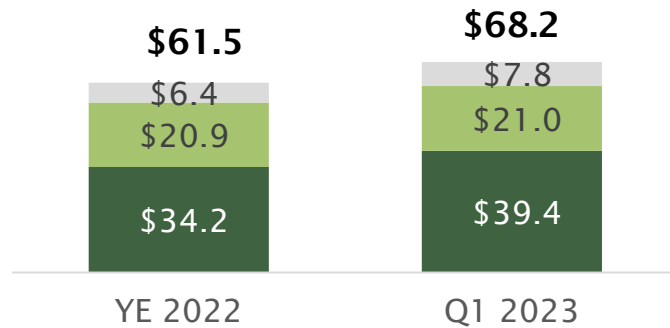
The Rand Building, Buffalo, NY

**Net asset value per share amounts based on weighted average shares outstanding*

PORTFOLIO MIX



Fair Value Portfolio Mix
(\$ in millions)



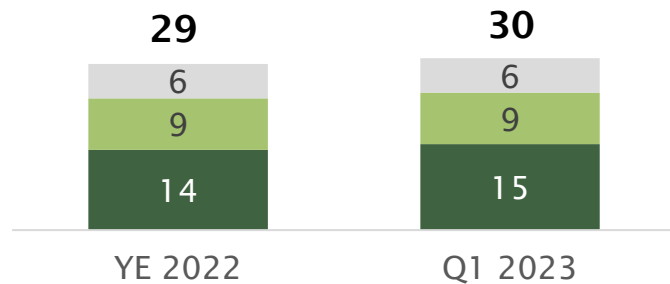
Fair value up \$6.7 million or 11%

Reflects new and follow on investments and \$1.5 million valuation adjustment on ACV Auctions, partially offset by equity sales and loan repayments

Mix at quarter-end, based on fair value:

- 58% Fixed-rate debt investments
- 31% Equity investments in private companies
- 11% Publicly traded equities (includes dividend paying BDCs and ACV Auctions stock)

Portfolio Mix
(# of Companies)



Investment into new portfolio company PressurePro

■ Publicly Traded Stock ■ Equity ■ Debt

Q1 2023 INVESTMENTS & EXITS



Investments



Market leader for branded tire pressure monitoring systems consisting of a suite of proprietary hardware and software

Funded \$3.0 million in subordinated debt at 15% interest rate and with a 10% warrant



Provides design, distribution and installation services for commercial kitchens, renovations and new builds

Follow on debt investment of \$2.3 million in combination with an equity sale of \$210,000

Total debt and equity investment in FSS had a fair value of \$5.2 million at quarter-end



Tilson's affiliated entity, SQF develops telecommunications assets in public rights-of-way throughout the United States and is a leading pole owner and solutions provider for 5G

Equity investment of \$250,000 in Tilson Technologies' asset ownership affiliate SQF, LLC

Total debt and equity investment in Tilson and affiliated entities had a fair value of \$10.6 million at quarter-end

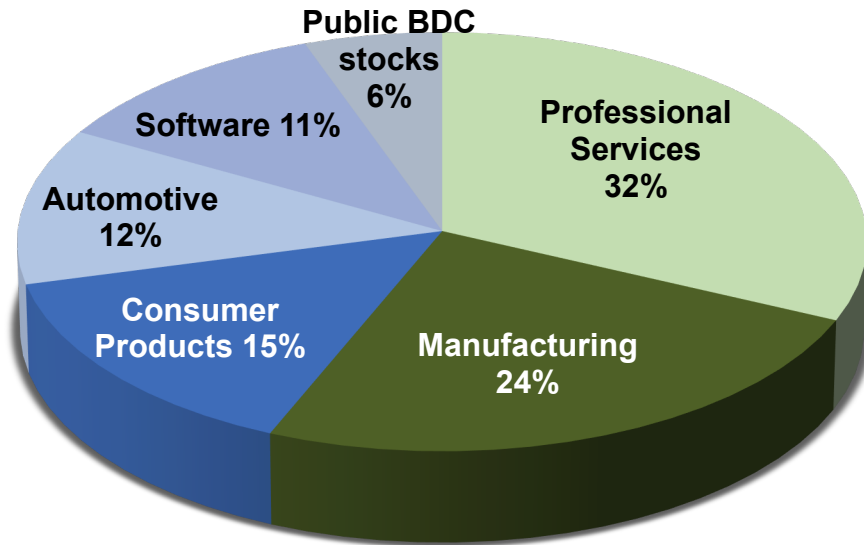
No Exits During the Quarter



DIVERSIFIED PORTFOLIO

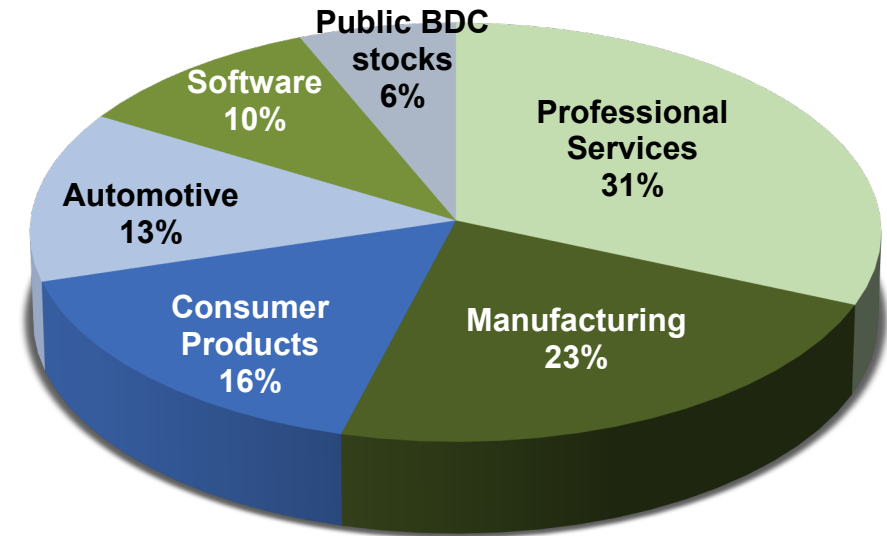
Investments by Industry Classification

March 31, 2023



Based on total investments at fair value of \$68.2 million






December 31, 2022



Based on total investments at fair value of \$61.5 million

TOP FIVE PORTFOLIO INVESTMENTS



(\$ in millions)						
Company	Investments at Fair Value	Year Acquired	Industry	% of Total Portfolio	Investment Type	
 Tilson	\$10.6	2015	Professional Services – Cellular info systems, construction, mgmt.	15%	Equity – paying dividend	
 Seybert's	\$5.9	2021	Consumer Product – Billiard supplies	9%	Term note (12% plus 2% PIK) Warrant	
 SciAps, Inc.	\$5.2	2013	Manufacturing – Portable analytical instruments	8%	Term note (12%) Equity	
 Food Service Supply	\$5.2	2022	Professional Services – Services for commercial kitchens and new builds	8%	Term note (12%) Equity	
 DSD	\$5.1	2021	Automotive – Supplies shop equipment for auto dealers	7%	Term note (12% plus 2% PIK) Equity	
Total Top 5	\$32.0			47%		

All values as of March 31, 2023. Totals may not foot due to rounding.

\$68.2 million portfolio fair value with 30 portfolio companies



FINANCIAL REVIEW



FIRST QUARTER FINANCIAL SUMMARY

(\$ in thousands, except per share data)

	Q1 2023	Q1 2022
Total investment income	\$ 1,851	\$ 1,125
Total expenses	1,048	345
Net investment income ¹	715	772
Net investment income per share ²	\$ 0.28	\$ 0.30
Adjusted net investment income per share ³	\$ 0.39	\$ 0.21
Net realized and unrealized gain (loss) on investments	\$ 1,455	\$ (1,183)
Net increase (decrease) in net assets from operations	2,170	(411)
Net increase (decrease) in net assets from operations per share ²	\$ 0.84	\$ (0.16)

Total investment income grew 65%

- Driven by a 42% increase in interest from portfolio companies, dividend income that more than doubled, and higher fee income

Total expenses included a \$531,000 increase in capital gains incentives fees

Excluding the capital gains incentive fees, adjusted expenses in Q1 23 were \$757,000 compared with \$585,000 in Q1 22³

- Increase reflects higher interest expense given use of senior revolving credit facility

¹ Net of income tax expense

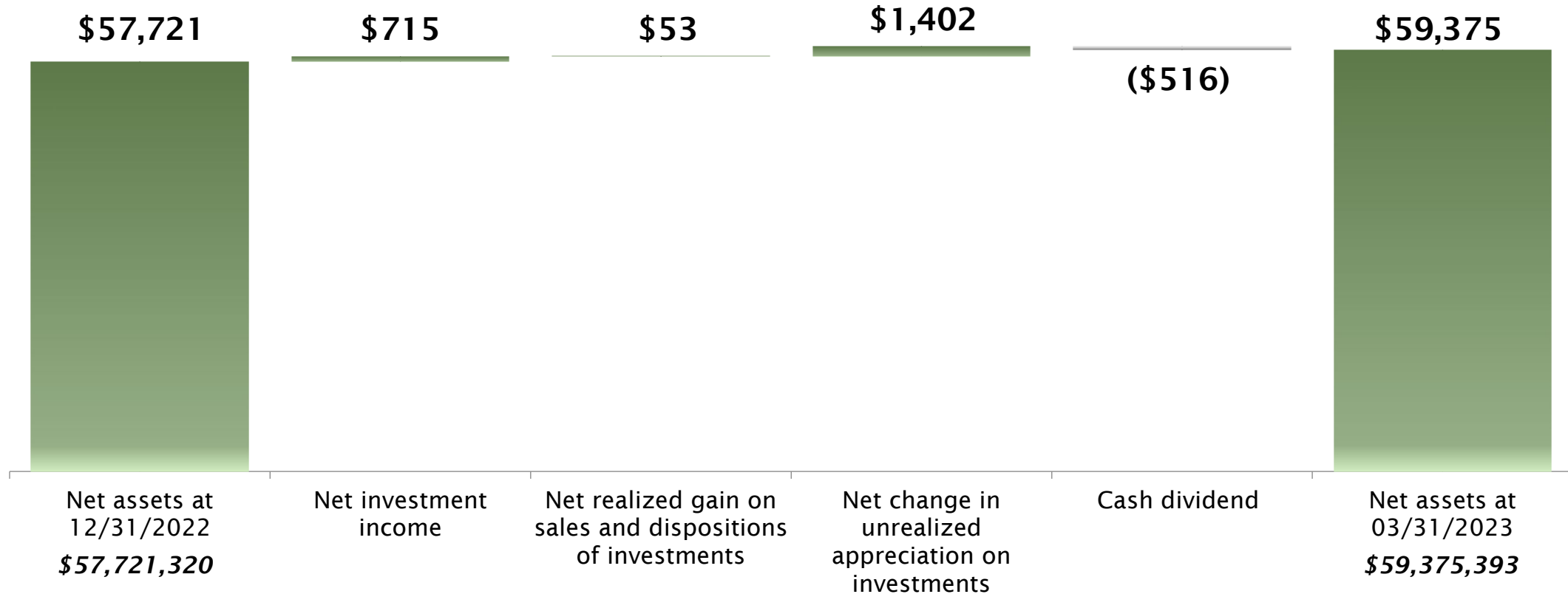
² Per share amounts based on weighted average shares outstanding of 2,581,021 in Q1 2023 and 2,581,021 in Q1 2022.

³ Adjusted Net Investment Income per share and Adjusted Expenses are non-GAAP financial measures. Please see supplemental slides for a description of these non-GAAP financial measures and reconciliation tables between GAAP and non-GAAP.



NET ASSET VALUE CHANGE: Q1 2023

(\$ in thousands)



Totals may not sum due to rounding



STRONG AND FLEXIBLE BALANCE SHEET

Net Asset Value Composition

At March 31, 2023

Per Share	Assets and Liabilities
\$0.71	\$1.8 million consolidated cash
\$3.03	\$7.8 million in public equity investments “Liquid”*
\$23.39	\$60.4 million in private investments
\$(4.13)	\$(10.7) million other assets & liabilities, net
\$23.00	Net Asset Value (NAV) per share

Publicly-traded equity securities of \$7.8 million available for future liquidity opportunities

At March 31 2023, \$7.95 million in outstanding borrowings under the \$25 million senior secured revolving credit facility

The Company did not repurchase any outstanding common stock during the first quarter of 2023

Announced regular quarterly dividend of \$0.25 per share for second quarter 2023

*\$68.2 million in total portfolio investments includes \$7.8 million of highly liquid BDC and ACV Auctions publicly traded stock



2023 OBJECTIVES

- ✓ Continue to grow and scale the business by focusing on debt and related equity investments in privately-held, lower middle market companies
- ✓ Put capital to work:
 - Leverage \$25 million senior secured revolving credit facility
 - Opportunistically use our publicly traded equity investments as available liquidity and capital for prospective opportunities that will provide higher yields
- ✓ Drive investment income growth to increase dividends paid to our shareholders



SUPPLEMENTAL INFORMATION

ADJUSTED EXPENSES (NON-GAAP*)



	Three months ended March 31, 2023	Three months ended March 31, 2022
Total expenses	\$ 1,047,845	\$ 345,378
Exclude expenses/(credits) for capital gains incentive fees	291,000	(239,760)
Adjusted expenses	\$ 756,845	\$ 585,138

**In addition to reporting total expenses, which is a U.S. generally accepted accounting principle ("GAAP") financial measure, Rand presents adjusted expenses, which is a non-GAAP financial measure. Adjusted expenses is defined as GAAP total expenses removing the effect of any expenses/(credits) for capital gains incentive fees. GAAP total expenses is the most directly comparable GAAP financial measure. Rand believes that adjusted expenses provides useful information to investors regarding financial performance because it is a method the Company uses to measure its financial and business trends related to its results of operations. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP.*

Totals may not sum due to rounding

ADJUSTED NET INVESTMENT INCOME PER SHARE (NON-GAAP*)



	Three months ended March 31, 2023	Three months ended March 31, 2022
Net investment income per share	\$ 0.28	\$ 0.30
Exclude expenses/(credits) for capital gains incentive fees	0.11	(0.09)
Adjusted net investment income per share	\$ 0.39	\$ 0.21

**In addition to reporting Net Investment Income per Share, which is a U.S. generally accepted accounting principle ("GAAP") financial measure, the Company presents Adjusted Net Investment Income per Share, which is a non-GAAP financial measure. Adjusted Net Investment Income per Share is defined as GAAP Net Investment Income per Share removing the effect of any expenses/(credits) for capital gains incentive fees. GAAP Net Investment Income per Share is the most directly comparable GAAP financial measure. Rand believes that Adjusted Net Investment Income per Share provides useful information to investors regarding financial performance because it is a method the Company uses to measure its financial and business trends related to its results of operations. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP.*