

December 6, 2012



Rand Capital Corporation

Rand Notes Knoa Software, Inc. Completes \$7.5 Million Growth Capital Financing

BUFFALO, NY -- (Marketwire) -- 12/06/12 -- Rand Capital (Buffalo, NY)

www.randcapital.com (NASDAQ: RAND), a Buffalo, New York based Small Business Investment Company (SBIC), notes that [Knoa® Software](http://www.knoa.com) (New York, NY) www.knoa.com has announced the close of a \$7.5 million investment financing round. Knoa is a leading provider of user experience and performance management software. Co-investors in the financing include [Ascent Ventures](#), [FA Tech](#), [Gefinor Ventures](#), and [Advantage Capital Partners](#). This latest round of investment will help broaden the global reach of Knoa's solutions. Knoa's press release can be seen

<http://www.businesswire.com/news/home/20121203005859/en/Knoa-Software-Secures-7.5-Million-Growth>.

Knoa's award-winning Knoa Experience and Performance Manager (EPM) solution goes beyond the performance of networks, hardware and infrastructure -- providing a clear view of how users actually interact with the system -- screen by screen. Knoa EPM lets Information Technology (IT) departments proactively assess each user's performance, understand how each user navigates the application, and provides an early indication of user inconsistencies before they reach the support desk or worse, the customer.

Allen F. Grum, Rand Capital President, stated, "Knoa's software is deployed across a broad range of applications in numerous high profile customers, including many of the Fortune 50 and Global 5000 businesses, and is led by a talented management team. Rand's \$750,000 participation in the financing provided an opportunity to once again partner with Gefinor www.gefinorventures.com and Advantage Capital www.advantagecap.com in a New York City based software company which is now positioned for accelerated growth."

Reid Hutchins, Senior Vice President at Advantage Capital Partners, added, "We welcome the opportunity to support and create good jobs here in New York."

Safe Harbor Statement

Information contained in this release should be considered forward-looking, and may be subject to inherent uncertainties in predicting future results and conditions. Please see the Corporation's Form 10-Q, Item 1A, previously filed with the Securities and Exchange Commission for a detailed discussion of the risks and uncertainties associated with the Corporation's business.

ABOUT RAND CAPITAL

Rand Capital is a publicly held Business Development Company (BDC), and its wholly owned subsidiary is licensed by the Small Business Administration (SBA) as a Small Business Investment Company (SBIC). Rand provides capital and managerial expertise to small and medium sized private companies primarily located in the Northeast U.S. Rand is

traded on the NASDAQ under the symbol "RAND" and is headquartered in Buffalo, NY.
www.randcapital.com

ABOUT ADVANTAGE CAPITAL

Advantage Capital Partners is a multi-state investor. Reid Hutchins, Senior Vice President, manages its Glens Falls, New York office.

Advantage Capital Partners (www.advantagecap.com) is a leading venture capital and small business finance firm focused on investing in promising companies in connection with federal, state and local economic development efforts. With offices in New York, New Orleans, St. Louis, Austin and other U.S. cities, Advantage has raised more than \$1 billion since 1992 and invested in companies located in geographic areas underserved by traditional venture capital.

Investor Contact:
Allen F. Grum
Executive Vice President
716-853-0802
Email Contact

2200 Rand Building
Buffalo, New York 14203

Source: Rand Capital Corporation