

December 19, 2013



Rand Capital Corporation

Rand Notes Completion of Rheonix, Inc. \$14 Million Financing Led by Rand Capital and Cayuga Ventures

Investors Supply Capital to Grow Molecular Diagnostics Equipment Provider

BUFFALO, NY -- (Marketwired) -- 12/19/13 -- Rand Capital Corporation (www.randcapital.com) (NASDAQ: RAND), a Buffalo, New York based Business Development Company (BDC) and Small Business Investment Company (SBIC), notes that it has co-led a \$14 million financing of **Rheonix, Inc.**, (Ithaca, NY) (www.rheonix.com). The **Rheonix** press release can be seen at http://www.rheonix.com/press/Rheonix_Funding.pdf.

Rheonix, a developer of fully automated molecular testing solutions, raised \$14 million in a combination of debt and equity investments to complete manufacturing build-out and launch its first commercial product. The funds will be used to expand the company's physical operations to produce consumables and systems to fulfill **Rheonix's** joint development agreement with Life Technologies Corporation (NASDAQ: LIFE) and for the commercialization of its first clinical, molecular diagnostic product offering.

Technology developed by **Rheonix** for the molecular diagnostics market, including the **Rheonix** CARD®, a disposable cartridge the size of a credit card that can run multiple samples simultaneously without user intervention, will be supplied by **Rheonix** to Life Technologies for marketing, sales and distribution. The Rheonix press release can be seen at <http://www.rheonix.com/press/RheonixLIFEPressRelease.pdf>. **Rheonix** has offices in Ithaca and Grand Island, New York.

"Rand Capital is excited to be a partner with this dynamic company and proud to co-lead this funding effort along with the Cayuga Venture Fund (Ithaca, NY) (www.cvf.biz). **Rheonix** is uniquely positioned to address the confluence of forces impacting the clinical diagnostic market, including the need for information versus data, the need to automate higher-volume assays, and the need for a cost-effective consumable that can be used across the full breadth of the molecular diagnostic market," said Allen F. "Pete" Grum, President of Rand Capital Corporation. "We have witnessed the continued expansion of their business and believe they are poised for rapid growth, which will in turn create high-quality, high technology jobs in Upstate New York."

Daniel P. Penberthy, Rand's CFO, stated, "Rand initially invested in **Rheonix** in 2009 and has co-invested into several follow-on financings as the Company has developed its technologies. Following this investment, Rand will have invested \$2.1 million in the form of equity into the business which represents our largest individual investment."

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.
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