



Rand Capital Notes Rheonix, Inc. Patents and Funding

BUFFALO, NY -- (Marketwired) -- 06/16/14 -- Rand Capital Corporation (NASDAQ: RAND), a business development company that provides capital and managerial expertise for small and medium-sized private companies, notes that its Ithaca, New York-based portfolio company, Rheonix, Inc., has received six new patents over the last nine months (http://www.rheonix.com/press/RHE_patent%20release_FINAL.pdf) and has earned a fast-track grant from the National Institutes of Health (NIH) to complete an automated system for simultaneous HIV detection and confirmation. The six-month Phase I award from the NIH is for \$189,646, and it is expected to be followed by an 18-month Phase II award of approximately \$1.5 million (http://www.rheonix.com/press/NIH_NYU_Grant%20Announcement%20FINAL.pdf). This follow-on funding is in addition to the \$30 million raised in late 2013, in a combination of debt and equity investments led by Rand Capital SBIC, Inc., a subsidiary of Rand Capital Corporation (NASDAQ: RAND), and Cayuga Venture Fund.

Allen F. "Pete" Grum, president of Rand Capital, said, "We are pleased to be an investor in Rheonix, a company that will transform the molecular diagnostics and testing industry by bringing complete automation to the high-volume molecular assay market, a segment that is not being adequately served today."

Rheonix is a developer of fully automated molecular testing solutions, including the Chemistry and Reagent Device (CARD®) cartridge and EncompassMDx™ molecular testing platform. The Rheonix CARD is a disposable cartridge the size of a credit card that runs multiple samples simultaneously without user intervention. Once a raw sample is placed on the CARD, the automated EncompassMDx platform runs through the process of sample extraction, DNA purification, amplification, and detection. The sample-to-result solution eliminates the need for multiple pieces of existing equipment, helping to make the testing process quicker, more efficient, less expensive, and less likely to result in human error.

Rheonix technology builds upon recent industry developments, including complete automation from sample input through endpoint detection, as well as the use of panels that provide clinicians with useful information rather than raw data and help improve the standard of care for patients.

"From the beginning, Rheonix has focused on manufacturability. All of our research and development efforts have been grounded in the belief that emerging products must be robust yet low-cost in regard to material selection and assembly," said Tony Eisenhut, President of Rheonix.

The company is in the midst of expanding its physical operations to produce consumables and systems to fulfill Rheonix's [joint development agreement](http://www.rheonix.com/press/RheonixLIFEPressRelease.pdf) with Life Technologies Corp. (<http://www.rheonix.com/press/RheonixLIFEPressRelease.pdf>) and to commercialize its first

clinical, molecular diagnostic product offering later in 2014.

For more information on Rheonix and its products, please visit www.rheonix.com.

About Rheonix Inc.: Rheonix Inc. is committed to improving standards of care by making molecular diagnostics available to more people, in more places, more often. Rheonix, through experienced leadership and creative vision, has developed the EncompassMDx™ platform, a highly customizable technology with unmatched versatility and affordability. The platform performs fully automated, complex molecular assays in an easy-to-use and economical format on the Rheonix CARD® cartridge. With both the Rheonix CARD and EncompassMDx family of products, Rheonix is well-positioned to penetrate key molecular diagnostic market sectors, from reference labs through point-of-care and everywhere in between. For more information, visit www.rheonix.com.

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, New York. For more information, visit www.randcapital.com.

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Source: Rand Capital Corporation