

January 29, 2024



Rand Capital Corporation

Rand Capital's Board of Directors Approves Reduction of Asset Coverage Requirement

Provides flexibility and capacity to increase debt leverage in the future to extend additional financing to portfolio businesses

BUFFALO, N.Y.--(BUSINESS WIRE)-- [Rand Capital Corporation](#) (Nasdaq: RAND) ("Rand" or the "Company"), a business development company providing alternative financing for lower middle market companies, announced today that, on January 24, 2024, its Board of Directors approved a reduction of the Company's minimum asset coverage ratio from 200% to 150%, effective January 24, 2025.

Daniel P. Penberthy, President and CEO, commented, "By taking this step now, we are better positioning Rand for the long term and more closely aligning the Company with other BDC funds corporate financing structures. This change will provide future flexibility to incur additional leverage within prudent limits that are in the best interests of shareholders and support future portfolio growth."

The reduction to Rand's minimum asset coverage ratio is being made pursuant to Section 61(a)(2) of the Investment Company Act of 1940, as amended by the Small Business Credit Availability Act.

ABOUT RAND CAPITAL

Rand Capital (Nasdaq: RAND) is an externally managed business development company (BDC). 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 strategy of the Company and its outlook; statements regarding the implementation of the Company's strategy and its growth trajectory; and any assumptions underlying any of the foregoing, are forwardlooking 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) evolving legal, regulatory and tax regimes; (2) changes in general economic and/or industry specific conditions; and (3) 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, 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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Company:

Daniel P. Penberthy

President and CEO

716.853.0802

dpenberthy@randcapital.com

Investors:

Deborah K. Pawlowski / Craig P. Mychajluk

Kei Advisors LLC

716-843-3908 / 716-843-3832

dpawlowski@keiadvisors.com / cmychajluk@keiadvisors.com

Source: Rand Capital Corporation