



FOURTH QUARTER AND FULL YEAR 2022 FINANCIAL RESULTS

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Daniel P. Penberthy
President & CEO

Margaret W. Brechtel
EVP & CFO



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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/>.

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FOURTH QUARTER AND FULL YEAR 2022 EXECUTION



- ✓ Advanced portfolio transformation to include more debt instruments
 - *Fourth quarter total investment income increased 40% to \$1.7 million over the 2021 fourth quarter*
 - *Full year 2022 total investment income grew 41% to \$5.8 million*
- ✓ Fourth quarter net investment income per share was \$0.48, up 4x over prior-year period; Full-year 2022 net investment income per share was \$1.72
- ✓ Net asset value per share was \$22.36 at year-end*
- ✓ \$7.0 million in new and follow-on investments in 2022

Delivering Cash Dividends:

- ✓ Paid fourth quarter 2022 dividend of \$0.38 per share (included regular quarterly dividend of \$0.20 per share and a supplemental dividend of \$0.18 per share)
- ✓ During 2022, paid total dividends of \$0.83 per share, an increase of nearly 90% over 2021 dividends



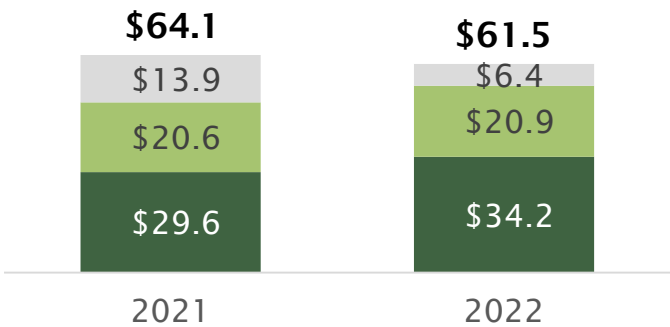
The Rand Building, Buffalo, NY

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

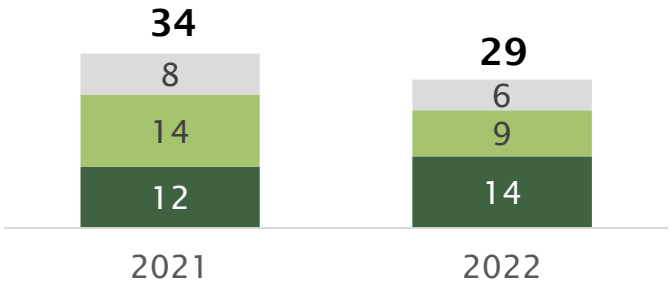


PORTFOLIO MIX

Fair Value Portfolio Mix
(\$ in millions)



Portfolio Mix
(# of Companies)



Publicly Traded Stock Equity Debt

The change in portfolio fair value primarily reflects BDC stock sales and lower valuations for ACV Auctions and Open Exchange, partially offset by new and follow-on investments.

Mix at year-end, based on fair value:

- 56% Fixed-rate debt investments
- 34% Equity investments in private companies
- 10% Publicly traded equities (includes dividend paying BDCs and ACV Auctions stock)

During 2022, invested a total of \$7.0 million across seven transactions, which largely consisted of interest yielding assets.

Q4 2022 INVESTMENTS & EXITS



Investments



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

Funded \$3.1 million, including \$2.5 million senior subordinate debt and \$600,000 preferred equity



Instrumentation company specializing in portable analytical instruments to identify compounds, minerals and elements

Follow on debt investment of \$590,000

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



Billiard supply company

Follow on equity investment of \$194,000

Total debt and equity investment in Seyberts had a fair value of \$5.9 million at year-end

Exits During the Quarter



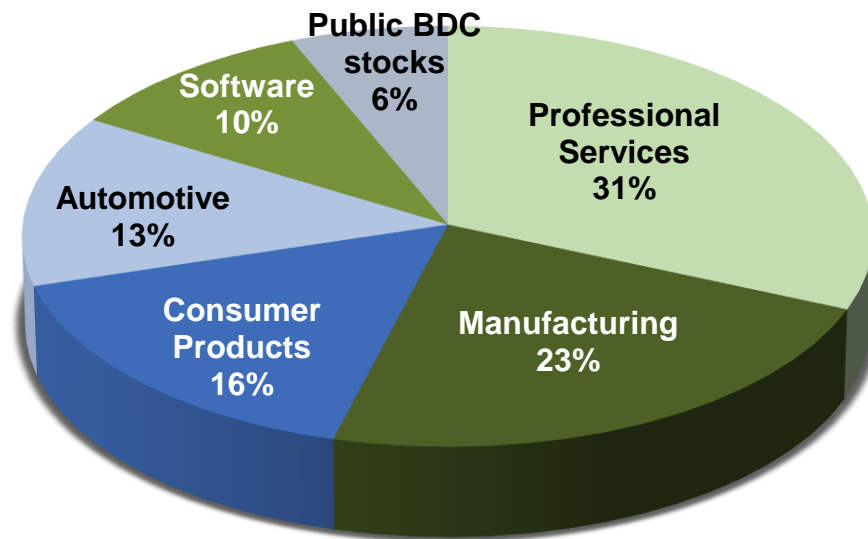
Loan repayment of \$1.4 million



DIVERSIFIED PORTFOLIO

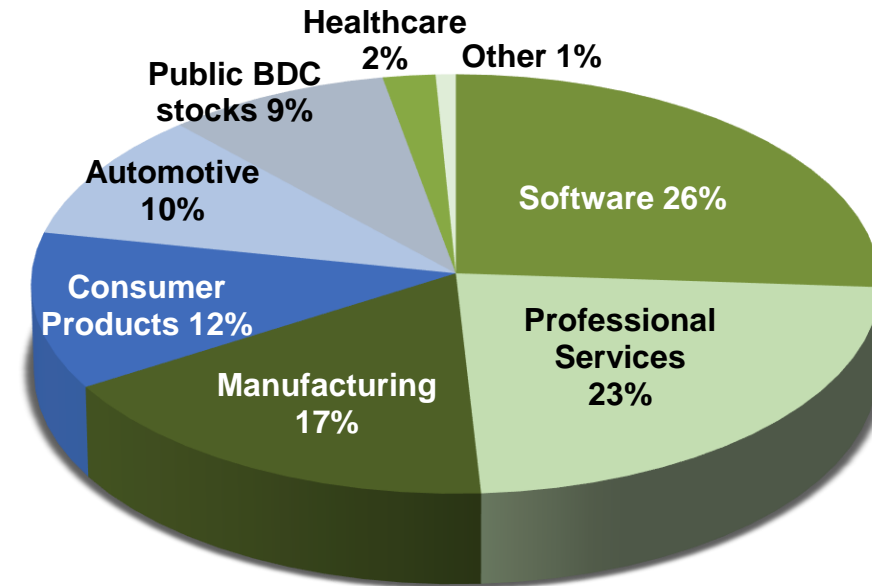
Investments by Industry Classification

December 31, 2022



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






December 31, 2021



*Based on total investments
at fair value of \$64.1 million*



TOP FIVE PORTFOLIO INVESTMENTS

(\$ in millions)						
	Company	Investments at Fair Value	Year Acquired	Industry	% of Total Portfolio	Investment Type
	Tilson	\$10.3	2015	Professional Services – Cellular info systems, construction, mgmt.	17%	Equity – paying dividend
	Seybert's	\$5.9	2021	Consumer Product – Billiard supplies	10%	Term note (12% plus 2% PIK) Warrant
	SciAps, Inc.	\$5.2	2022	Manufacturing – Portable analytical instruments	8%	Term note (12%) Equity
	DSD	\$5.1	2021	Automotive – Supplies shop equipment for auto dealers	8%	Term note (12% plus 2% PIK) Equity
	Caitec	\$3.9	2020	Consumer Goods – Pet product manufacturer and distributor	6%	Mezzanine debt (12% plus 2% PIK) Equity
Total Top 5		\$30.4			49%	

All values as of December 31, 2022. Totals may not foot due to rounding.

\$61.5 million portfolio fair value with 29 portfolio companies



FINANCIAL REVIEW



FOURTH QUARTER FINANCIAL SUMMARY

(\$ in thousands, except per share data)

	Q4 2022	Q4 2021
Total investment income	\$ 1,733	\$ 1,237
Total expenses	(371)	(923)
Net investment income ¹	1,230	320
Net investment income per share ²	\$ 0.48	\$ 0.12
Adjusted net investment income per share ³	\$ 0.41	\$ 0.16
Net realized and unrealized (losses) gain on investments	\$ (910)	\$ 625
Net increase in net assets from operations	320	945
Net increase in net assets from operations per share ²	\$ 0.12	\$ 0.37

Total investment income grew 40%

- Driven by increased interest income from portfolio companies and higher portfolio dividend income

Total expenses included a credit of capital gain incentive fees of \$168 thousand in Q4 22 vs \$86 thousand of expense in Q4 21

Excluding the capital gains incentive fees, adjusted expenses in Q4 22 were down 36% to \$539 thousand³

- Decrease reflects lower interest expense

¹ Net of income tax expense

² Per share amounts based on weighted average shares outstanding of 2,581,021 in Q4 2022 and 2,581,021 in Q4 2021.

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.



FULL YEAR FINANCIAL SUMMARY

(\$ in thousands, except per share data)

	2022	2021
Total investment income	\$ 5,765	\$ 4,076
Total expenses	(1,119)	(6,670)
Net investment income ¹	4,430	(2,605)
Net investment income per share ²	\$ 1.72	\$ (1.01)
Adjusted net investment income per share ³	\$ 1.31	\$ 0.62
Net realized and unrealized (losses) gain on investments	\$ (5,312)	\$ 18,402
Net (decrease) increase in net assets from operations	(882)	15,797
Net (decrease) increase in net assets from operations per share ²	\$ (0.34)	\$ 6.12

Total investment income grew 41%

- Driven by increased interest income from portfolio companies and higher portfolio dividend income

2022 total expenses included capital gains incentive fee reversal of \$1.0 million

Excluding the capital gains incentive fees, adjusted expenses down 12% to \$2.2 million³

- Reflects the elimination of interest expense payments for the SBA obligations, which were paid off in full in November 2021

¹ Net of income tax expense

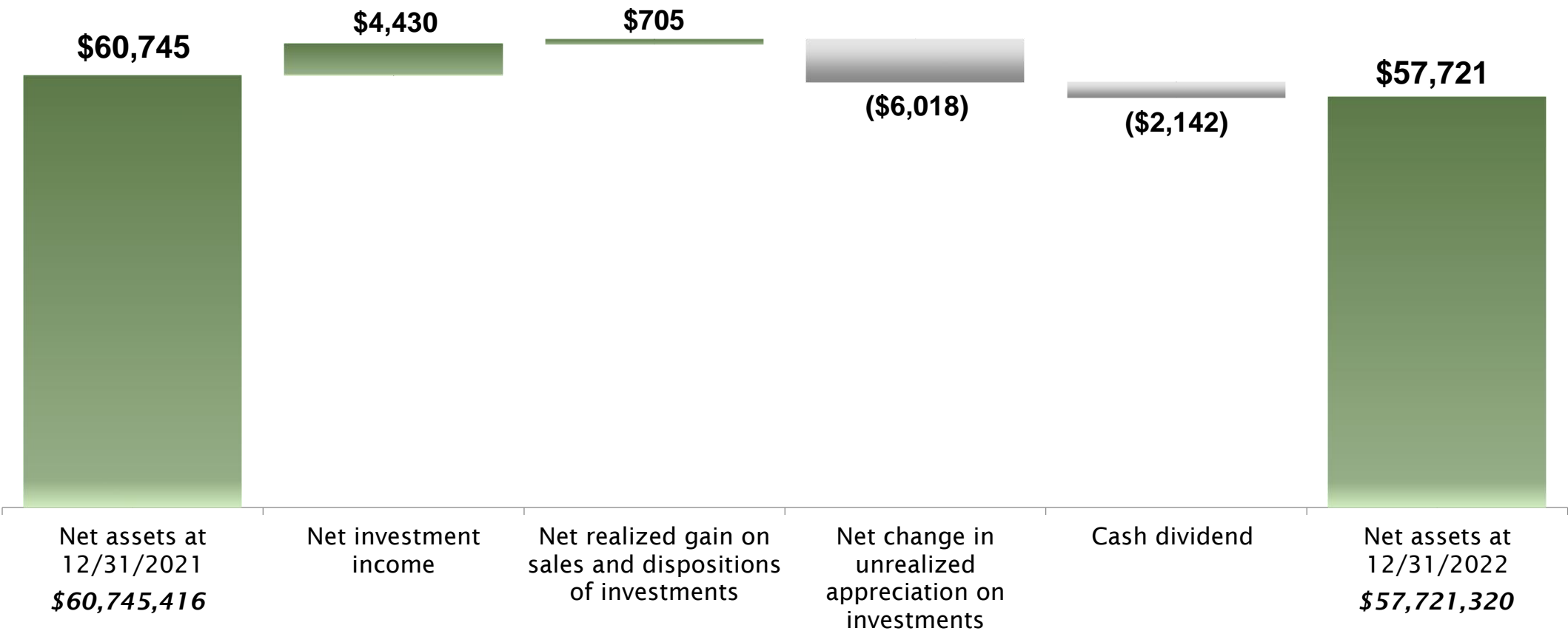
² Per share amounts based on weighted average shares outstanding of 2,581,021 in 2022 and 2,581,707 in 2021.

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.



2022 NET ASSET VALUE CHANGE

(\$ in thousands)



Totals may not sum due to rounding



STRONG AND FLEXIBLE BALANCE SHEET

Net Asset Value Composition

At December 31, 2022

Per Share	Assets and Liabilities
\$0.53	\$1.4 million consolidated cash
\$2.48	\$6.4 million in public equity investments “Liquid”*
\$21.34	\$55.1 million in private investments
\$(1.99)	\$(5.2) million other assets & liabilities, net
\$22.36	Net Asset Value (NAV) per share

Publicly-traded equity securities of \$6.4 million available for future liquidity opportunities

At year-end, \$2.6 million in outstanding borrowings under the \$25 million senior secured revolving credit facility

The Company did not repurchase any outstanding common stock during 2022

Announced regular quarterly dividend of \$0.20 per share for first quarter 2023

**\$61.5 million in total portfolio investments includes \$6.4 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 in order to increase the dividend paid to our shareholders



SUPPLEMENTAL INFORMATION

ADJUSTED EXPENSES (NON-GAAP*)



	Three months ended December 31, 2022	Three months ended December 31, 2021	Year ended December 31, 2022	Year ended December 31, 2021
Total expenses	\$ 371,090	\$ 922,795	\$ 1,119,229	\$ 6,670,315
Exclude (credits)/expenses for capital gains incentive fees	(168,000)	86,000	(1,048,760)	4,200,000
Adjusted expenses	\$ 539,090	\$ 836,795	\$ 2,167,989	\$ 2,470,315

**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 (credits)/expenses removing the effect of any expenses/(credits) for capital gains incentive fees. GAAP total (credits)/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.*

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



	Three months ended December 31, 2022	Three months ended December 31, 2021	Year ended December 31, 2022	Year ended December 31, 2021
Net Investment Income (Loss) per Share	\$ 0.48	\$ 0.12	\$ 1.72	\$ (1.01)
Exclude (credits)/expenses for capital gains incentive fees per share	(0.07)	0.04	(0.41)	1.63
Adjusted Net Investment Income per Share	\$ 0.41	\$ 0.16	\$ 1.31	\$ 0.62

**In addition to reporting Net Investment Income (Loss) 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 (Loss) per Share removing the effect of any expenses/ (credits) for capital gains incentive fees. GAAP Net Investment Income (Loss) 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.*

Totals may not sum due to rounding