



THIRD QUARTER 2023 FINANCIAL RESULTS

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FORWARD LOOKING STATEMENTS

This presentation 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 expectations of Rand Capital Corporation (“Rand” or the “Company”) to continue to be taxed as a regulated investment company (“RIC”) for U.S. federal income tax purposes; the effectiveness of, and execution on, Rand’s investment strategy and 2023 objectives; the investment processes used by its external investment adviser, Rand Capital Management, LLC under the investment advisory and management agreement with Rand, the competitive ability and position of Rand, the amount of the Company’s dividend per share in future periods, and any assumptions underlying any of the foregoing, are forward-looking 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) the risk that Rand may be unable to continue to fulfill the conditions required in order to be treated as a RIC for U.S. federal income tax purposes; (2) evolving legal, regulatory and tax regimes; (3) changes in general economic and/or industry specific conditions; and (4) 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, the preliminary and definitive proxy statements 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 presentation.

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/>.

All information contained herein is for informational purposes and should not be construed as investment advice. It does not constitute an offer, solicitation or recommendation to purchase any security. Past performance does not guarantee future results. Diversification does not guarantee a profit or protect against a loss.

THIRD QUARTER 2023 EXECUTION



- ✓ Total investment income increased 12% to \$1.7 million over the 2022 third quarter
 - Driven by strong growth in interest income
- ✓ Net investment income per share was \$0.31 compared with \$0.39 in the prior-year period
- ✓ Net asset value per share was \$23.77¹, up 6% from year-end 2022
- ✓ Completed two new investments for \$7.8 million in the quarter
- ✓ Total liquidity of ~\$22 million at quarter-end²

Delivering Cash Dividends:

- ✓ Paid \$0.25 per share cash dividend for the third quarter in Sept 2023



The Rand Building, Buffalo, NY

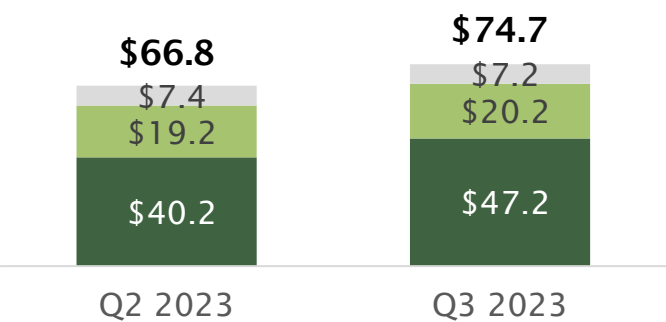
¹ Net asset value per share amounts based on weighted average shares outstanding

² Consists of cash, value of publicly traded BDCs and ACV Auctions stock, and senior secured revolving credit facility availability

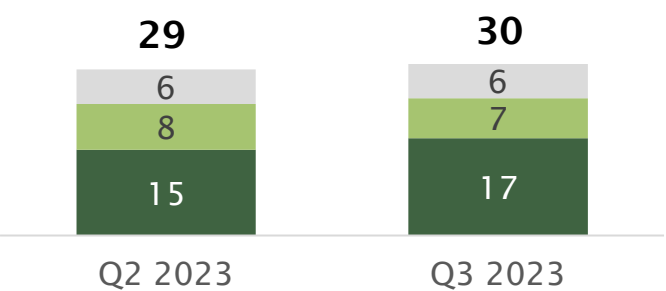


PORTFOLIO MIX

Fair Value Portfolio Mix
(\$ in millions)



Portfolio Mix
(# of Companies)



■ Debt ■ Equity ■ Publicly Traded Stock

Fair value increase reflects new investments and valuation adjustments on several portfolio companies

Mix at quarter-end, based on fair value:

- 63% Fixed-rate debt investments
- 27% Equity investments in private companies
- 10% Publicly traded equities (includes dividend paying BDCs and ACV Auctions stock)

Annualized weighted average yield of debt investments was 13.45%

Realized tax loss on an equity investment having a fair value at zero

Q3 2023 INVESTMENTS



Full-service staffing and executive search firm, with a growing focus on the healthcare industry

Funded \$3.0 million of senior debt at 12% (+4% PIK) and \$1.0 million preferred equity investment, which will carry a 12% dividend



Commercial mulch installation company that covers the north and central Florida market

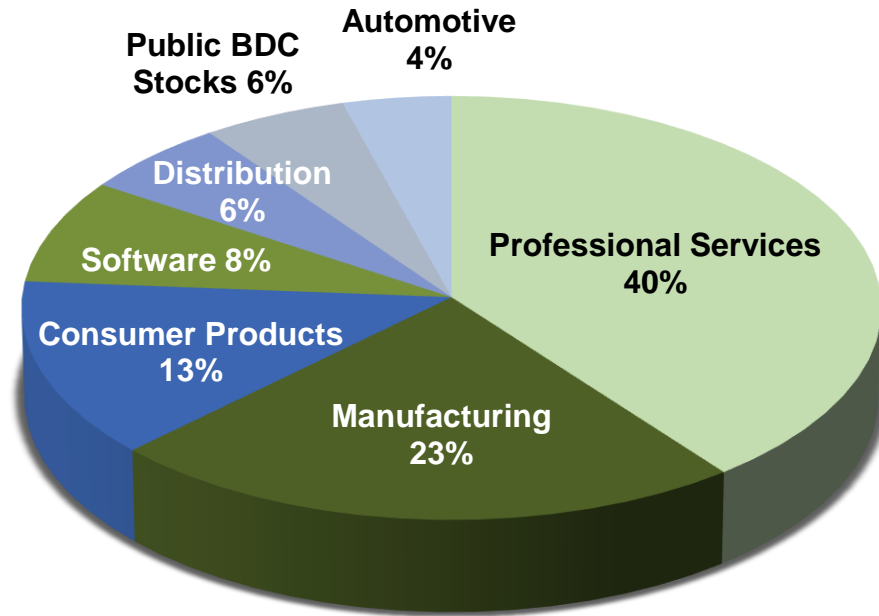
Funded \$3.4 million subordinated note at 13% and \$420,000 interest earning convertible note



DIVERSIFIED PORTFOLIO

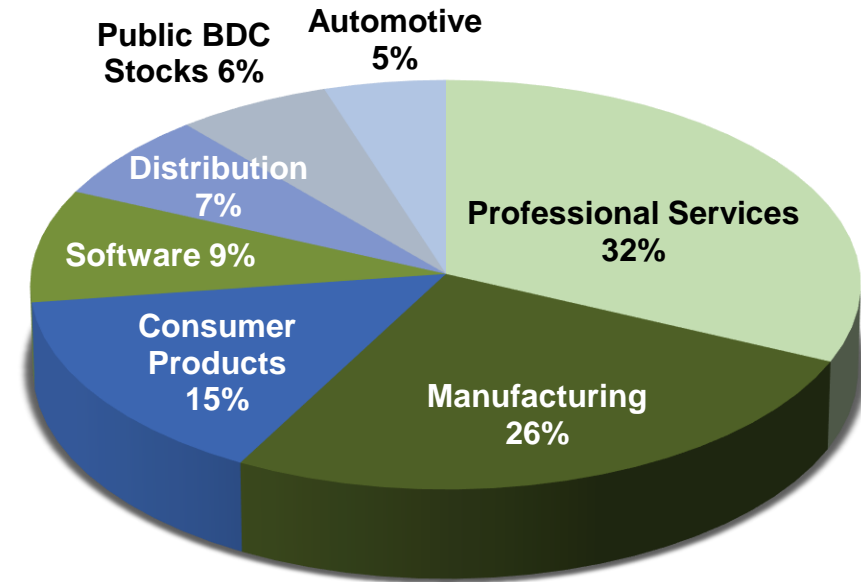
Investments by Industry Classification

September 30, 2023



*Based on total investments
at fair value of \$74.7 million*






June 30, 2023



*Based on total investments
at fair value of \$66.8 million*



TOP FIVE PORTFOLIO INVESTMENTS

(\$ in millions)	Company	Investments at Fair Value	Year Acquired	Industry	% of Total Portfolio	Investment Type
	Tilson	\$10.6	2015	Professional Services – Cellular info systems, construction, mgmt.	14%	Equity – paying dividend
	Seybert's	\$6.0	2021	Consumer Product – Billiard supplies	8%	Term note (12% plus 2% PIK) Warrant
	SciAps, Inc.	\$5.2	2013	Manufacturing – Portable analytical instruments	7%	Term note (12%) Equity
	Food Service Supply	\$5.2	2022	Professional Services – Services for commercial kitchens and new builds	7%	Term note (12%) Equity
	INEA	\$4.3	2023	Distribution – Stocking distributor of alloys and electronic grade nickels	6%	Term note (12% plus 2% PIK) Equity
Total Top 5		\$31.3			42%	

All values as of September 30, 2023. Totals may not foot due to rounding.

\$74.7 million portfolio fair value with 30 portfolio companies



FINANCIAL REVIEW



THIRD QUARTER FINANCIAL SUMMARY

(\$ in thousands, except per share data)

	Q3 2023	Q3 2022
Total investment income	\$ 1,741	\$ 1,554
Total expenses	810	499
Net investment income ¹	799	1,010
Net investment income per share ²	\$ 0.31	\$ 0.39
Adjusted net investment income per share ³	\$ 0.29	\$ 0.40
Net realized and unrealized (loss) gain on investments	\$ (203)	\$ 95
Net increase in net assets from operations	596	1,105
Net increase in net assets from operations per share ²	\$ 0.23	\$ 0.43

Total investment income grew 12%

- Driven by a 40% increase in interest from portfolio companies

Total expenses reflects increase in interest expense and base management fees, partially offset by a credit with respect to capital gains incentive fees

Excluding the capital gains incentive fees, adjusted expenses in Q3 23 were \$851,000 compared with \$477,000 in Q3 22³

- Increase reflects higher interest expense given use of senior revolving credit facility

¹ Net of income tax expense

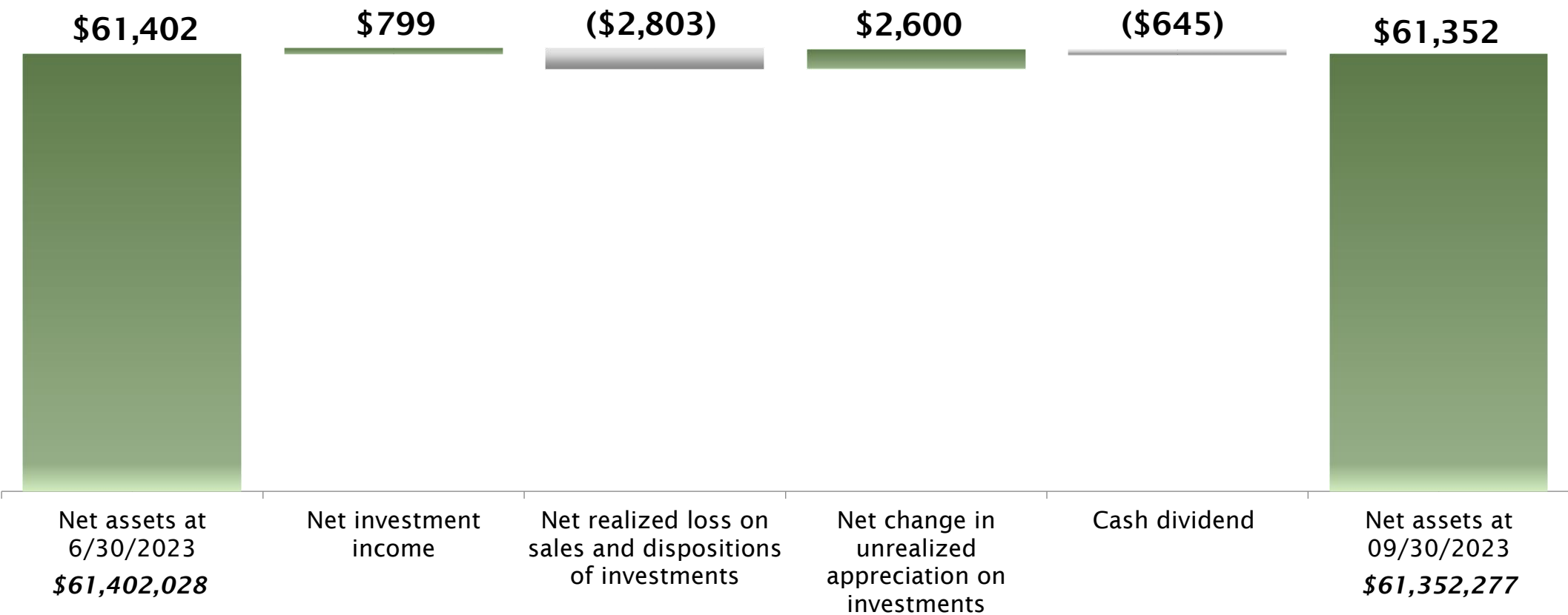
² Per share amounts based on weighted average shares outstanding of 2,581,021 in Q3 2023 and in Q3 2022.

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.



NET ASSET VALUE CHANGE: Q3 2023

(\$ in thousands)



Totals may not sum due to rounding



STRONG AND FLEXIBLE BALANCE SHEET

Net Asset Value Composition

At September 30, 2023

Per Share	Assets and Liabilities
\$1.35	\$3.5 million consolidated cash
\$2.79	\$7.2 million in public equity investments “Liquid”*
\$26.15	\$67.5 million in private investments
\$(6.52)	\$(16.8) million other assets & liabilities, net
\$23.77	Net Asset Value (NAV) per share

Publicly-traded equity securities of \$7.2 million available for future liquidity opportunities

At September 30, 2023, \$13.8 million in outstanding borrowings under the \$25 million senior secured revolving credit facility

- Outstanding borrowings carried an interest rate of 8.8% at quarter-end

The Company did not repurchase any outstanding common stock during the third quarter of 2023

Paid regular quarterly dividend of \$0.25 per share for third quarter 2023

**\$74.7 million in total portfolio investments includes \$7.2 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 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 to increase dividends paid to our shareholders



SUPPLEMENTAL INFORMATION

ADJUSTED EXPENSES (NON-GAAP*)



	Three months ended September 30, 2023	Three months ended September 30, 2022
Total expenses	\$ 809,936	\$ 498,959
Exclude (credits)/expenses for capital gains incentive fees	(41,300)	22,000
Adjusted expenses	\$ 851,236	\$ 476,959

**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 expenses removing the effect of any (credits)/expenses for capital gains incentive fees. GAAP total 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 September 30, 2023	Three months ended September 30, 2022
Net investment income per share	\$ 0.31	\$ 0.39
Exclude (credits)/expenses for capital gains incentive fees	(0.02)	0.01
Adjusted net investment income per share	\$ 0.29	\$ 0.40

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