

March 31, 2016



Rand Capital Announces Closing on Sale of Its Largest Portfolio Company, Gemcor

BUFFALO, NY -- (Marketwired) -- 03/31/16 -- Rand Capital Corporation (NASDAQ: RAND) ("Rand"), a venture capital company that makes primarily equity investments in companies with emerging product, service or technology concepts, announced today that it closed on the sale of its largest portfolio holding, Gemcor II, LLC ("Gemcor"). Rand had previously announced on January 5, 2016, that it entered into an asset purchase agreement under which it had agreed to the sale of Gemcor.

Gross proceeds to Rand, which owned 31.25% of Gemcor, are expected to be \$15.2 million. Net proceeds to Rand, after deducting taxes and expenses associated with the transaction, are expected to be approximately \$10 million.

ABOUT RAND CAPITAL

Rand Capital (NASDAQ: RAND) provides investors the ability to participate in venture capital opportunities through an investment in the Company's stock. Rand is a Business Development Company (BDC), and its wholly-owned subsidiary is licensed by the U.S. Small Business Administration (SBA) as a Small Business Investment Company (SBIC). Rand focuses its investments in early or expansion stage companies with strong leadership that are bringing to market new or unique products, technologies or services that have a high potential for growth. Additional information can be found at the Company's website where it regularly posts information: www.randcapital.com.

Safe Harbor Statement

This news release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements concerning the expected timing and completion of the Gemcor sale transaction, the expected cash proceeds of the transaction to Rand and Rand's plans for those proceeds when and if received. These statements involve known and unknown risks, uncertainties and other factors that could cause the actual results to differ materially from the results expressed or implied by such statements, including general economic and business conditions, the satisfaction or performance by the parties or otherwise of all conditions to closing of the Gemcor sale, and the timing and opportunity for investments of the sale proceeds among others. Consequently, such forward looking statements should be regarded as the Corporation's current plans, estimates and beliefs. The Corporation assumes no obligation to update the forward-looking information contained in this release.

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Source: Rand Capital Corporation