



THIRD QUARTER 2024 FINANCIAL RESULTS

November 6, 2024

Daniel P. Penberthy
President & CEO

Margaret W. Brechtel
EVP & CFO



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 strategy of the Company and its outlook; statements regarding the implementation of the Company’s strategy and the growth of its dividend; 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) 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, 2023, 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 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.



DEBT PORTFOLIO EXPANSION DRIVES Q3 RESULTS

(Results compared with the prior-year period unless otherwise noted)

Strong Total Investment Income Growth

- Increased \$477,000, or 27%, to \$2.2 million, driven by five new debt instruments and higher fee income

NAV and Portfolio Composition

- Net Asset Value (NAV) per share reached \$27.29, up 3% from Q2 and 16% YTD
- Portfolio valued at \$75.0 million across 22 businesses, with a 74% focus on debt investments yielding 13.8%

Successful Exits

- Received \$13.1 million from the sale of SciAps, Inc.
- Sold remaining shares in two publicly traded BDCs, realizing \$1.3 million in proceeds

Debt Reduction and Strengthened Balance Sheet

- Reduced outstanding debt by \$13.3 million, leaving a balance of \$3.9 million on the \$25.0 million facility
- Benefited from recent Fed rate reduction and debt paydowns, which lowered interest expenses and supported profitability

Positioned for Future Opportunities

- \$24 million in total liquidity for strategic investments and portfolio growth



The Rand Building, Buffalo, NY

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



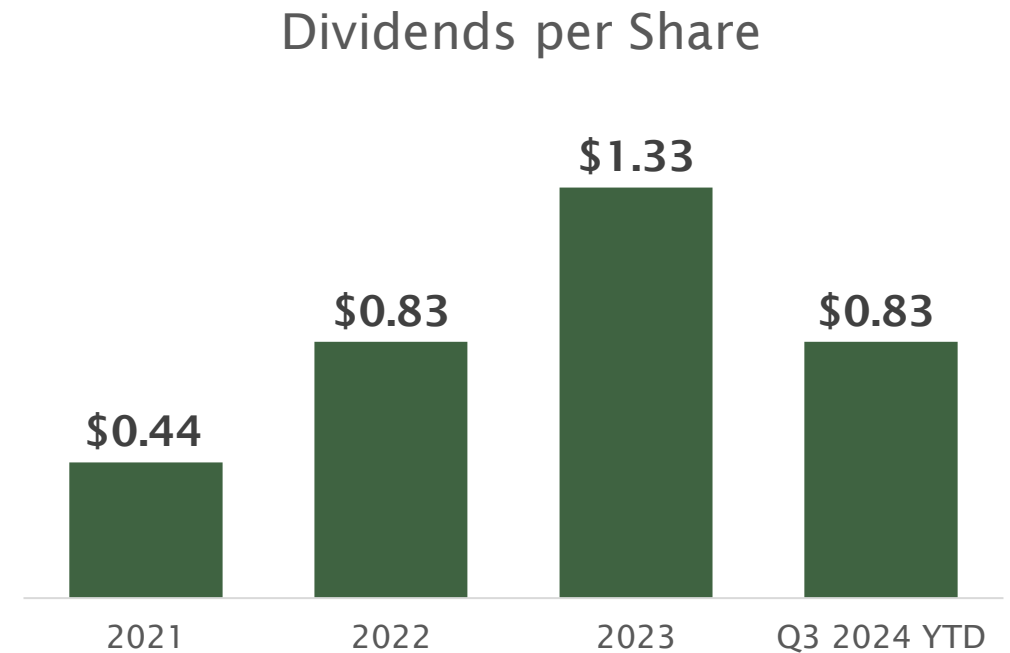
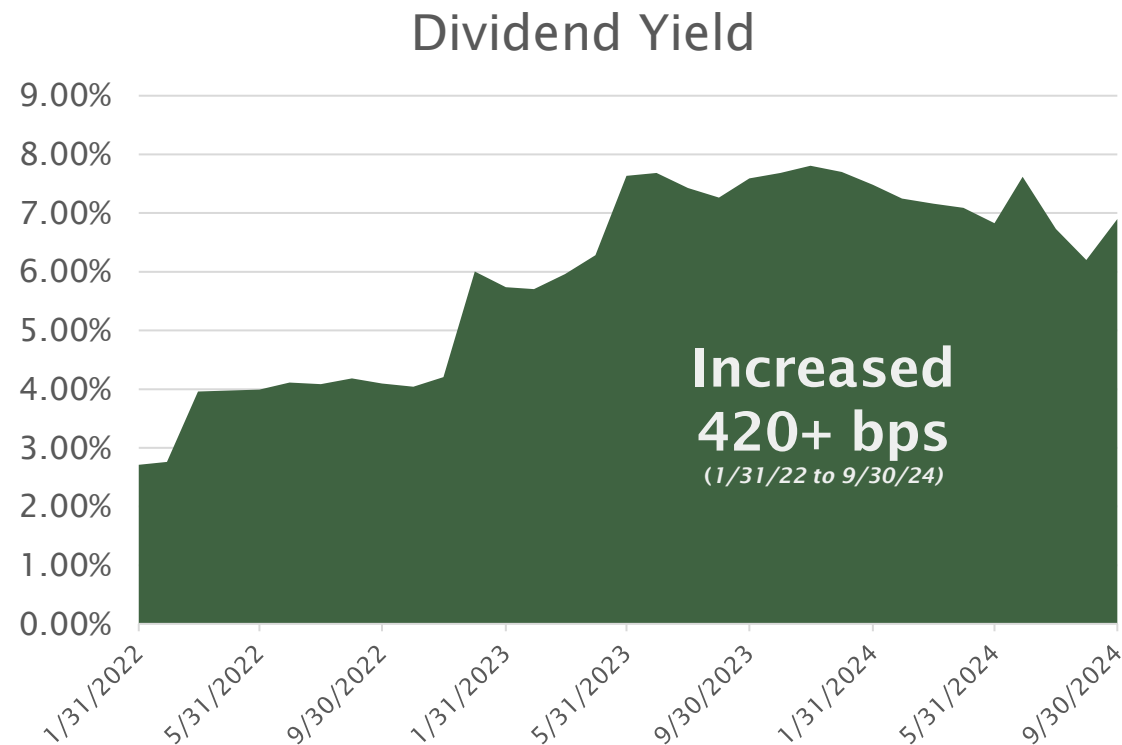
DELIVERING CASH DIVIDENDS

(Results compared with the prior-year period unless otherwise noted)

On July 31, 2024, declared third quarter cash dividend of \$0.29 per share

- Dividend was paid during the third quarter to shareholders of record as of August 30, 2024

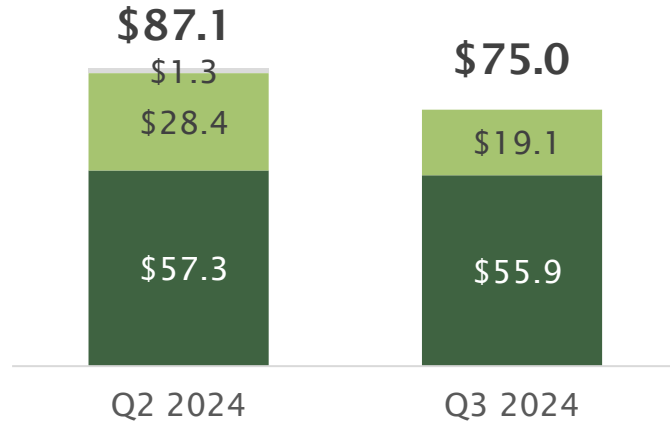
Fourth quarter dividend announcement is expected in early December





PORTFOLIO MIX CHANGE REFLECTS SALE OF SCIAPS

Fair Value Portfolio Mix
(\$ in millions)



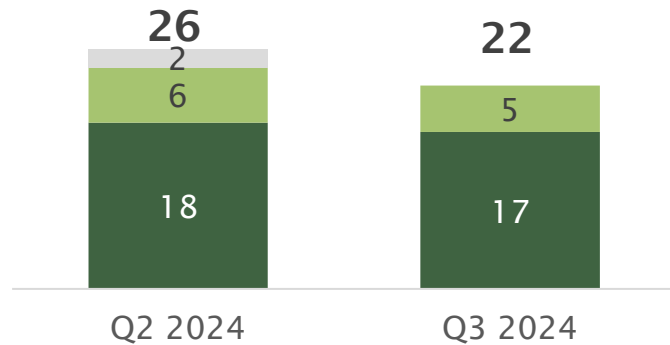
Portfolio fair value decrease reflects the SciAps exit, stock sales and other portfolio company loan repayments, partially offset by new and follow-on investments and valuation adjustments in multiple portfolio companies.

Mix at quarter-end, based on fair value:

74% Fixed-rate debt investments

26% Equity investments in private companies

Portfolio Mix
(# of Companies)



Annualized weighted average yield of debt investments, which includes PIK interest, was 13.8% at September 30, 2024

■ Debt ■ Equity ■ Publicly Traded Stock

Q3 2024 PORTFOLIO ACTIVITY



Investment



Blind and shade manufacturing

Funded follow-on debt investment of \$125 thousand

Total debt and equity investments has a fair value of \$4.9 million

Exits / Repayments

BARINGS

FSKR | FS KKR Capital Corp. II

Sold share holdings in two publicly traded BDCs for total proceeds of \$1.3 million, which included a realized gain of \$249,000.

SciAps

Received \$13.1 million from the sale, consisting of \$2.1 million in debt repayment, \$165,000 in interest income and loan-related fees, and \$10.8 million in equity return. RAND realized gain of \$7.7 million.



MEZMERIZ^{INC.}

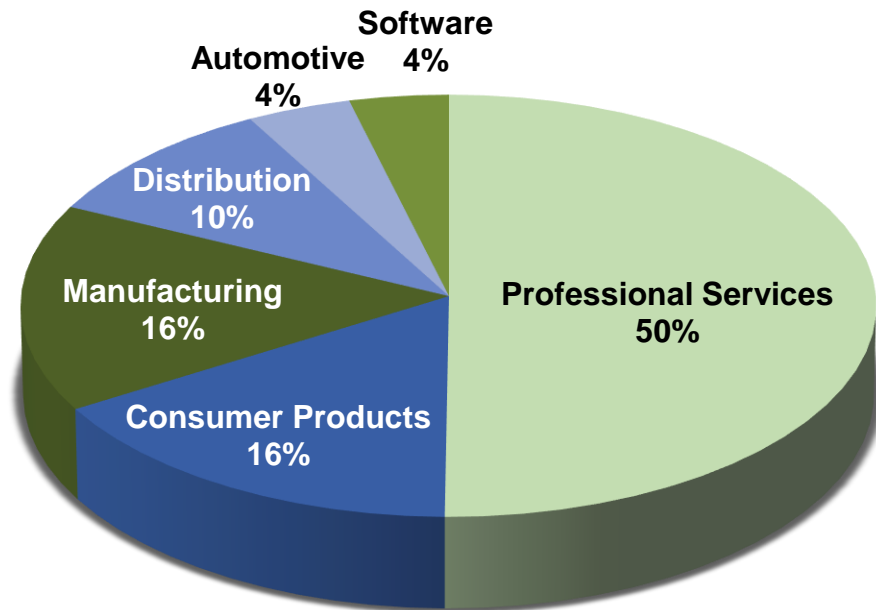
*Exited equity investment;
realized loss*



DIVERSIFIED PORTFOLIO

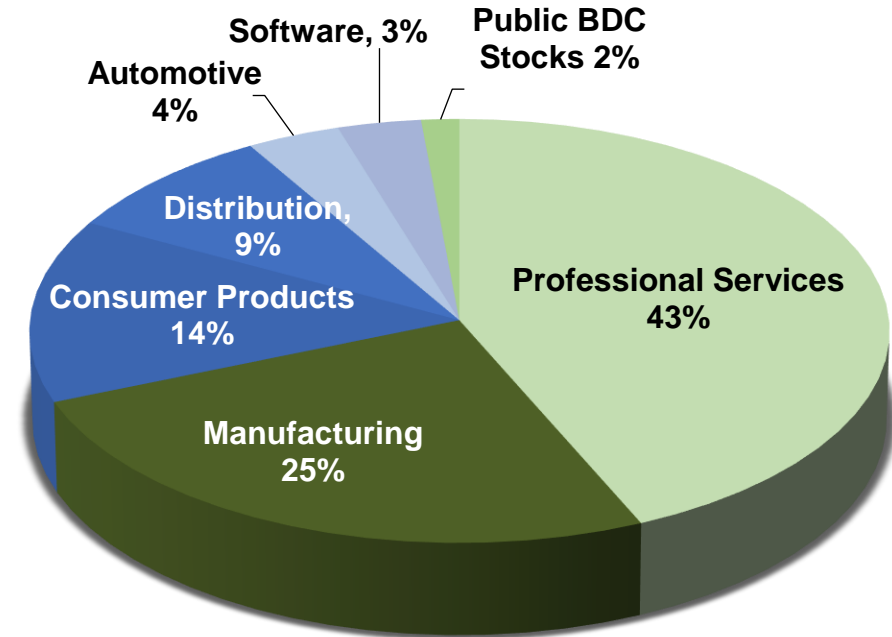
Investments by Industry Classification

September 30, 2024



Based on total investments at fair value of \$75.0 million






June 30, 2024



Based on total investments at fair value of \$87.1 million

TOP FIVE PORTFOLIO INVESTMENTS



(\$ in millions)						
Company	Investments at Fair Value	Year Acquired	Industry	% of Total Portfolio	Investment Type	
 Tilson	\$12.3	2015	Professional Services – Cellular info systems, construction, mgmt.	16%	Equity – paying dividend	
 Seybert's	\$7.9	2021	Consumer Product – Billiard supplies	11%	Term note (12% plus 2% PIK) Warrant	
 Food Service Supply	\$6.9	2022	Professional Services – Services for commercial kitchens and new builds	9%	Term note (12%) Equity	
 Mattison LLC	\$5.6	2024	Professional and Business Services – Provider of upscale salon spaces for lease	7%	Term Note (14%)	
 ITA Acquisitions LLC	\$4.9	2021	Blind and shade manufacturing	7%	Term Note (3% plus 11% PIK)	
Total Top 5		\$37.6		50%		

All values as of September 30, 2024. Totals may not foot due to rounding.

\$75.0 million portfolio fair value with 22 portfolio companies



FINANCIAL REVIEW

THIRD QUARTER FINANCIAL SUMMARY



(\$ in thousands, except per share data)

	Q3 2024	Q3 2023
Total investment income	\$ 2,218	\$ 1,741
Total expenses	1,334	810
Net investment income ¹	887	799
Net investment income per share ²	\$ 0.34	\$ 0.31
Adjusted net investment income per share ³	\$ 0.46	\$ 0.29
Net realized and unrealized gain (loss) on investments	\$ 1,749	\$ (203)
Net increase in net assets from operations	2,637	596
Net increase in net assets from operations per share ²	\$ 1.02	\$ 0.23

Total investment income grew 27%

- Driven by a 27% increase in interest from portfolio companies and a \$165,000 increase in fee income

Total expenses increase reflects higher capital gains and income based incentive fees

- Recognized income based incentive fee expense of \$178,000 in Q3 24; no similar expense in the prior-year period

Excluding capital gains incentive fees, adjusted expenses were \$1.0 million in Q3 24 compared with \$851,000 in Q3 23³

¹ Net of income tax expense

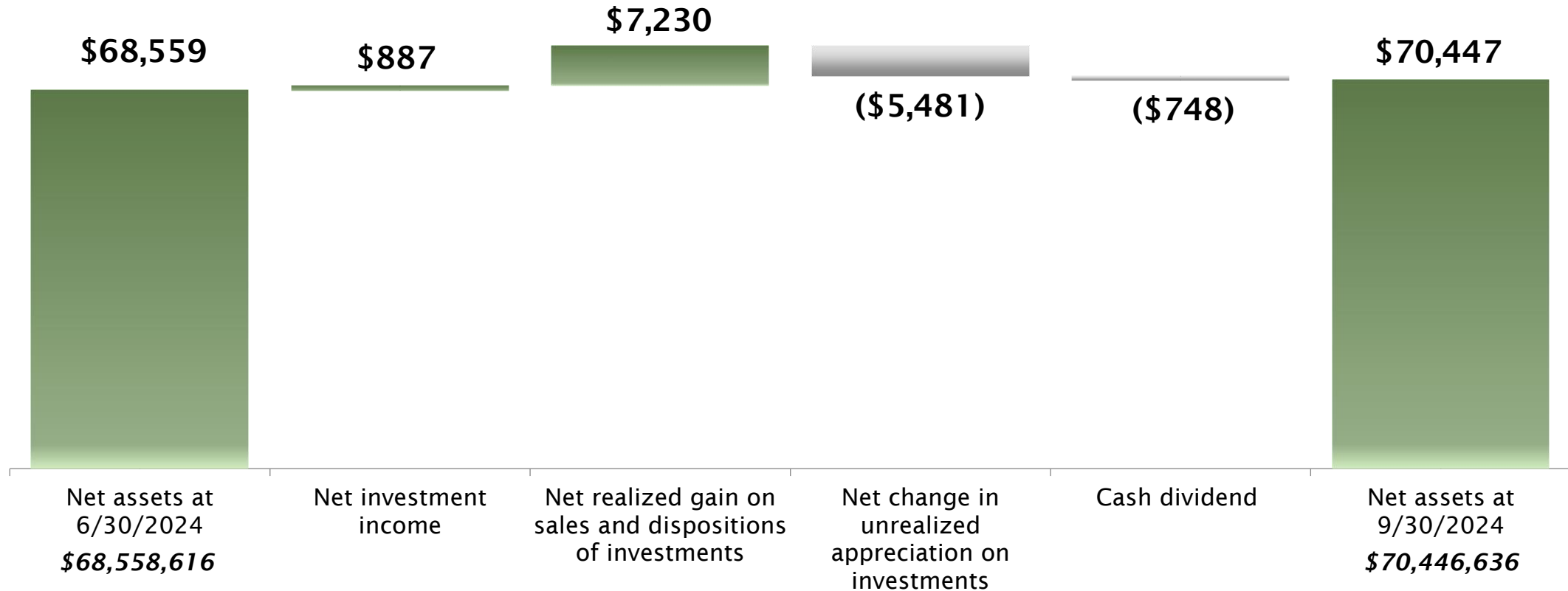
² Per share amounts based on weighted average shares outstanding of 2,581,021 in Q3 2024 and in Q3 2023.

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 2024

(\$ in thousands)



Totals may not sum due to rounding

STRONG AND FLEXIBLE BALANCE SHEET



Net Asset Value Composition

At September 30, 2024

Per Share	Assets and Liabilities
\$1.30	\$3.4 million consolidated cash
\$29.07	\$75.0 million in private investments
\$(3.08)	\$(8.0) million other assets & liabilities, net
\$27.29	Net Asset Value (NAV) per share

Total assets of \$79.8 million was down 12%, largely due to sale of SciAps

Paid down line of credit balance during Q3

- \$3.9 million line of credit balance at quarter-end
- Outstanding borrowings carried an interest rate of 8.46% at September 30, 2024
- \$21.1 million of availability on credit facility

Did not repurchase any outstanding common stock during the third quarter of 2024

Paid regular quarterly dividend of \$0.29 per share for third quarter to shareholders of record as of August 30, 2024



STRATEGIC OBJECTIVES FOR 2024 AND BEYOND

Expand Debt Portfolio

- Continue building on successful debt investments with targeted new originations to strengthen income

Deploy Available Capital

- Capitalize on revolving credit availability for growth, while reduced borrowing costs from Fed rate cut and debt paydowns enhance profitability and dividend potential

Optimize Portfolio Holdings

- Assess current portfolio positions and market conditions to enhance future portfolio returns
- Aid portfolio companies in addressing economic challenges, including inflation, interest rates, and M&A headwinds, to ensure resilience

Increase Shareholder Returns

- Drive growth in investment income to support increased dividends and deliver long-term value



SUPPLEMENTAL INFORMATION

ADJUSTED EXPENSES (NON-GAAP*)



	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Total expenses	\$ 1,333,930	\$ 809,936	\$ 5,213,568	\$ 3,164,522
Exclude expenses/(credits) for capital gains incentive fees	313,000	(41,300)	2,066,300	740,700
Adjusted total expenses	<u>\$ 1,020,930</u>	<u>\$ 851,236</u>	<u>\$ 3,147,268</u>	<u>\$ 2,423,822</u>

**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 expenses/(credits) for capital gains incentive fees accrual. 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, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Net investment income per share	\$ 0.34	\$ 0.31	\$ 0.47	\$ 0.78
Exclude expenses/(credits) for capital gains incentive fees per share	0.12	(0.02)	0.80	0.28
Adjusted net investment income per share	\$ 0.46	\$ 0.29	\$ 1.27	\$ 1.06

Totals may not sum due to rounding

**In addition to reporting Net Investment Income per Share, which is a 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 expenses/(credits) 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.*



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