

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
(Amendment No. 1)

[x] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from _____ to _____

Commission File Number: 814-00235

Rand Capital Corporation

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of
Incorporation or organization)

1405 Rand Building, Buffalo, NY
(Address of principal executive offices)

16-0961359

(IRS Employer Identification No.)

14203

(Zip Code)

Registrant's telephone number, including area code: (716) 853-0802

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.10 par value	RAND	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 under the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicated by check mark if the registrant has elected not to use extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the registrant's outstanding common stock held by non-affiliates of the registrant as of June 30, 2025 was approximately \$15,230,000 based upon the closing price as reported on the Nasdaq Capital Market on such date.

As of March 5, 2026, there were 2,969,814 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Corporation's definitive proxy statement for the 2026 Annual Meeting of Shareholders are incorporated by reference into Part III of this report.

EXPLANATORY NOTE

Rand Capital Corporation (the “Corporation”) is filing this Amendment No. 1 (this “Amendment”) to its Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (the “2025 Form 10-K”) solely for the purpose of adding the “Report of Independent Registered Public Accounting Firm” issued by Freed Maxick P.C. (f/k/a Freed Maxick CPAs, P.C.) with respect to its audit of the financial statements of the Corporation as of December 31, 2024 and for each of the two years in the period ended December 31, 2024 (the “Report of the Predecessor Auditor”). As previously described in a Current Report on Form 8-K, on September 11, 2025, the Corporation replaced Freed Maxick P.C. as the Corporation’s independent registered public accounting firm with WithumSmith+Brown, PC, due to the acquisition of certain assets of Freed Maxick P.C. by WithumSmith+Brown, PC.

The Report of the Predecessor Auditor was inadvertently omitted from the 2025 Form 10-K. Other than as described above, no other changes have been made to the 2025 Form 10-K, including with respect to the financial statements of the Corporation included in the 2025 Form 10-K.

This Amendment does not reflect events occurring after the filing of the 2025 Form 10-K, does not update disclosures contained in the 2025 Form 10-K and does not modify or amend the 2025 Form 10-K except as specifically described above. Pursuant to Rule 12b-15 of the Securities Exchange Act of 1934, as amended, this Amendment contains the complete text of each Item that is amended and certifications of the Company’s Principal Executive Officer and Principal Financial Officer required under Items 302 and 906 of the Sarbanes-Oxley Act of 2002, as amended, dated as of the date of this Amendment, as well as updated inline XBRL exhibits.

Part II

Item 8. Financial Statements and Supplementary Data

The following consolidated financial statements and consolidated supplemental schedule of the Corporation and report of Independent Registered Public Accounting Firm thereon are set forth below:

<u>Consolidated Statements of Financial Position as of December 31, 2025 and 2024</u>	3
<u>Consolidated Statements of Operations for the three years ended December 31, 2025, 2024 and 2023</u>	4
<u>Consolidated Statements of Changes in Net Assets for the three years ended December 31, 2025, 2024 and 2023</u>	5
<u>Consolidated Statements of Cash Flows for the three years ended December 31, 2025, 2024 and 2023</u>	6
<u>Consolidated Schedule of Portfolio Investments as of December 31, 2025</u>	7
<u>Consolidated Schedule of Portfolio Investments as of December 31, 2024</u>	15
<u>Financial Highlights Schedule for the five years ended December 31, 2025, 2024, 2023, 2022 and 2021</u>	23
<u>Notes to the Consolidated Financial Statements</u>	24
<u>Supplemental Schedule of Consolidated Changes in Investments at Cost and Realized Gain (Loss) for the year ended December 31, 2025</u>	46
<u>Report of Independent Registered Public Accounting Firm (PCAOB ID: 100)</u>	47
<u>Report of Independent Registered Public Accounting Firm (PCAOB ID: 317)</u>	49

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31,

	2025	2024
ASSETS		
Investments at fair value:		
Control investments (cost of \$6,563,940 and \$6,188,940, respectively)	\$ 1,400,000	\$ 2,500,000
Affiliate investments (cost of \$40,867,599 and \$42,488,804, respectively)	36,775,685	51,668,144
Non-Control/Non-Affiliate investments (cost of \$9,630,860 and \$19,442,491, respectively)	10,304,811	16,649,897
Total investments, at fair value (cost of \$57,062,399 and \$68,120,235, respectively)	48,480,496	70,818,041
Cash and cash equivalents	4,208,948	834,805
Interest receivable (net of allowance of \$25,337 and \$0, respectively)	168,039	357,530
Prepaid income taxes	283,581	329,365
Deferred tax asset, net	—	2,161
Other assets	54,248	115,531
Total assets	\$ 53,195,312	\$ 72,457,433
LIABILITIES AND STOCKHOLDERS' EQUITY (NET ASSETS)		
Liabilities:		
Due to investment adviser (See Note 9)	\$ 519,287	\$ 2,182,846
Accounts payable and accrued expenses	101,975	92,568
Line of credit (See Note 5)	—	600,000
Capital gains incentive fees (See Note 9)	—	1,565,000
Deferred revenue	390,597	516,441
Dividend payable	—	2,168,058
Total liabilities	1,011,859	7,124,913
Commitments and contingencies (See Note 7)		
Stockholders' equity (net assets):		
Common stock, \$0.10 par; shares authorized 100,000,000; shares issued: 3,037,709 at 12/31/25 and 2,648,916 at 12/31/24; shares outstanding: 2,969,814 at 12/31/25 and 2,581,021 at 12/31/24 (see Note 1)	303,771	264,892
Capital in excess of par value	64,063,157	55,419,620
Stock dividends distributable: 0 shares at 12/31/25 and 388,793 shares at 12/31/24	—	8,672,231
Treasury stock, at cost: 67,895 shares at 12/31/25 and 12/31/24	(1,566,605)	(1,566,605)
Total distributable earnings	(10,616,870)	2,542,382
Total stockholders' equity (net assets) (per share - 2025: \$17.57, 2024: \$25.31)	52,183,453	65,332,520
Total liabilities and stockholders' equity (net assets)	\$ 53,195,312	\$ 72,457,433

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
For The Years Ended December 31, 2025, 2024 and 2023

	2025	2024	2023
Investment income:			
Interest from portfolio companies:			
Control investments	\$ 35,292	\$ 733,774	\$ 698,872
Affiliate investments	4,565,668	4,739,802	3,858,696
Non-Control/Non-Affiliate investments	1,088,551	2,254,373	1,421,787
Total interest from portfolio companies	5,689,511	7,727,949	5,979,355
Interest from other investments:			
Non-Control/Non-Affiliate investments	176,668	2,356	933
Total interest from other investments	176,668	2,356	933
Dividend and other investment income:			
Affiliate investments	122,832	52,500	506,076
Non-Control/Non-Affiliate investments	—	242,760	531,055
Total dividend and other investment income	122,832	295,260	1,037,131
Fee income:			
Control investments	18,063	18,063	17,242
Affiliate investments	285,543	450,255	278,061
Non-Control/Non-Affiliate investments	182,275	65,402	25,441
Total fee income	485,881	533,720	320,744
Total investment income	6,474,892	8,559,285	7,338,163
Expenses:			
Base management fee (see Note 9)	830,630	1,212,160	1,057,166
Income based incentive fees (see Note 9)	186,178	178,218	—
Capital gains incentive fees (see Note 9)	(1,565,000)	1,012,300	804,700
Interest expense	112,528	1,089,678	1,044,831
Professional fees	742,439	600,298	547,456
Stockholders and office operating	311,138	265,617	261,639
Directors' fees	263,500	263,500	263,500
Administrative fees	199,950	158,167	149,000
Insurance	41,358	44,358	44,100
Corporate development	7,488	12,986	5,927
Bad debt expense	58,462	—	—
Total expenses	1,188,671	4,837,282	4,178,319
Net investment income before income taxes	5,286,221	3,722,003	3,159,844
Income tax (benefit) expense, including excise tax expense	(2,690)	296,926	192,111
Net investment income	5,288,911	3,425,077	2,967,733
Net realized (loss) gain on sales and dispositions of investments:			
Affiliate investments	(1,923,974)	6,165,419	2,574,829
Non-Control/Non-Affiliate investments	(77,339)	4,959,445	(1,523,750)
Net realized (loss) gain on sales and dispositions of investments, before income taxes	(2,001,313)	11,124,864	1,051,079
Income tax expense	—	—	359,682
Net realized (loss) gain on sales and dispositions of investments	(2,001,313)	11,124,864	691,397
Net change in unrealized appreciation/depreciation on investments:			
Control investments	(1,475,000)	(2,565,130)	—
Affiliate investments	(10,804,709)	1,400,942	(259,031)
Non-Control/Non-Affiliate investments	1,000,000	(4,898,112)	3,231,115
Change in unrealized appreciation/depreciation before income taxes	(11,279,709)	(6,062,300)	2,972,084
Deferred income tax expense (benefit)	47,509	(339,971)	104,564
Net change in unrealized appreciation/depreciation on investments	(11,327,218)	(5,722,329)	2,867,520
Net realized and unrealized (loss) gain on investments	(13,328,531)	5,402,535	3,558,917
Net (decrease) increase in net assets from operations	\$ (8,039,620)	\$ 8,827,612	\$ 6,526,650
Weighted average shares outstanding	2,945,315	2,581,021	2,581,021
Basic and diluted net (decrease) increase in net assets from operations per share	\$ (2.73)	\$ 3.42	\$ 2.53

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
For The Years Ended December 31, 2025, 2024 and 2023

	2025	2024	2023
Net assets at beginning of year	\$ 65,332,520	\$ 60,815,213	\$ 57,721,320
Net investment income	5,288,911	3,425,077	2,967,733
Net realized (loss) gain on sales and dispositions of investments	(2,001,313)	11,124,864	691,397
Net change in unrealized appreciation/depreciation on investments	(11,327,218)	(5,722,329)	2,867,520
Net (decrease) increase in net assets from operations	(8,039,620)	8,827,612	6,526,650
Declaration of dividends	(5,109,447)	(12,982,536)	(3,432,757)
Stock dividends distributable	—	8,672,231	—
Net assets at end of year	<u>\$ 52,183,453</u>	<u>\$ 65,332,520</u>	<u>\$ 60,815,213</u>

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2025, 2024 and 2023

	2025	2024	2023
Cash flows from operating activities:			
Net (decrease) increase in net assets from operations	\$ (8,039,620)	\$ 8,827,612	\$ 6,526,650
Adjustments to reconcile net (decrease) increase in net assets to net cash provided by (used in) operating activities:			
Investments in portfolio companies	(6,559,755)	(13,945,497)	(20,347,522)
Proceeds from sale of portfolio investments	990,796	19,421,458	5,889,473
Proceeds from loan repayments	16,831,276	7,903,010	4,111,481
Net realized loss (gain) on portfolio investments	2,001,313	(11,124,864)	(1,051,079)
Change in unrealized appreciation/depreciation on investments	11,279,709	6,062,300	(2,972,084)
Deferred tax expense (benefit)	2,161	37,018	(11,019)
Amortization	25,000	25,000	25,000
Original issue discount accretion	(41,404)	(28,008)	(21,008)
Non-cash conversion of debenture interest	(2,149,390)	(1,980,728)	(1,225,773)
Non-cash conversion of loan modification fee	(15,000)	—	—
Change in interest receivable allowance	25,337	—	—
Changes in operating assets and liabilities:			
Decrease (increase) in interest receivable	164,154	(112,930)	(36,262)
Decrease in other assets	36,283	48,770	75,801
Decrease (increase) in prepaid income taxes	45,784	(201,496)	(51,473)
Increase (decrease) in accounts payable and accrued liabilities	9,407	(52,948)	78,836
(Decrease) increase in due to investment adviser	(1,663,559)	1,203,549	417,076
(Decrease) increase in capital gains incentive fees payable	(1,565,000)	(714,700)	112,700
(Decrease) increase in deferred revenue	(125,844)	(35,815)	138,285
Total adjustments	19,291,268	6,504,119	(14,867,568)
Net cash provided by (used in) operating activities	11,251,648	15,331,731	(8,340,918)
Cash flows from financing activities:			
Net (repayment of) proceeds from line of credit	(600,000)	(15,650,000)	13,700,000
Payment of cash dividend	(7,277,505)	(2,142,247)	(3,432,757)
Net cash (used in) provided by financing activities	(7,877,505)	(17,792,247)	10,267,243
Net increase (decrease) in cash and cash equivalents	3,374,143	(2,460,516)	1,926,325
Cash and cash equivalents:			
Beginning of year	834,805	3,295,321	1,368,996
End of year	<u>\$ 4,208,948</u>	<u>\$ 834,805</u>	<u>\$ 3,295,321</u>
Supplemental disclosure of non-cash financing activities			
Fair value of common stock dividend declared	\$ —	\$ 8,672,231	\$ —
Cash dividend declared but not paid	—	2,168,058	—

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
December 31, 2025

Company, Geographic Location, Business Description, (Industry) and Website	(a) Type of Investment	(b) Date Acquired	(c) Equity	Cost	(d)(f) Fair Value	Percent of Net Assets
Non-Control/Non-Affiliate Investments – 19.7% of net assets: (f) (l)						
Caitec, Inc. (k)(q) Halethorpe, MD. Pet product manufacturer and distributor. (Consumer Goods) www.caitec.com	\$1,750,000 Subordinated Secured Promissory Note at 12% (+2% PIK), due July 2, 2027.	11/6/20	4%	2,525,032	2,525,032	9.7%
	36,261 Series A Preferred.	12/28/23		36,261	—	
	150 Class A Units.	11/6/20		150,000	—	
	\$1,750,000 Subordinated Secured Promissory Note at 12% (+2% PIK), due July 2, 2027.	11/6/20		2,525,032	2,525,032	
	150 Class A Units.	11/6/20		150,000	—	
	36,261 Series A Preferred.	12/28/23		36,261	—	
	Total Caitec			5,422,586	5,050,064	
GoNoodle, Inc. (k)(q) Nashville, TN. Student engagement education software providing core aligned physical activity breaks. (Software) www.gonoodle.com	\$1,500,000 Secured Note at 12% (1% PIK) due March 31, 2026.	11/1/19	<1%	1,454,709	1,454,709	2.8%
	Warrant for 21,948 Series D Preferred.	11/1/19		38	38	
	Total GoNoodle			1,454,747	1,454,747	
OnCore Golf Technology, Inc. (g)(q) Buffalo, NY. Patented and proprietary golf balls utilizing technology and innovation. (Consumer Product) www.oncoregolf.com	300,483 Preferred AA.	11/30/18	2%	752,712	100,000	0.2%
Open Exchange, Inc. (g)(q) Lincoln, MA. Online presentation and training software. (Software) www.openexc.com	397,899 Series C Preferred.	11/13/13	2%	1,193,697	700,000	1.3%
	397,899 Common.	10/22/19		208,243	—	
	Total Open Exchange			1,401,940	700,000	
PostProcess Technologies, Inc. (g)(q) Buffalo, NY. Provides innovative solutions for the post-processing of additive manufactured 3D parts. (Manufacturing) www.postprocess.com	137,054 Series A Preferred.	11/1/19	<1%	348,875	—	0.0%
SQF LLC d/b/a Verta (g)(q) Portland, ME. Develops and operates innovative pole and tower solutions for 5G & wireless telecom transmission. (Professional and Business Services) www.vertawireless.com	211,567 A-1 Units of SQF Holdco LLC.	3/15/19	2%	—	1,500,000	5.7%
	250 Class D-1 Units of SQF Holdco LLC.	2/16/23		250,000	1,500,000	
	Total SQF LLC			250,000	3,000,000	
Subtotal Non-Control/Non-Affiliate Investments				\$ 9,630,860	\$ 10,304,811	
Affiliate Investments – 70.5% of net assets (f) (m)						
Applied Image, Inc. (q) Rochester, NY. Global supplier of precision imaged optical components and calibration standards for a wide range of industries and applications. (Manufacturing) www.appliedimage.com	\$1,750,000 Term Note at 12%, due February 1, 2029.	12/31/21	12%	1,750,000	1,750,000	3.4%
	Warrant for 1,167 shares.	12/31/21		—	—	
	Total Applied Image			1,750,000	1,750,000	
Autotality (formerly Filterworks Acquisition USA, LLC) (g)(k)(o)(q) Deerfield Beach, FL. Provides spray booth equipment, frame repair machines and paint booth filter services for collision shops. (Automotive) www.autotality.com	\$2,283,702 Amended Term Note at 14% PIK through June 30, 2026, thereafter 14%, due March 31, 2027.	11/18/19	8%	3,149,571	3,149,571	6.0%
	626.2 shares Class A-1 Units.	6/3/22		626,243	—	
	417.7 shares Class A-0 Units.	9/30/22		139,232	—	
	Total Autotality			3,915,046	3,149,571	

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
December 31, 2025 (Continued)

Company, Geographic Location, Business Description, (Industry) and Website	(a) Type of Investment	(b) Date Acquired	(c) Equity	Cost	(d)(f) Fair Value	Percent of Net Assets
Bauer Sheet Metal and Fabricating Inc. (q) Muskegon, MI. Sheet metal fabricator and installer. (Manufacturing) www.bauersheetmetal.com	\$3,250,000 Term Note at 13% due October 24, 2030. Warrant for 12% Membership Interest.	10/24/25	12%	3,238,600 12,000	3,238,600 12,000	6.2%
Total Bauer				3,250,600	3,250,600	
BlackJet Direct Marketing, LLC (k)(o)(q) Mountain Top, PA. Direct mail marketing agency specializing in the travel/tourism, home services and legal services markets. (Marketing) www.blackjetmarketing.com	\$2,250,000 Term Note at 14% (+1% PIK) due December 12, 2030. 5.55% Preferred Membership Interest.	9/12/25	6%	2,256,941 250,000	2,256,941 500,000	5.3%
Total BlackJet Direct Marketing				2,506,941	2,756,941	
BMP Food Service Supply Holdco, LLC (h)(k)(o)(q) Salt Lake City, UT. Provides design, distribution, and installation services for commercial kitchen renovations and new builds. (Professional and Business Services) www.foodservicesupply.com	\$6,835,000 Third Amended and Restated Term Note: \$4,820,000 in principal amount at 12% PIK through March 31, 2026, thereafter 12%, \$1,615,000 in principal amount at 16% PIK through March 31, 2026, thereafter 16%, and \$400,000 in principal amount at 13%, due November 22, 2027. 15.4% Preferred Interest.	11/22/22	15%	7,591,496 497,619	3,859,834 —	7.4%
Total BMP Food Service Supply				8,089,115	3,859,834	
BMP Swanson Holdco, LLC (k)(o)(q) Plano, TX. Designs, installs, and maintains a variety of fire protection systems. (Professional and Business Services) www.swansonfire.com	\$1,600,000 Term Note at 5% (+7% PIK) through July 31, 2026, thereafter 12%, due March 31, 2027. Preferred Membership Interest for 9.24%.	3/4/21	9%	1,754,587 233,333	1,754,587 750,000	4.8%
Total BMP Swanson				1,987,920	2,504,587	
Carolina Skiff LLC (g)(o)(q) Waycross, GA. Manufacturer of ocean fishing and pleasure boats. (Manufacturing) www.carolinaskiff.com	6.0825% Class A Common Membership Interest.	1/30/04	7%	15,000	765,245	1.5%
Total Carolina Skiff				15,000	765,245	
FCM Industries Holdco LLC (k)(q) Jacksonville, FL. Commercial mulch installation company that serves a range of end markets. (Professional and Business Services) www.firstcoastmulch.com	\$3,380,000 Term Note at 13% due July 31, 2028. \$420,000 Convertible Note at 10% PIK, due July 31, 2033.	7/31/23	12%	3,380,000 536,344	3,380,000 536,344	7.5%
Total FCM Industries				3,916,344	3,916,344	
Highland All About People Holdings, Inc. (k)(q) Phoenix, AZ. Full-service staffing and executive search firm with a focus on the healthcare industry. (Professional and Business Services) www.allaboutpeople.net	\$3,000,000 Term Note at 12% (+4% PIK) due August 7, 2028. 1,000,000 Class A Units. (j) Interest Receivable \$100,353	8/7/23	12%	3,305,831 1,000,000 4,305,831	3,305,831 600,000 3,905,831	7.5%
Total Highland All About People				4,305,831	3,905,831	
Inter-National Electronic Alloys LLC d/b/a EFINEA (o)(q) Oakland, NJ. Stocking distributor of controlled expansion alloys, electronic grade nickels, refractory grade metals and alloys, and soft magnetic alloys. (Distribution) www.nealloys.com	\$3,288,235 Term Note at 12% due April 4, 2028. 75.3 Class B Preferred Units.	4/4/23	6%	3,389,246 1,011,765	3,389,246 1,800,000	9.9%
Total EFINEA				4,401,011	5,189,246	
Mobile RN Holdings LLC d/b/a Mobile IV Nurses (k)(o)(q) Phoenix, AZ. IV hydration therapy service provider. (Health and Wellness) www.mobileivnurses.com	\$2,500,000 Term Note at 14% (+1% PIK) due October 2, 2029. 6,375 Class A Common Units.	10/2/24	6%	2,531,827 375,000	2,531,827 500,000	5.8%
Total Mobile IV Nurses				2,906,827	3,031,827	

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
December 31, 2025 (Continued)

Company, Geographic Location, Business Description, (Industry) and Website	(a) Type of Investment	(b) Date Acquired	(c) Equity	Cost	(d)(f) Fair Value	Percent of Net Assets
Mountain Regional Equipment Solutions (g)(h)(k)(o) (q) Salt Lake City, UT. Provider of maintenance, safety, fluid transfer, and custom fabrication products. (Distribution) www.mountainregionaleq.com	\$3,000,000 Term Note at 14% PIK through December 31, 2025, thereafter 14%, due January 16, 2029.	1/16/24	7%	3,314,419	1,400,000	2.7%
Seybert's Billiards Corporation d/b/a The Rack Group (g)(q) Coldwater, MI. Billiard supplies. (Consumer Product) www.seyberts.com	37,991 Common Units. Warrant for 4% Membership Interest.	1/16/24		204,545	—	
	Warrant for 4% Membership Interest.	1/16/24		60,000	—	
	Total Mountain Regional Equipment Solutions			3,578,964	1,400,000	
	5.82 Common shares.	10/24/22	8%	194,000	354,925	2.5%
	Warrant for 4% Membership Interest.	1/19/21		25,000	470,367	
	Warrant for 4% Membership Interest.	1/19/21		25,000	470,367	
	Total Seybert's			244,000	1,295,659	
Subtotal Affiliate Investments				\$ 40,867,599	\$ 36,775,685	
Control Investments - 2.7% of net assets (f) (n)						
ITA Acquisition, LLC (h)(k)(o)(q) Ormond Beach, FL. Blind and shade manufacturing. (Manufacturing) www.itawindowfashions.com	\$2,672,808 Fifth Amended and Restated Term Note at 14% PIK through March 31, 2026, thereafter 12% (+2% PIK), due June 21, 2026.	6/22/21	37%	3,619,220	931,395	2.7%
	\$1,500,000 Term Note at 14% PIK through March 31, 2026, thereafter 12% (+2% PIK), due June 21, 2026.	6/22/21		1,820,910	468,605	
	1,124 Class A Preferred Units and 1,924 Class B Common Units.	6/22/21		1,123,810	—	
	Total ITA			6,563,940	1,400,000	
Subtotal Control Investments				\$ 6,563,940	\$ 1,400,000	
TOTAL INVESTMENTS - 92.9%				\$ 57,062,399	\$ 48,480,496	
OTHER ASSETS IN EXCESS OF LIABILITIES - 7.1%					3,702,957	
NET ASSETS - 100%					\$ 52,183,453	

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
December 31, 2025 (Continued)

Notes to the Consolidated Schedule of Portfolio Investments

(a) At December 31, 2025, restricted securities represented 100% of the fair value of the investment portfolio. Restricted securities are subject to one or more restrictions on resale and are not freely marketable. Type of investment for equity position is in the form of shares unless otherwise noted as units or interests, i.e., preferred shares, common shares.

(b) The Date Acquired column indicates the date on which the Corporation first acquired an investment.

(c) Each equity percentage estimates the Corporation's ownership interest in the applicable portfolio investment. The estimated ownership is calculated based on the percent of outstanding voting securities held by the Corporation or the potential percentage of voting securities held by the Corporation upon exercise of warrants or conversion of debentures, or other available data. If applicable, the symbol "<1%" indicates that the Corporation holds an equity interest of less than one percent.

(d) The Corporation's investments are carried at fair value in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 "Fair Value Measurements and Disclosures," which defines fair value and establishes guidelines for measuring fair value. At December 31, 2025, ASC 820 designates 100% of the Corporation's investments as "Level 3" assets. Under the valuation policy of the Corporation, unrestricted publicly traded securities are valued at the closing price for these securities on the last trading day of the reporting period. Restricted securities are subject to restrictions on resale and are valued at fair value as determined in good faith by our external investment advisor Rand Capital Management, LLC ("RCM") and approved by the Board of Directors. Fair value is considered to be the amount that the Corporation may reasonably expect to receive for portfolio securities when sold on the valuation date. Valuations as of any particular date, however, are not necessarily indicative of amounts which may ultimately be realized as a result of future sales or other dispositions of securities and these favorable or unfavorable differences could be material. Among the factors considered in determining the fair value of restricted securities are the financial condition and operating results, projected operations, and other analytical data relating to the investment. Also considered are the market prices for unrestricted securities of the same class (if applicable) and other matters which may have an impact on the value of the portfolio company (see *Note 2—Investments* to the Consolidated Financial Statements).

(e) As of December 31, 2025, the total cost of investment securities was approximately \$57.1 million. Net unrealized depreciation was approximately (\$8.6) million, which was comprised of \$6.2 million of unrealized appreciation of investment securities and (\$14.8) million of unrealized depreciation of investment securities. At December 31, 2025, the aggregate gross unrealized gain for federal income tax purposes was approximately \$4.9 million and the aggregate gross unrealized loss for federal income tax purposes was (\$13.5) million. The net unrealized loss for federal income tax purposes was (\$8.6) million based on a tax cost of \$56.1 million.

(f) All of the Corporation's portfolio assets are pledged as collateral for purposes of securing the Corporation's senior secured revolving credit facility pursuant to a general security agreement, dated June 27, 2022, between the Corporation, the subsidiaries listed therein, and the Lender (as defined herein).

(g) These investments are non-income producing. All other investments are income producing. Non-income producing investments have not generated cash payments of interest or dividends including LLC tax-related distributions within the last twelve months or are not expected to do so going forward. If a debt or a preferred equity investment fails to make its most recent payment, then the investment will also be classified as non-income producing.

(h) These debt investments are on non-accrual status as of December 31, 2025.

(i) Reduction in cost and fair value from previously reported balances reflects current principal repayment.

(j) Represents interest due (amounts over \$100,000) from investments included as interest receivable on the Corporation's Consolidated Statements of Financial Position.

(k) Payment in kind (PIK) represents earned interest that is added to the cost basis of the investment and due at maturity. The amount of PIK earned is included in the interest rate detailed in the "Type of Investment" column, unless it has been noted with a (+), in which case the PIK is in addition to the face amount of interest due on the security.

(l) Non-Control/Non-Affiliate Investments are investments that are neither Control Investments nor Affiliate Investments.

(m) Affiliate Investments are defined by the Investment Company Act of 1940, as amended ("1940 Act"), as those Non-Control Investments in companies in which between 5% and 25% of the voting securities are owned by the Corporation.

(n) Control Investments are defined by the 1940 Act as investments in companies in which more than 25% of the voting securities are owned by the Corporation or where greater than 50% of the board representation is maintained.

(o) Equity holdings are held in a wholly owned (100%) "blocker corporation" subsidiary of Rand Capital Corporation for federal income tax and Regulated Investment Company (RIC) compliance purposes.

(p) Indicates assets that the Corporation believes do not represent "qualifying assets" under Section 55(a) of the 1940 Act. Qualifying assets must represent at least 70% of the Corporation's total assets at the time of acquisition of any additional non-qualifying assets. The Corporation had no investments in non-qualifying assets as of December 31, 2025.

(q) Investments classified as Level 3 for purposes of the fair value determination by RCM and approved by the Board of Directors.

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
December 31, 2025 (Continued)

Investments in and Advances to Affiliates

Company	Type of Investment	January 1, 2025, Fair Value	Net Change in Unrealized Appreciation (Depreciation)	Gross Additions (1)	Gross Reductions (2)	December 31, 2025, Fair Value	Net Realized Gains (Losses)	Interest/ Dividend/ Fee Income (3)
Control Investments:								
ITA Acquisition, LLC	\$2,672,808 Fifth Amended and Restated Term Note at 14% PIK through March 31, 2026, thereafter 12% (+2% PIK), due June 21, 2026.	\$ 1,642,968	\$ (1,086,573)	\$ 375,000	\$ —	\$ 931,395	\$ —	\$ 45,355
	\$1,500,000 Term Note at 14% PIK through March 31, 2026, thereafter 12% (+2% PIK), due June 21, 2026.	857,032	(388,427)	—	—	468,605	—	8,000
	1,124 Class A Preferred Units and 1,924 Class B Common Units.	—	—	—	—	—	—	—
	Total ITA	2,500,000	(1,475,000)	375,000	—	1,400,000	—	53,355
	Total Control Investments	\$ 2,500,000	\$ (1,475,000)	\$ 375,000	\$ —	\$ 1,400,000	\$ —	\$ 53,355
Affiliate Investments:								
Applied Image, Inc.	\$1,750,000 Term Note at 12%, due February 1, 2029.	\$ 1,750,000	\$ —	\$ —	\$ —	\$ 1,750,000	\$ —	\$ 216,208
	Warrant for 1,167 shares.	—	—	—	—	—	—	—
	Total Applied Image	1,750,000	—	—	—	1,750,000	—	216,208
Autotality (formerly Filterworks Acquisition USA, LLC)	\$2,283,702 Amended Term Note at 14% PIK through June 30, 2026, thereafter 14%, due March 31, 2027.	2,928,648	—	220,923	—	3,149,571	—	431,232
	626.2 shares Class A-1 Units.	—	—	—	—	—	—	—
	417.7 shares Class A-0 Units.	—	—	—	—	—	—	—
	Total Autotality	2,928,648	—	220,923	—	3,149,571	—	431,232
Bauer Sheet Metal and Fabricating Inc.	\$3,250,000 Term Note at 13% due October 24, 2030.	—	—	3,238,600	—	3,238,600	—	82,843
	Warrant for 12% Membership Interest.	—	—	12,000	—	12,000	—	—
	Total Bauer	—	—	3,250,600	—	3,250,600	—	82,843
BlackJet Direct Marketing, LLC	\$2,250,000 Term Note at 14% (+1% PIK) due December 12, 2030.	—	—	2,256,941	—	2,256,941	—	106,011
	5.55% Preferred Membership Interest.	—	250,000	250,000	—	500,000	—	—
	Total BlackJet	—	250,000	2,506,941	—	2,756,941	—	106,011
BMP Food Service Supply Holdco, LLC	\$6,835,000 Third Amended and Restated Term Note; \$4,820,000 in principal amount at 12% PIK through March 31, 2026, thereafter 12%, \$1,615,000 in principal amount at 16% PIK through March 31, 2026, thereafter 16%, and \$400,000 in principal amount at 13%, due November 22, 2027.	6,538,026	(3,731,662)	1,053,470	—	3,859,834	—	683,808
	15.4% Preferred Interest.	497,619	(497,619)	—	—	—	—	—
	Total FSS	7,035,645	(4,229,281)	1,053,470	—	3,859,834	—	683,808
BMP Swanson Holdco, LLC	\$1,600,000 Term Note at 5% (+7% PIK) through July 31, 2026, thereafter 12%, due March 31, 2027.	1,700,115	—	54,472	—	1,754,587	—	214,613
	Preferred Membership Interest for 9.24%.	750,000	—	—	—	750,000	—	—
	Total BMP Swanson	2,450,115	—	54,472	—	2,504,587	—	214,613
Carolina Skiff LLC	6.0825% Class A Common Membership Interest.	1,208,000	(442,755)	—	—	765,245	—	—
	6.62% Premium Preferred Interest.	—	—	34,755	(34,755)	—	684	—
	Total Carolina Skiff	1,208,000	(442,755)	34,755	(34,755)	765,245	684	—
FCM Industries Holdco LLC	\$3,380,000 Term Note at 13% due July 31, 2028.	3,380,000	—	—	—	3,380,000	—	472,292
	\$420,000 Convertible Note at 10% PIK, due July 31, 2033.	—	484,837	51,507	—	536,344	—	51,507
	Total FCM	3,380,000	484,837	51,507	—	3,916,344	—	523,799

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
December 31, 2025 (Continued)

Company	Type of Investment	January 1, 2025, Fair Value	Net Change in Unrealized Appreciation (Depreciation)	Gross Additions (1)	Gross Reductions (2)	December 31, 2025, Fair Value	Net Realized Gains (Losses)	Interest/ Dividend/ Fee Income (3)
Highland All About People Holdings, Inc.	\$3,000,000 Term Note at 12% (+4% PIK) due August 7, 2028.	3,175,091	—	130,740	—	3,305,831	—	534,957
	1,000,000 Class A Units.	600,000	—	—	—	600,000	—	—
	Total All About People	3,775,091	—	130,740	—	3,905,831	—	534,957
Inter-National Electronic Alloys LLC	\$3,288,235 Term Note at 12% (+1% PIK) due 2028.	3,372,069	—	17,177	—	3,389,246	—	441,562
	75.3 Class B Preferred Units.	1,011,765	788,235	—	—	1,800,000	—	—
	Total EFINEA	4,383,834	788,235	17,177	—	5,189,246	—	441,562
Microcision LLC	Membership Interest Purchase Warrant for 5%.	—	—	—	—	—	55,357	—
Mobile RN Holdings LLC	\$2,500,000 Term Note at 14% (+1% PIK) due October 2, 2029.	2,506,319	—	25,508	—	2,531,827	—	405,515
	6,375 Class A Common Units.	375,000	125,000	—	—	500,000	—	—
	Total Mobile IV Nurses	2,881,319	125,000	25,508	—	3,031,827	—	405,515
Mountain Regional Equipment Solutions	\$3,000,000 Term Note at 14% PIK through December 31, 2025, thereafter 14%, due January 16, 2029.	—	(1,462,419)	2,862,419	—	1,400,000	—	374,419
	37,991 Common Units.	—	—	—	—	—	—	—
	Warrant for 4% Membership Interest.	—	—	—	—	—	—	—
Total MRES	—	(1,462,419)	2,862,419	—	1,400,000	—	374,419	
Pressure Pro, Inc.	\$3,000,000 Term Note at 12% (+3% PIK) due January, 19, 2028.	1,702,705	—	22,445	(1,725,150)	—	—	220,550
	Warrant for 10% Membership Interest.	750,000	(720,000)	—	(30,000)	—	870,000	—
	Total Pressure Pro	2,452,705	(720,000)	22,445	(1,755,150)	—	870,000	220,550
Seybert's Billiards Corporation	\$6,099,131 Fourth Amended and Restated Term Note: \$4,299,131 in principal amount at 12% (+2% PIK) through January 19, 2026, thereafter 14%, and \$1,800,000 in principal amount at 14%, due January 19, 2027.	6,167,723	—	46,482	(6,214,205)	—	—	585,305
	Warrant for 4% Membership Interest.	25,000	445,367	—	—	470,367	—	—
	\$1,435,435 Term Note at 12% (+2% PIK) through January 19, 2026, thereafter 14%, due January 19, 2027.	1,511,064	—	17,701	(1,528,765)	—	—	140,096
	Warrant for 4% Membership Interest.	25,000	445,367	—	—	470,367	—	—
	5.82 Common shares.	194,000	160,925	—	—	354,925	—	—
	Total Seybert's	7,922,787	1,051,659	64,183	(7,742,970)	1,295,659	—	725,401
Tilson Technology Management, Inc.	120,000 Series B Preferred.	4,560,000	(3,960,000)	—	(600,000)	—	(600,000)	13,125
	21,391 Series C Preferred.	813,000	(613,000)	—	(200,000)	—	(200,000)	—
	70,176 Series D Preferred.	2,666,000	(1,866,000)	—	(800,000)	—	(800,000)	—
	15,385 Series E Preferred.	584,000	(83,988)	—	(500,012)	—	(500,012)	—
	23,077 Series F Preferred.	877,000	(126,997)	—	(750,003)	—	(750,003)	—
	211,567 A-1 Units of SQF Holdco LLC.	1,000,000	—	—	(1,000,000)	—	—	—
	250 Class D-1 Units of SQF Holdco LLC.	1,000,000	—	—	(1,000,000)	—	—	—
	Total Tilson	11,500,000	(6,649,985)	—	(4,850,015)	—	(2,850,015)	13,125
Total Affiliate Investments	\$ 51,668,144	\$ (10,804,709)	\$ 10,295,140	\$ (14,382,890)	\$ 36,775,685	\$ (1,923,974)	\$ 4,974,043	
Total Control and Affiliate Investments	\$ 54,168,144	\$ (12,279,709)	\$ 10,670,140	\$ (14,382,890)	\$ 38,175,685	\$ (1,923,974)	\$ 5,027,398	

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
December 31, 2025 (Continued)

This schedule should be read in conjunction with the Corporation's Consolidated Financial Statements, including the Notes to the Consolidated Financial Statements and the Consolidated Schedule of Portfolio Investments.

(1)Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow on investments, capitalized interest and the accretion of discounts. Gross additions also include the movement of an existing portfolio company into this category and out of another category.

(2)Gross reductions include decreases in the cost basis of investments resulting from principal repayments, sales, note conversions, the exchange of existing securities for new securities and the movement of an existing portfolio company out of this category and into another category.

(3)Represents the total amount of interest, fees or dividends credited to income for the portion of the period an investment was included in "Control or Affiliate" categories, respectively.

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
December 31, 2025 (Continued)

Industry Classification	Percentage of Total Investments (at fair value) as of December 31, 2025
Professional and Business Services	35.4%
Manufacturing	14.8
Distribution	13.6
Consumer Product	13.3
Automotive	6.5
Health and Wellness	6.3
Marketing	5.7
Software	4.4
Total Investments	100%

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
December 31, 2024

Company, Geographic Location, Business Description, (Industry) and Website	(a) Type of Investment	(b) Date Acquired	(c) Equity	Cost	(d)(f) Fair Value	Percent of Net Assets
Non-Control/Non-Affiliate Investments – 25.5% of net assets: (g) (j)						
Caitec, Inc. (e)(l)(p) Halethorpe, MD. Pet product manufacturer and distributor. (Consumer Goods) www.caitec.com	\$1,750,000 Subordinated Secured Promissory Note modified to 14% PIK through December 31, 2024, thereafter 12% (+2% PIK), due June 1, 2026.	11/6/20	4%	2,237,456	2,237,456	6.8%
	36,261 Series A Preferred. 150 Class A Units.	12/28/23 11/6/20		36,261 150,000	— —	
	\$1,750,000 Subordinated Secured Promissory Note modified to 14% PIK through December 31, 2024, thereafter 12% (+2% PIK), due June 1, 2026.	11/6/20		2,237,456	2,237,456	
	150 Class A Units. 36,261 Series A Preferred.	11/6/20 12/28/23		150,000 36,261	— —	
	Total Caitec			4,847,434	4,474,912	
GoNoodle, Inc. (l)(p) Nashville, TN. Student engagement education software providing core aligned physical activity breaks. (Software) www.gonoodle.com	\$1,500,000 Secured Note at 12% (1% PIK) due September 30, 2025. Warrant for 47,324 Series C Preferred. Warrant for 21,948 Series D Preferred.	11/1/19 3/1/15 11/1/19	<1%	1,440,252 25 38	1,440,252 25 38	2.2%
	Total GoNoodle			1,440,315	1,440,315	
HDI Acquisition LLC d/b/a Hilton Displays (l)(p) Greenville, SC. Manufacturing, installation and maintenance of signage and brands. (Manufacturing) www.hiltondisplays.com	\$1,245,119 Term Loan at 12% (+2% PIK) due June 30, 2025.	11/8/19	0%	1,071,824	1,071,824	1.6%
Lumious (Tech 2000, Inc.) (p) Herndon, VA. Develops and delivers IT training. (Software) www.t2000inc.com	\$850,000 Replacement Term Note at 14% due December 1, 2025.	11/16/18	0%	789,944	789,944	1.2%
Mattison Avenue Holdings LLC (p) Dallas, TX. Provider of upscale salon spaces for lease. (Professional and Business Services) www.mattisonsalonsuites.com	\$5,500,000 Term Note at 14% due June 25, 2027.	3/28/24	0%	5,572,902	5,572,902	8.5%
Mountain Regional Equipment Solutions (m)(p) Salt Lake City, UT. Provider of maintenance, safety, fluid transfer, and custom fabrication products. (Distribution) www.mountainregionaleq.com	\$3,000,000 Term Note at 14% due January 16, 2029. 37,991 Common Units. Warrant for 1% Membership Interest.	1/16/24 1/16/24 1/16/24	4%	2,952,000 204,545 60,000	2,500,000 — —	3.8%
	Total Mountain Regional Equipment Solutions			3,216,545	2,500,000	
OnCore Golf Technology, Inc. (e)(p) Buffalo, NY. Patented and proprietary golf balls utilizing technology and innovation. (Consumer Product) www.oncoregolf.com	300,483 Preferred AA.	11/30/18	3%	752,712	100,000	0.2%
Open Exchange, Inc. (e)(p) Lincoln, MA. Online presentation and training software. (Software) www.openexc.com	397,899 Series C Preferred. 397,899 Common.	11/13/13 10/22/19	3%	1,193,697 208,243	700,000 —	1.1%
	Total Open Exchange			1,401,940	700,000	

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
December 31, 2024 (Continued)

Company, Geographic Location, Business Description, (Industry) and Website	(a) Type of Investment	(b) Date Acquired	(c) Equity	Cost	(d)(f) Fair Value	Percent of Net Assets
PostProcess Technologies, Inc. (e)(p) Buffalo, NY. Provides innovative solutions for the post-processing of additive manufactured 3D parts. (Manufacturing) www.postprocess.com	360,002 Series A1 Preferred.	11/1/19	<1%	348,875	—	0.0%
				\$ 19,442,491	\$ 16,649,897	
Subtotal Non-Control/Non-Affiliate Investments						
Affiliate Investments – 79.1% of net assets (g) (k)						
Applied Image, Inc. (l)(p) Rochester, NY. Global supplier of precision imaged optical components and calibration standards for a wide range of industries and applications. (Manufacturing) www.appliedimage.com	\$1,750,000 Term Note at 10% (+2% PIK) through February 1, 2025, thereafter 10%, due February 1, 2029. Warrant for 1,167 shares.	12/31/21	12%	1,750,000	1,750,000	2.7%
				Total Applied Image	1,750,000	1,750,000
BMP Food Service Supply Holdco, LLC (h)(l)(m)(p) Salt Lake City, UT. Provides design, distribution, and installation services for commercial kitchen renovations and new builds. (Professional and Business Services) www.foodservicesupply.com	\$7,035,000 Second Amended and Restated Term Note; \$4,820,000 at 12% and \$2,215,000 at 13% (+3% PIK), due November 22, 2027. 15.4% Preferred Interest.	11/22/22	15%	6,538,026	6,538,026	10.8%
				Total BMP Food Service Supply	7,035,645	7,035,645
BMP Swanson Holdco, LLC (m)(p) Plano, TX. Designs, installs, and maintains a variety of fire protection systems. (Professional and Business Services) www.swansonfire.com	\$1,600,000 Term Note at 12% due May 31, 2028. Preferred Membership Interest for 9.24%.	3/4/21	9%	1,700,115	1,700,115	3.8%
				Total BMP Swanson	2,450,115	2,450,115
Carolina Skiff LLC (e)(m)(p) Waycross, GA. Manufacturer of ocean fishing and pleasure boats. (Manufacturing) www.carolinaskiff.com	6.0825% Class A Common Membership Interest.	1/30/04	7%	15,000	1,208,000	1.8%
FCM Industries Holdco LLC (l)(p) Jacksonville, FL. Commercial mulch installation company that serves a range of end markets. (Professional and Business Services) www.firstcoastmulch.com	\$3,380,000 Term Note at 13% due July 31, 2028. \$420,000 Convertible Note at 10% PIK, due July 31, 2033.	7/31/23	12%	3,380,000	3,380,000	5.2%
				Total FCM Industries	3,864,837	3,380,000
Filterworks Acquisition USA, LLC d/b/a Autotality (h)(l)(m)(p) Deerfield Beach, FL. Provides spray booth equipment, frame repair machines and paint booth filter services for collision shops. (Automotive) www.autotality.com	\$2,283,702 Amended Term Note at 6% (+8% PIK) through March 31, 2025, thereafter 12% (+2% PIK), due March 31, 2026. 626.2 shares Class A-1 Units. 417.7 shares Class A-0 Units.	11/18/19	8%	2,928,648	2,928,648	4.5%
				Total Filterworks	3,694,123	2,928,648
Highland All About People Holdings, Inc. (l)(p) Phoenix, AZ. Full-service staffing and executive search firm with a focus on the healthcare industry. (Professional and Business Services) www.allaboutpeople.net	\$3,000,000 Term Note at 12% (+4% PIK) due August 7, 2028. 1,000,000 Class A Units.	8/7/23	12%	3,175,091	3,175,091	5.8%
				Total Highland All About People	4,175,091	600,000
Inter-National Electronic Alloys LLC d/b/a EFINEA (l)(m)(p) Oakland, NJ. Stocking distributor of controlled expansion alloys, electronic grade nickels, refractory grade metals and alloys, and soft magnetic alloys. (Distribution) www.nealloys.com	\$3,288,235 Term Note at 12% (+2% PIK) due April 4, 2028. 75.3 Class B Preferred Units.	4/4/23	6%	3,372,069	3,372,069	6.7%
				Total EFINEA	4,383,834	4,383,834

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
December 31, 2024 (Continued)

Company, Geographic Location, Business Description, (Industry) and Website	(a) Type of Investment	(b) Date Acquired	(c) Equity	Cost	(d)(f) Fair Value	Percent of Net Assets
Mobile RN Holdings LLC d/b/a Mobile IV Nurses (l)(m)(p) Phoenix, AZ. IV hydration therapy service provider. (Health and Wellness) www.mobileivnurses.com	\$2,500,000 Term Note at 14% (+1% PIK) due October 2, 2029. 6,375 Class A Common Units.	10/2/24	6%	2,506,319	2,506,319	4.4%
	Total Mobile IV Nurses			375,000 2,881,319	375,000 2,881,319	
Pressure Pro, Inc. (h)(l)(p) Harrisonville, MO. A provider of branded tire pressure monitoring systems consisting of a suite of proprietary hardware and software. (Manufacturing) www.pressurepro.us	\$3,000,000 Term Note at 12% (+3% PIK) due January 19, 2028. Warrant for 10% Membership Interest.	1/19/23	10%	1,702,705	1,702,705	3.8%
	Total Pressure Pro			30,000 1,732,705	750,000 2,452,705	
Seybert's Billiards Corporation d/b/a The Rack Group (l)(p) Coldwater, MI. Billiard supplies. (Consumer Product) www.seyberts.com	\$6,099,131 Third Amended and Restated Term Note at 12% (+2% PIK) due January 19, 2026. Warrant for 4% Membership Interest. \$1,435,435 Term Note at 12% (+2% PIK) due January 19, 2026. Warrant for 4% Membership Interest. 5.82 Common shares.	11/22/21	8%	6,167,723	6,167,723	12.1%
	Total Seybert's			25,000 1,511,064 25,000 194,000 7,922,787	25,000 1,511,064 25,000 194,000 7,922,787	
Tilson Technology Management, Inc. (p) Portland, ME. Provides network deployment construction and information system services management for cellular, fiber optic and wireless systems providers. Its affiliated entity, SQF, LLC is a CLEC supporting small cell 5G deployment. (Professional and Business Services) www.tilsontech.com	*120,000 Series B Preferred. *21,391 Series C Preferred. *70,176 Series D Preferred. *15,385 Series E Preferred. 23,077 Series F Preferred. 211,567 A-1 Units of SQF Holdco LLC. 250 Class D-1 Units of SQF Holdco LLC.	1/20/15 9/28/16 9/29/17 3/15/19 6/15/20 3/15/19 2/16/23	8%	600,000 200,000 800,000 500,012 750,003 — 250,000	4,560,000 813,000 2,666,000 584,000 877,000 1,000,000 1,000,000	17.6%
	Total Tilson			3,100,015	11,500,000	
	*2.5% dividend payable quarterly.					
Subtotal Affiliate Investments				\$ 42,488,804	\$ 51,668,144	
Control Investments - 3.8% of net assets (g) (o)						
ITA Acquisition, LLC (l)(m)(p) Ormond Beach, FL. Blind and shade manufacturing. (Manufacturing) www.itawindowfashions.com	\$2,297,808 Fourth Amended and Restated Term Note at 3% (+11% PIK) through December 31, 2024, thereafter 12% (+2% PIK), due June 21, 2026. \$1,500,000 Term Note at 3% (+11% PIK) through December 31, 2024, thereafter 12% (+2% PIK), due June 21, 2026. 1,124 Class A Preferred Units and 1,924 Class B Common Units.	6/22/21	37%	3,244,220	1,642,968	3.8%
	Total ITA			1,820,910 1,123,810 6,188,940	857,032 — 2,500,000	
Subtotal Control Investments				\$ 6,188,940	\$ 2,500,000	
TOTAL INVESTMENTS - 108.4%				\$ 68,120,235	\$ 70,818,041	
LIABILITIES IN EXCESS OF OTHER ASSETS - (8.4%)					(5,485,521)	
NET ASSETS - 100%					\$ 65,332,520	

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
December 31, 2024 (Continued)

Notes to the Consolidated Schedule of Portfolio Investments

(a)At December 31, 2024, restricted securities represented 100% of the fair value of the investment portfolio. Restricted securities are subject to one or more restrictions on resale and are not freely marketable. Type of investment for equity position is in the form of shares unless otherwise noted as units or interests, i.e., preferred shares, common shares.

(b)The Date Acquired column indicates the date on which the Corporation first acquired an investment.

(c)Each equity percentage estimates the Corporation's ownership interest in the applicable portfolio investment. The estimated ownership is calculated based on the percent of outstanding voting securities held by the Corporation or the potential percentage of voting securities held by the Corporation upon exercise of warrants or conversion of debentures, or other available data. If applicable, the symbol "<1%" indicates that the Corporation holds an equity interest of less than one percent.

(d)The Corporation's investments are carried at fair value in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 "Fair Value Measurements and Disclosures," which defines fair value and establishes guidelines for measuring fair value. At December 31, 2024, ASC 820 designates 100% of the Corporation's investments as "Level 3" assets. Under the valuation policy of the Corporation, unrestricted publicly traded securities are valued at the closing price for these securities on the last trading day of the reporting period. Restricted securities are subject to restrictions on resale and are valued at fair value as determined in good faith by our external investment advisor Rand Capital Management, LLC ("RCM") and approved by the Board of Directors. Fair value is considered to be the amount that the Corporation may reasonably expect to receive for portfolio securities when sold on the valuation date. Valuations as of any particular date, however, are not necessarily indicative of amounts which may ultimately be realized as a result of future sales or other dispositions of securities and these favorable or unfavorable differences could be material. Among the factors considered in determining the fair value of restricted securities are the financial condition and operating results, projected operations, and other analytical data relating to the investment. Also considered are the market prices for unrestricted securities of the same class (if applicable) and other matters which may have an impact on the value of the portfolio company (see *Note 2—Investments* to the Consolidated Financial Statements).

(e)These investments are non-income producing. All other investments are income producing. Non-income producing investments have not generated cash payments of interest or dividends including LLC tax-related distributions within the last twelve months or are not expected to do so going forward. If a debt or a preferred equity investment fails to make its most recent payment, then the investment will also be classified as non-income producing.

(f)As of December 31, 2024, the total cost of investment securities was approximately \$68.1 million. Net unrealized appreciation was approximately \$2.7 million, which was comprised of \$10.8 million of unrealized appreciation of investment securities and (\$8.1) million of unrealized depreciation of investment securities. At December 31, 2024, the aggregate gross unrealized gain for federal income tax purposes was approximately \$10.8 million and the aggregate gross unrealized loss for federal income tax purposes was (\$7.0) million. The net unrealized gain for federal income tax purposes was \$3.8 million based on a tax cost of \$65.9 million.

(g)All of the Corporation's portfolio assets are pledged as collateral for purposes of securing the Corporation's senior secured revolving credit facility pursuant to a general security agreement, dated June 27, 2022, between the Corporation, the subsidiaries listed therein, and the Lender (as defined herein).

(h)Reduction in cost and fair value from previously reported balances reflects current principal repayment.

(i)Represents interest due (amounts over \$100,000) from investments included as interest receivable on the Corporation's Consolidated Statements of Financial Position. The Corporation had no such amounts outstanding as of December 31, 2024.

(j)Non-Control/Non-Affiliate Investments are investments that are neither Control Investments nor Affiliate Investments.

(k)Affiliate Investments are defined by the 1940 Act, as those Non-Control investments in companies in which between 5% and 25% of the voting securities are owned by the Corporation.

(l)Payment in kind (PIK) represents earned interest that is added to the cost basis of the investment and due at maturity. The amount of PIK earned is included in the interest rate detailed in the "Type of Investment" column, unless it has been noted with a (+), in which case the PIK is in addition to the face amount of interest due on the security.

(m)Equity holdings are held in a wholly owned (100%) "blocker corporation" subsidiary of Rand Capital Corporation for federal income tax and Regulated Investment Company (RIC) compliance purposes.

(n)Indicates assets that the Corporation believes do not represent "qualifying assets" under Section 55(a) of the 1940 Act. Qualifying assets must represent at least 70% of the Corporation's total assets at the time of acquisition of any additional non-qualifying assets. The Corporation had no investments in non-qualifying assets as of December 31, 2024.

(o)Control Investments are defined by the 1940 Act as investments in companies in which more than 25% of the voting securities are owned by the Corporation or where greater than 50% of the board representation is maintained.

(p)Investments classified as Level 3 for purposes of the fair value determination by RCM and approved by the Board of Directors.

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
December 31, 2024 (Continued)

Investments in and Advances to Affiliates

Company	Type of Investment	January 1, 2024, Fair Value	Net Change in Unrealized Appreciation (Depreciation)	Gross Additions (1)	Gross Reductions (2)	December 31, 2024, Fair Value	Net Realized Gains (Losses)	Interest/ Dividend/ Fee Income (3)
Control Investments:								
ITA Acquisition, LLC	\$2,297,808 Fourth Amended and Restated Term Note at 3% (+11% PIK) through December 31, 2024, thereafter 12% (+2% PIK), due June 21, 2026.	\$ 2,496,708	\$ (1,601,252)	\$ 747,512	\$ —	\$ 1,642,968	\$ —	\$ 472,494
	\$1,500,000 Term Note at 3% (+11% PIK) through December 31, 2024, thereafter 12% (+2% PIK), due June 21, 2026.	1,652,252	(963,878)	168,658	—	857,032	—	279,343
	1,124 Class A Preferred Units and 1,924 Class B Common Units.	—	—	—	—	—	—	—
	Total ITA	4,148,960	(2,565,130)	916,170	—	2,500,000	—	751,837
	Total Control Investments	\$ 4,148,960	\$ (2,565,130)	\$ 916,170	\$ —	\$ 2,500,000	\$ —	\$ 751,837
Affiliate Investments:								
Applied Image, Inc.	\$1,750,000 Term Note at 10% (+2% PIK) through February 1, 2025, thereafter 10%, due February 1, 2029.	\$ 1,750,000	\$ —	\$ —	\$ —	\$ 1,750,000	\$ —	\$ 219,605
	Warrant for 1,167 shares.	—	—	—	—	—	—	—
	Total Applied Image	1,750,000	—	—	—	1,750,000	—	219,605
BMP Food Service Supply Holdco, LLC	\$7,035,000 Second Amended and Restated Term Note; \$4,820,000 at 12% and \$2,215,000 at 13% (+3% PIK), due November 22, 2027.	6,394,953	—	177,911	(34,838)	6,538,026	—	892,470
	15.4% Preferred Interest.	1,000,000	(610,000)	107,619	—	497,619	—	—
	Total FSS	7,394,953	(610,000)	285,530	(34,838)	7,035,645	—	892,470
BMP Swanson Holdco, LLC	\$1,600,000 Term Note at 12% due May 31, 2028.	1,700,115	—	—	—	1,700,115	—	214,611
	Preferred Membership Interest for 9.24%.	500,000	250,000	—	—	750,000	—	—
	Total BMP Swanson	2,200,115	250,000	—	—	2,450,115	—	214,611
Carolina Skiff LLC	6.0825% Class A Common Membership Interest.	1,708,000	(500,000)	—	—	1,208,000	—	—
DSD Operating, LLC	\$3,063,276 Term Note at 12% (+2% PIK) due September 30, 2026.	—	—	—	—	—	—	—
	1,067 Class A Preferred shares.	—	—	—	—	—	23,699	—
	1,067 Class B Common shares.	—	—	—	—	—	—	—
	Total DSD	—	—	—	—	—	23,699	—
FCM Industries Holdco LLC	\$3,380,000 Term Note at 13% due July 31, 2028.	3,380,000	—	—	—	3,380,000	—	473,513
	\$420,000 Convertible Note at 10% PIK, due July 31, 2033.	438,156	(484,837)	46,681	—	—	—	46,681
	Total FCM	3,818,156	(484,837)	46,681	—	3,380,000	—	520,194
Filterworks Acquisition USA, LLC	\$2,283,702 Amended Term Note at 6% (+8% PIK) through March 31, 2025, thereafter 12% (+2% PIK), due March 31, 2026.	2,880,946	—	253,952	(206,250)	2,928,648	—	428,268
	626.2 shares Class A-1 Units.	256,994	(256,994)	—	—	—	—	—
	417.7 shares Class A-0 Units.	139,232	(139,232)	—	—	—	—	—
	Total Filterworks	3,277,172	(396,226)	253,952	(206,250)	2,928,648	—	428,268
Highland All About People Holdings, Inc.	\$3,000,000 Term Note at 12% (+4% PIK) due August 7, 2028.	3,049,187	—	125,904	—	3,175,091	—	515,616
	1,000,000 Class A Units.	1,000,000	(400,000)	—	—	600,000	—	—
	Total All About People	4,049,187	(400,000)	125,904	—	3,775,091	—	515,616
Inter-National Electronic Alloys LLC	\$3,288,235 Term Note at 12% (+2% PIK) due April 4, 2028.	3,338,074	—	33,995	—	3,372,069	—	457,071
	75.3 Class B Preferred Units.	1,011,765	—	—	—	1,011,765	—	—
	Total INEA	4,349,839	—	33,995	—	4,383,834	—	457,071

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
December 31, 2024 (Continued)

Company	Type of Investment	January 1, 2024, Fair Value	Net Change in Unrealized Appreciation (Depreciation)	Gross Additions (1)	Gross Reductions (2)	December 31, 2024, Fair Value	Net Realized Gains (Losses)	Interest/ Dividend/ Fee Income (3)
Knoa Software, Inc.	973,533 Series A-1 Convertible Preferred.	—	—	—	—	—	—	—
	1,876,922 Series B Preferred.	100,000	1,129,155	—	(1,229,155)	—	(1,229,155)	—
	Total Knoa	100,000	1,129,155	—	(1,229,155)	—	(1,229,155)	—
Mezmeriz, Inc.	1,554,565 Series Seed Preferred.	—	742,850	—	(742,850)	—	(742,850)	—
Mobile RN Holdings LLC	\$2,500,000 Term Note at 14% (+1% PIK) due October 2, 2029.	—	—	2,506,319	—	2,506,319	—	97,667
	6,375 Class A Common Units.	—	—	375,000	—	375,000	—	—
	Total Mobile IV Nurses	—	—	2,881,319	—	2,881,319	—	97,667
Pressure Pro, Inc.	\$3,000,000 Term Note at 12% (+3% PIK) due January 19, 2028.	3,063,436	—	66,721	(1,427,452)	1,702,705	—	367,382
	Warrant for 10% Membership Interest.	30,000	720,000	—	—	750,000	—	50,000
	Total Pressure Pro	3,093,436	720,000	66,721	(1,427,452)	2,452,705	—	417,382
SciAps, Inc.	187,500 Series A Preferred.	1,500,000	—	—	(1,500,000)	—	3,705,106	—
	274,299 Series A1 Convertible Preferred.	504,710	—	—	(504,710)	—	1,246,669	—
	117,371 Series B Convertible Preferred.	250,000	—	—	(250,000)	—	617,518	—
	113,636 Series C Convertible Preferred.	175,000	—	—	(175,000)	—	432,262	—
	369,698 Series C1 Convertible Preferred.	399,274	—	—	(399,274)	—	986,235	—
	147,059 Series D Convertible Preferred.	250,000	—	—	(250,000)	—	617,518	—
	Warrant to purchase Series D-1 Preferred.	45,000	—	—	(45,000)	—	111,153	—
	\$2,090,000 Second Amended and Restated Secured Subordinated Promissory Note at 12% due August 20, 2024.	2,090,000	—	—	(2,090,000)	—	—	311,462
	Total SciAps	5,213,984	—	—	(5,213,984)	—	7,716,461	311,462
	Seybert's Billiards Corporation	\$6,099,131 Third Amended and Restated Term Note at 12% (+2% PIK) due January 19, 2026.	4,274,917	—	1,892,806	—	6,167,723	—
Warrant for 4% Membership Interest.		25,000	—	—	—	25,000	—	—
\$1,435,435 Term Note at 12% (+2% PIK) due January 19, 2026.		1,475,613	—	35,451	—	1,511,064	—	225,732
Warrant for 4% Membership Interest.		25,000	—	—	—	25,000	—	—
5.82 Common shares.		194,000	—	—	—	194,000	—	—
Total Seybert's	5,994,530	—	1,928,257	—	7,922,787	—	1,115,711	
Tilson Technology Management, Inc.	120,000 Series B Preferred.	4,559,500	500	—	—	4,560,000	—	52,500
	21,391 Series C Preferred.	812,800	200	—	—	813,000	—	—
	70,176 Series D Preferred.	2,666,400	(400)	—	—	2,666,000	—	—
	15,385 Series E Preferred.	584,500	(500)	—	—	584,000	—	—
	23,077 Series F Preferred.	876,800	200	—	—	877,000	—	—
	211,567 A-1 Units of SQF Holdco LLC.	800,000	200,000	—	—	1,000,000	302,677	—
	250 Class D-1 Units of SQF Holdco LLC.	250,000	750,000	—	—	1,000,000	94,587	—
	Total Tilson	10,550,000	950,000	—	—	11,500,000	397,264	52,500
Total Affiliate Investments	\$ 53,499,372	\$ 1,400,942	\$ 5,622,359	\$ (8,854,529)	\$ 51,668,144	\$ 6,165,419	\$ 5,242,557	
Total Control and Affiliate Investments	\$ 57,648,332	\$ (1,164,188)	\$ 6,538,529	\$ (8,854,529)	\$ 54,168,144	\$ 6,165,419	\$ 5,994,394	

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
December 31, 2024 (Continued)

This schedule should be read in conjunction with the Corporation's Consolidated Financial Statements, including the Notes to the Consolidated Financial Statements and the Consolidated Schedule of Portfolio Investments.

(1)Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow on investments, capitalized interest and the accretion of discounts. Gross additions also include the movement of an existing portfolio company into this category and out of another category.

(2)Gross reductions include decreases in the cost basis of investments resulting from principal repayments, sales, note conversions, the exchange of existing securities for new securities and the movement of an existing portfolio company out of this category and into another category.

(3)Represents the total amount of interest, fees or dividends credited to income for the portion of the period an investment was included in "Control or Affiliate" categories, respectively.

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS
December 31, 2024 (Continued)

Industry Classification	Percentage of Total Investments (at fair value) as of December 31, 2024
Professional and Business Services	47.6%
Consumer Product	17.7
Manufacturing	12.7
Distribution	9.7
Software	4.1
Automotive	4.1
Health and Wellness	4.1
Total Investments	<u>100 %</u>

See accompanying notes

RAND CAPITAL CORPORATION AND SUBSIDIARIES
FINANCIAL HIGHLIGHTS SCHEDULE
For the Five Years Ended December 31, 2025, 2024, 2023, 2022 and 2021

The following is a schedule of financial highlights for the years ended:

	2025	2024	2023	2022	2021
Per Share Data: (1)					
Net asset value, beginning of year	\$ 25.31	\$ 23.56	\$ 22.36	\$ 23.54	\$ 17.86
Net investment income (loss)	1.78	1.33	1.15	1.72	(1.01)
Net realized (losses) gains	(0.67)	4.31	0.27	0.27	2.26
Net change in unrealized appreciation/depreciation	(3.81)	(2.22)	1.11	(2.33)	4.87
Net (decrease) increase in net assets from operations	(2.71)	3.42	2.53	(0.34)	6.12
Effect of the stock dividend	(3.31)	0.00	0.00	0.00	0.00
Declaration of cash dividend	(1.72)	(1.67)	(1.33)	(0.83)	(0.44)
(Decrease) increase in net assets	(7.74)	1.75	1.20	(1.18)	5.68
Net asset value, end of year	<u>\$ 17.57</u>	<u>\$ 25.31</u>	<u>\$ 23.56</u>	<u>\$ 22.36</u>	<u>\$ 23.54</u>
Per share market value, end of year	<u>\$ 11.36</u>	<u>\$ 19.25</u>	<u>\$ 12.99</u>	<u>\$ 13.32</u>	<u>\$ 16.99</u>
Total return based on market value (2)	(33.54%)	88.58%	7.26%	(16.99)%	6.51%
Total return based on net asset value (3)	(23.79%)	28.78%	11.31%	(1.45)%	34.28%
Supplemental Data:					
Net assets, end of period	\$ 52,183,453	\$ 65,332,520	\$ 60,815,213	\$ 57,721,320	\$ 60,745,416
Ratio of expenses before income taxes to average net assets	2.02%	7.67%	7.05%	1.89%	12.49%
Ratio of expenses including taxes to average net assets	2.02%	7.60%	10.88%	2.25%	12.11%
Ratio of net investment income (loss) to average net assets	9.00%	5.43%	5.01%	7.48%	(4.88)%
Portfolio turnover	11.0%	18.9%	29.4%	11.2%	37.8%
Total amount of senior securities outstanding, exclusive of treasury securities	\$ -	\$ 600,000	\$ 16,250,000	\$ 2,550,000	\$ -
Asset coverage per unit (4)	N/A	10,988.8%	474.2%	2,363.6%	N/A

(1) Per share data are based on shares outstanding and results are rounded.

(2) Total return based on market value is calculated as the change in market value per share during the period plus declared dividends per share, assuming reinvestment of dividends, divided by the beginning market value per share

(3) Total return based on net asset value is calculated as the change in net asset value per share during the period plus declared dividends per share, divided by the beginning net asset value per share.

(4) Asset coverage per unit is the ratio of the carrying value of the Corporation's total consolidated assets, less liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness.

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business - Rand Capital Corporation (“Rand” or the “Corporation”) was incorporated under the laws of New York in 1969. Beginning in 1971, Rand operated as a publicly traded, closed-end, management company that was registered under Section 8 of the Investment Company Act of 1940 (the “1940 Act”).

In 2001, Rand elected to be regulated as a business development company (“BDC”) under the 1940 Act. As a BDC, Rand is required to comply with certain regulatory requirements specified in the 1940 Act. For instance, it generally has to invest at least 70% of total assets in “qualifying assets” and provide managerial assistance to the portfolio companies in which it invests.

In November 2019, Rand completed a stock sale transaction (the “Closing”) with East Asset Management (“East”). The transaction consisted of a \$25 million investment in Rand by East, in exchange for approximately 8.3 million shares of Rand common stock. The consideration paid by East for the shares of Rand common stock was comprised of approximately \$15.5 million of cash and a contribution of \$9.5 million of portfolio assets (the “Contributed Assets”). Concurrent with the Closing, Rand’s management and staff became employees of Rand Capital Management, LLC (“RCM”), a registered investment adviser that has been retained by Rand as its external investment adviser. In connection with retaining RCM as investment adviser, on November 8, 2019, Rand entered into an investment advisory and management agreement (the “Prior Investment Management Agreement”) and an administration agreement (the “Prior Administration Agreement”) with RCM pursuant to which RCM serves as Rand’s investment adviser and administrator (the Closing and the retention of RCM as investment adviser and administrator are collectively referred to herein as the “Transaction”). In connection with a change of control of RCM, Rand’s shareholders were asked to approve a new investment advisory and management agreement (the “Investment Management Agreement”) with RCM at a special meeting of shareholders held on December 16, 2020 (the “Special Meeting”). The terms of the Investment Management Agreement are identical to those contained in the Prior Investment Management Agreement, with RCM continuing to provide investment advisory and management services to Rand. Following approval by Rand’s shareholders at the Special Meeting, Rand, on December 31, 2020, entered into the Investment Management Agreement and a new administration agreement (the “Administration Agreement”) with RCM and terminated the Prior Administration Agreement. Pursuant to the terms of the Investment Management Agreement, Rand pays RCM a base management fee and may pay an incentive fee, if specified benchmarks are met.

Rand is an externally managed, closed-end, non-diversified management investment company. In connection with the completion of the Transaction, Rand shifted to an investment strategy focused on higher yielding debt investments and elected U.S. Federal tax treatment as a regulated investment company (“RIC”) under subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). To maintain qualification as a RIC, Rand must, among other things, meet certain source of income and asset diversification requirements. As of December 31, 2025, Rand was in compliance with the RIC requirements. As a RIC, Rand generally will not be subject to corporate-level U.S. federal income taxes on any net ordinary income or capital gains that it timely distributes to its shareholders as dividends. In addition, as a RIC, Rand must distribute annually to shareholders at least 90% of its ordinary net income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. Accordingly, the Board of Directors has regularly declared a quarterly cash dividend since our RIC election.

The Board of Directors declared the following dividends during the year ended December 31, 2025:

Quarter	Dividend/Share Amount	Record Date	Payment Date	Type
1st	\$ 0.29	March 14, 2025	March 28, 2025	Quarterly
2nd	\$ 0.29	May 30, 2025	June 13, 2025	Quarterly
3rd	\$ 0.29	August 29, 2025	September 12, 2025	Quarterly
4th	\$ 0.29	December 16, 2025	December 30, 2025	Quarterly
4th	\$ 0.56	December 16, 2025	December 30, 2025	Special

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Board of Directors declared the following dividends during the year ended December 31, 2024:

Quarter	Dividend/Share Amount	Record Date	Payment Date	Type
1st	\$ 0.25	March 13, 2024	March 29, 2024	Quarterly
2nd	\$ 0.29	May 31, 2024	June 14, 2024	Quarterly
3rd	\$ 0.29	August 30, 2024	September 13, 2024	Quarterly
4th	\$ 4.20	December 16, 2024	January 24, 2025	Quarterly

On December 5, 2024, Rand’s Board of Directors declared a dividend of \$4.20 per share. The dividend was paid in the aggregate combination of 20% in cash and 80% in newly issued shares of common stock on January 24, 2025 to shareholders of record as of December 16, 2024.

In order to continue to qualify as a RIC, Rand holds several of its equity investments in holding companies that facilitate a tax structure that is advantageous to the RIC election. Rand has the following wholly-owned blocker companies in place at December 31, 2025: Rand BMP Swanson Holdings Corp., Rand Carolina Skiff Holdings Corp., Rand DSD Holdings Corp., Rand Filterworks Holdings Corp., Rand FSS Holdings Corp., Rand INEA Holdings Corp., and Rand ITA Holdings Corp. (the “Blocker Corps”). These subsidiaries are consolidated using United States generally accepted accounting principles (“GAAP”) for financial reporting purposes.

The following discussion describes the operations of Rand and its wholly owned subsidiaries Rand Sub, Rand BMP Swanson Holdings Corp., Rand Carolina Skiff Holdings Corp., Rand DSD Holdings Corp., Rand Filterworks Holdings Corp., Rand FSS Holdings Corp., Rand INEA Holdings Corp., and Rand ITA Holdings Corp. (collectively, the “Corporation”).

On November 14, 2025, Rand, RCM and certain of RCM’s affiliates were granted a new order for exemptive relief (the “Order”) by the U.S. Securities and Exchange Commission (the “SEC”) that superseded all prior co-investment exemptive relief order issued to Rand and its affiliates by the SEC. The Order permits Rand to co-invest in portfolio companies with certain of RCM’s affiliates if such co-investments are done on the same terms and at the same time, as further detailed in the Order. The Order requires that a “required majority” (as defined in Section 57(o) of the 1940 Act) of the Board of Directors make certain findings (1) in most instances when Rand co-invests with RCM’s affiliates in an issuer where RCM’s affiliates have an existing investment in the issuer, and (2) if Rand disposes of an investment acquired in a co-investment transaction unless the disposition is done on a pro rata basis. Pursuant to the Order, the Board of Directors oversees Rand’s participation in the co-investment program. As required by the Order, Rand has adopted policies and procedures reasonably designed to ensure compliance with the terms of the Order, and RCM’s and Rand’s Chief Compliance Officers will provide reporting to the Board of Directors regarding compliance with such policies and procedures.

Basis of Presentation - The accompanying consolidated financial statements have been prepared in accordance with GAAP and pursuant to Regulation S-X and Regulation S-K. The Corporation is an investment company following accounting and reporting guidance in Accounting Standards Codification (“ASC”) 946, *Financial Services— Investment Companies*.

Principles of Consolidation - The consolidated financial statements include the accounts of Rand and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents – Cash represents cash on hand and demand deposits held at financial institutions. Cash equivalents include short-term highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have original maturities of three months or less. Cash may be held in a money market fund from time to time, which is a Level 1 security. Cash equivalents are carried at cost, plus accrued interest, which approximates fair value. Cash equivalents are held to meet short-term liquidity requirements, rather than for investment purposes. Cash and cash equivalents are held at major financial institutions and are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC) limitations.

Fair Value of Financial Instruments – The carrying amounts reported in the consolidated statement of financial position of cash and cash equivalents, interest receivable, accounts payable and accrued expenses approximate fair value because of the immediate or short-term nature of these financial instruments.

Investment Classification – In accordance with the provisions of the 1940 Act, the Corporation classifies its investments by level of control. Under the 1940 Act “Control Investments” are investments in companies that the Corporation is deemed to “Control”

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

if it owns more than 25% of the voting securities of the company or has greater than 50% representation on the company's board of directors or other similar governing body. "Affiliate Investments" are companies in which the Corporation owns between 5% and 25% of the voting securities of the company. "Non-Control/Non-Affiliate Investments" are those companies that are neither Control Investments nor Affiliate Investments.

Investments - Investments are valued at fair value as determined in good faith by RCM and approved by Rand's Board of Directors. The Corporation generally invests in loan, debt, and equity instruments and there is no single standard for determining fair value of these investments. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio company while employing a consistent valuation process. Due to the inherent uncertainty of determining the fair value of portfolio investments, there may be material risks associated with this determination including that estimated fair values may differ from the values that would have been used had a readily available market value for the investments existed and these differences could be material if the Corporation's assumptions and judgments differ from results of actual liquidation events. The Corporation analyzes and values each investment quarterly and records unrealized depreciation for an investment that it believes has become impaired, including where collection of a loan or debt security or realization of the recorded value of an equity security is doubtful. Conversely, the Corporation will record unrealized appreciation if it believes that an underlying portfolio company has appreciated in value and, therefore, the Corporation's equity securities in the underlying portfolio company have also appreciated in value. Additionally, the Corporation continues to assess any material risks associated with this fair value determination, including risks associated with material conflicts of interest. Under the valuation policy of the Corporation, unrestricted publicly traded securities are valued at the closing price for these securities on the last trading day of the reporting period. (See *Note 2—Investments*).

Qualifying Assets - As of December 31, 2025, the Corporation's portfolio of investments only included qualifying assets as defined in Section 55(a) of the 1940 Act. The Corporation's qualifying assets consist of qualifying investments in privately held businesses, principally based in the United States.

Revenue Recognition - Interest Income - Interest income is recognized on the accrual basis except where the investment is in default or where receipt of such interest is otherwise presumed to be in doubt. In such cases, interest is recognized at the time of receipt. A reserve for possible losses on interest receivable is maintained when appropriate. The reserve for possible losses of interest receivable was \$25,337 as of December 31, 2025. There was no reserve for possible losses of interest receivable as of December 31, 2024.

The Corporation holds debt securities in its investment portfolio that contain payment-in-kind ("PIK") interest provisions. PIK interest, computed at the contractual rate specified in each debt agreement, is added to the principal balance of the debt and is recorded as interest income. Thus, the actual collection of this interest may be deferred until the time of debt principal repayment. For investments with PIK interest, the Corporation will not accrue PIK interest if the portfolio company valuation indicates that the PIK interest is not collectible. Loans that are on non-accrual status remain in such status until the borrower has demonstrated the ability and intent to pay contractual amounts due or such loans become current. As of December 31, 2025, three of the Corporation's debt investments were on non-accrual status with a cost of \$16.3 million and fair value of \$6.7 million, which represented 28.6% and 13.7% of the investment portfolio, respectively. As of December 31, 2024, none of the Corporation's investments were on non-accrual status. For the years ended December 31, 2025, 2024, and 2023, 33.2%, 23.1%, and 16.7%, respectively, of the Corporation's total investment income was attributable to non-cash PIK interest income.

Revenue Recognition - Dividend Income - The Corporation may receive cash distributions from portfolio companies that are limited liability companies or corporations, and these distributions are classified as dividend income on the consolidated statement of operations. Dividend income is recognized on an accrual basis for private portfolio companies only upon declaration or when a contractual obligation arises and the amount is reasonably determinable, or on the ex-dividend date for publicly traded portfolio companies.

The Corporation may hold preferred equity securities that contain cumulative dividend provisions. Cumulative dividends are recorded as dividend income, if declared and deemed collectible, and any dividends in arrears are recognized into income and added to the balance of the preferred equity investment. The actual collection of these dividends in arrears may be deferred until such time as the preferred equity is redeemed.

Revenue Recognition - Fee Income - Consists of the revenue associated with the amortization of financing fees charged to the portfolio companies upon successful closing of financings, income associated with portfolio company monitoring fees, income associated with early repayment fees and income associated with portfolio company loan modification fees. The income associated with the amortization of financing fees was \$248,844, \$209,316 and \$205,480, for the years ended December 31, 2025, 2024 and

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2023, respectively, and is estimated to be approximately \$145,000 in 2026, \$122,000 in 2027 and \$72,000 in 2028. Board and monitoring fees earned were \$37,584, \$92,393, and \$52,000 for the years ended December 31, 2025, 2024 and 2023, respectively. Non-recurring fees related to early repayment fees, loan modification fees, and dividend consent fees were \$199,453, \$232,011 and \$63,264 for the years ended December 31, 2025, 2024 and 2023, respectively.

Realized Gain or Loss and Unrealized Appreciation or Depreciation of Investments - Amounts reported as realized gains and losses are measured by the difference between the proceeds from the sale or exchange and the cost basis of the investment without regard to unrealized gains or losses recorded in prior periods. The cost of securities that have, in management’s judgment, become worthless are written off and reported as realized losses when appropriate. Unrealized appreciation or depreciation reflects the difference between the fair value of the investments and the cost basis of the investments.

Original Issue Discount – Investments may include “original issue discount”, or OID. This occurs when the Corporation purchases a warrant and a note from a portfolio company simultaneously, which requires an allocation of a portion of the purchase price to the warrant and reduces the purchase price allocated to the note by an equal amount in the form of a note discount or OID. The note is reported net of the OID and the OID is accreted into interest income over the life of the loan. The Corporation recognized \$41,404, \$28,008 and \$21,008 in OID income for the years ended December 31, 2025, 2024 and 2023, respectively. OID income is estimated to be approximately \$14,000 for 2026.

Deferred Financing Fees - Origination and commitment costs related to the senior secured revolving credit facility with M&T Bank, (See Note 5—Senior Secured Revolving Credit Facility), are amortized ratably over the term of the Credit Agreement. Amortization expense was \$25,000 for each of the years ended December 31, 2025, 2024 and 2023, respectively. Amortization expense is estimated to be \$25,000 in 2026 and \$12,500 in 2027.

Net Assets per Share - Net assets per share are based on the number of shares of common stock outstanding. There are no common stock equivalents outstanding.

Supplemental Cash Flow Information - Net income taxes (refunded) paid during the years ended December 31, 2025, 2024 and 2023 amounted to (\$3,126), \$121,433 and \$645,248, respectively. Interest paid during the years ended December 31, 2025, 2024 and 2023 was \$92,526, \$1,154,059 and \$934,638, respectively. During 2025, 2024 and 2023, the Corporation converted \$2,149,390, \$1,980,728, and \$1,225,773, respectively, of interest receivable and payment-in-kind (PIK) interest into debt investments.

During the year ended December 31, 2024, the Corporation declared a common stock dividend of \$8,672,231, which was distributed on January 24, 2025.

Concentration of Credit and Market Risk – The Corporation’s financial instruments potentially subject it to concentrations of credit risk. Cash and cash equivalents are invested with banks in amounts which, at times, exceed insured limits. The Corporation does not anticipate non-performance by such banks.

The following are the concentrations of the top five portfolio company values to the fair value of the Corporation’s total investment portfolio:

	December 31, 2025
Inter-National Electronic Alloys LLC (EFINEA)	11%
Caitec, Inc. (Caitec)	10%
FCM Industries Holdco LLC (First Coast Mulch)	8%
Highland All About People Holdings, Inc. (All About People)	8%
BMP Food Service Supply Holdco, LLC (FSS)	8%
	December 31, 2024
Tilson Technology Management, Inc. (Tilson)	16%
Seybert’s Billiards Corporation (Seybert’s)	11%
FSS	10%
Mattison Avenue Holdings LLC (Mattison)	8%
Caitec	6%

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Segment Reporting - In accordance with ASC Topic 280 - Segment Reporting (“ASC 280”), the Corporation has determined that it has a single operating and reporting segment. As a result, the Corporation’s segment accounting policies are the same as described herein and the Corporation does not have any intra-segment sales and transfers of assets.

Income Taxes - The Corporation reviews the tax positions it has taken to determine if they meet the “more likely than not threshold” for the benefit of the tax position to be recognized in the financial statements. A tax position that fails to meet the more likely than not recognition threshold will result in either a reduction of a current or deferred tax asset or receivable, or the recording of a current or deferred tax liability. (See *Note 4—Income Taxes*).

Accounting Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements - In December 2023, FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures”, to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods beginning January 1, 2025, and the Corporation adopted it as required on January 1, 2025. Adoption of ASU 2023-09 did not result in any material changes to the Corporation’s consolidated financial statements or the related income tax disclosures.

NOTE 2. – INVESTMENTS

The Corporation’s investments are carried at fair value in accordance with FASB Accounting Standards Codification (ASC) 820, “Fair Value Measurements and Disclosures”, which defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements.

Loan investments are defined as traditional loan financings typically with no equity features or required equity co-investment. Debt investments are defined as debt financings that include one or more equity features such as conversion rights, stock purchase warrants, and/or stock purchase options. Equity investments are direct investments into a portfolio company and may include preferred stock, common stock, warrants and limited liability company membership interests.

The Corporation uses several approaches to determine the fair value of an investment. The main approaches are:

- Loan and debt securities are generally valued at cost when representative of the fair value of the investment or sufficient assets or liquidation proceeds are expected to exist from a sale of a portfolio company at its estimated fair value. The valuation may also consider the carrying interest rate versus the related inherent portfolio risk of the investment. A loan or debt instrument may be reduced in value if it is judged to be of poor quality, collection is in doubt or insufficient liquidation proceeds exist.
- Equity securities may be valued using the:
 - *Cost approach* - The cost approach uses estimates of the liquidation value of the portfolio company’s assets in relation to the cost of the respective security. This approach values the equity at the value remaining after the portfolio company pays off its debt and loan balances and its outstanding liabilities.
 - *Market approach* - The market approach uses observable prices and other relevant information generated by similar market transactions. It may include both private and public M&A transactions where the traded price is a multiple of EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) or another relevant operating metric. It may also include the market value of comparable public companies that are trading in an active market, or the use of market multiples derived from a set of comparables to assist in pricing the investment. Additionally, the Corporation adjusts valuations if a subsequent significant equity financing has occurred that includes a meaningful portion of the financing by a sophisticated, unrelated new investor.
 - *Income approach* - The income approach employs valuation techniques to convert future benefits or costs, usually in the form of cash flows, into a present value amount. The measurement is based on value indicated by current market expectations about those future amounts.

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

ASC 820 classifies the inputs used to measure fair value into the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities, used in the Corporation's valuation at the measurement date. Under the valuation policy, the Corporation values unrestricted publicly traded companies, categorized as Level 1 investments, at the closing price on the last trading day of the reporting period.

Level 2: Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices.

Level 3: Unobservable and significant inputs to determining the fair value.

Financial assets are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Any changes in estimated fair value are recorded in the statement of operations.

At December 31, 2025 and 2024, all of the Corporation's investments were Level 3 investments. There were no Level 1 or Level 2 investments at December 31, 2025 or 2024.

In the valuation process, the Corporation values restricted securities, categorized as Level 3 investments, using information from these portfolio companies, and, when considered appropriate, third-party valuation inputs, which may include:

- Audited and unaudited statements of operations, balance sheets and operating budgets;
- Current and projected financial, operational and technological developments of the portfolio company;
- Current and projected ability of the portfolio company to service its debt obligations;
- The current capital structure of the business and the seniority of the various classes of equity if a deemed liquidation event were to occur;
- Pending debt or capital restructuring of the portfolio company;
- Current information regarding any offers to purchase the investment, or recent financing transactions;
- Current ability of the portfolio company to raise additional financing if needed;
- Changes in the economic environment which may have a material impact on the operating results of the portfolio company;
- Internal circumstances and events that may have an impact (both positive and negative) on the operating performance of the portfolio company;
- Qualitative assessment of key management;
- Contractual rights, obligations or restrictions associated with the investment; and
- Other factors deemed relevant to assess valuation.

The valuation may be reduced if a portfolio company's performance and potential have deteriorated significantly. If the factors that led to a reduction in valuation are overcome, the valuation may be adjusted accordingly.

Equity Securities

Equity securities may include preferred stock, common stock, warrants and limited liability company membership interests.

The significant unobservable inputs used in the fair value measurement of the Corporation's equity investments are EBITDA and revenue multiples, where applicable, the financial and operational performance of the business, and the debt and senior equity preferences that may exist in a deemed liquidation event. Standard industry multiples may be used when available; however, the Corporation's portfolio companies are typically privately-held, lower middle market companies, and these industry standards may be adjusted to more closely match the specific financial and operational characteristics of the portfolio company. Due to the nature of

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

certain investments, fair value measurements may be based on other criteria, which may include third party appraisals. Significant changes in any of these unobservable inputs may result in a significantly higher or lower fair value estimate.

Another key factor used in valuing equity investments is a significant recent arms-length equity transaction entered into by the portfolio company with a sophisticated, non-strategic and unrelated new investor. The terms of these equity transactions may not be identical to the equity transactions between the portfolio company and the Corporation, and the impact of the difference in transaction terms on the market value of the portfolio company may be difficult or impossible to quantify.

When appropriate the Black-Scholes pricing model is used to estimate the fair value of warrants for accounting purposes. This model requires the use of highly subjective inputs including expected volatility and expected life, in addition to variables for the valuation of minority equity positions in small private and early stage companies. Significant changes in any of these unobservable inputs may result in a significantly higher or lower fair value estimate.

For investments made within the last year, the Corporation generally relies on the cost basis, which is deemed to represent the fair value, unless other fair value inputs are identified causing the Corporation to depart from this basis.

Loan and Debt Securities

The significant unobservable inputs used in the fair value measurement of the Corporation's loan and debt securities are the financial and operational performance of the portfolio company, similar debt with similar terms with other portfolio companies, as well as the market acceptance for the portfolio company's products or services. These inputs will likely provide an indicator as to the probability of principal recovery of the investment. The Corporation's loan and debt investments are often junior secured or unsecured securities. Fair value may also be determined based on other criteria where appropriate. Significant changes to the unobservable inputs may result in a change in fair value. For recent investments, the Corporation generally relies on the cost basis, which is deemed to represent the fair value, unless other fair value inputs are identified causing the Corporation to depart from this basis.

The following table provides a summary of the significant unobservable inputs used to determine the fair value of the Corporation's Level 3 portfolio investments as of December 31, 2025:

Investment Type	Market Approach				Totals
	Market Approach EBITDA Multiple	Liquidation Seniority	Market Approach Revenue Multiple	Market Approach Transaction Pricing	
Non-Control/Non-Affiliate Equity	\$ 3,000,000	\$ —	\$ 700,000	\$ 100,038	\$ 3,800,038
Non-Control/Non-Affiliate Loan and Debt	5,050,064	1,454,709	—	—	6,504,773
Total Non-Control/Non-Affiliate	\$ 8,050,064	\$ 1,454,709	\$ 700,000	\$ 100,038	\$ 10,304,811
Affiliate Equity	\$ 4,915,245	\$ —	\$ —	\$ 1,307,659	\$ 6,222,904
Affiliate Loan and Debt	27,314,181	—	—	3,238,600	30,552,781
Total Affiliate	\$ 32,229,426	\$ —	\$ —	\$ 4,546,259	\$ 36,775,685
Control Equity	\$ —	\$ —	\$ —	\$ —	\$ —
Control Debt	—	1,400,000	—	—	1,400,000
Total Control	\$ —	\$ 1,400,000	\$ —	\$ —	\$ 1,400,000
Total Level 3 Investments	\$ 40,279,490	\$ 2,854,709	\$ 700,000	\$ 4,646,297	\$ 48,480,496
Range	4-14.7X	1X	3.9X	Not Applicable	
Unobservable Input	EBITDA Multiple	Asset Value	Revenue Multiple	Transaction Price	
Weighted Average	6.1 X	1X	3.9X	Not Applicable	

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table provides a summary of the components of Level 1, 2 and 3 Assets Measured at Fair Value at December 31, 2025:

Description	December 31, 2025	Fair Value Measurements at Reported Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Other Significant Unobservable Inputs (Level 3)
Loan investments	\$ 3,154,587	\$ —	\$ —	\$ 3,154,587
Debt investments	35,302,967	—	—	35,302,967
Equity investments	10,022,942	—	—	10,022,942
Total	\$ 48,480,496	\$ —	\$ —	\$ 48,480,496

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table provides a summary of changes in Assets Measured at Fair Value Using Significant Unobservable Inputs (Level 3) for the year ended December 31, 2025:

Description	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			Total
	Loan Investments	Debt Investments	Equity Investments	
Ending balance December 31, 2024, of Level 3 Assets	\$ 15,037,873	\$ 38,043,721	\$ 17,736,447	\$ 70,818,041
Realized (losses) gains included in net change in net assets from operations:				
Carolina Skiff LLC (Carolina Skiff)	—	—	684	684
GoNoodle, Inc. (GoNoodle)	—	—	(25)	(25)
Lumious	(77,314)	—	—	(77,314)
Microcision, LLC (Microcision)	—	—	55,357	55,357
Pressure Pro, Inc. (Pressure Pro)	—	—	870,000	870,000
Tilson Technology Management, Inc. (Tilson)	—	—	(2,850,015)	(2,850,015)
Total realized losses, net	(77,314)	—	(1,923,999)	(2,001,313)
Unrealized (losses) gains included in net change in net assets from operations:				
BlackJet Direct Marketing, LLC (BlackJet)	—	—	250,000	250,000
BMP Food Service Supply Holdco, LLC (FSS)	—	(3,731,662)	(497,619)	(4,229,281)
Carolina Skiff	—	—	(442,755)	(442,755)
FCM Industries Holdco LLC (First Coast Mulch)	—	484,837	—	484,837
Inter-National Electronic Alloys LLC (EFINEA)	—	—	788,235	788,235
ITA Acquisition, LLC (ITA)	(1,475,000)	—	—	(1,475,000)
Mobile RN Holdings LLC (Mobile IV Nurses)	—	—	125,000	125,000
Mountain Regional Equipment Solutions (MRES)	—	(1,462,419)	—	(1,462,419)
Pressure Pro	—	—	(720,000)	(720,000)
Seybert's Billiards Corporation (Seybert's)	—	—	1,051,659	1,051,659
SQF LLC (Verta)	—	—	1,000,000	1,000,000
Tilson	—	—	(6,649,985)	(6,649,985)
Total unrealized losses, net	(1,475,000)	(4,709,244)	(5,095,465)	(11,279,709)
Purchases of securities/changes to securities/non-cash conversions:				
Autotality (formerly Filterworks Acquisition USA, LLC)	—	220,923	—	220,923
Bauer Sheet Metal and Fabricating Inc. (Bauer)	—	3,238,600	12,000	3,250,600
BlackJet	—	2,256,941	250,000	2,506,941
BMP Swanson Holdco, LLC (Swanson)	54,472	—	—	54,472
Caitec, Inc. (Caitec)	324,366	250,786	—	575,152
Carolina Skiff	—	—	34,755	34,755
EFINEA	—	17,177	—	17,177
First Coast Mulch	—	51,507	—	51,507
FSS	—	1,053,470	—	1,053,470
GoNoodle	—	14,457	—	14,457
Highland All About People Holdings, Inc. (All About People)	—	130,740	—	130,740
ITA	375,000	—	—	375,000
Mobile IV Nurses	—	25,508	—	25,508
MRES	—	362,419	—	362,419
Pressure Pro	—	22,445	—	22,445
Seybert's	—	69,983	—	69,983
Total purchases of securities/changes to securities/non-cash conversions	753,838	7,714,956	296,755	8,765,549

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Description	Loan Investments	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		Total
		Debt Investments	Equity Investments	
Repayments and sales of securities:				
Carolina Skiff	—	—	(35,439)	(35,439)
HDI Acquisition LLC (Hilton Displays)	—	(1,071,824)	—	(1,071,824)
Lumious	(712,630)	—	—	(712,630)
Mattison Avenue Holdings LLC (Mattison)	(5,572,902)	—	—	(5,572,902)
Microcision	—	—	(55,357)	(55,357)
Pressure Pro	—	(1,725,150)	(900,000)	(2,625,150)
Seybert's	—	(7,748,770)	—	(7,748,770)
Total repayments and sales of securities	(6,285,532)	(10,545,744)	(990,796)	(17,822,072)
Transfers within Level 3	(4,799,278)	4,799,278	—	—
Ending Balance December 31, 2025, of Level 3 Assets	\$ 3,154,587	\$ 35,302,967	\$ 10,022,942	\$ 48,480,496
Change in unrealized appreciation/depreciation included in earnings related to Level 3 investments still held at reporting date				\$ (3,909,724)

The following table provides a summary of the significant unobservable inputs used to determine the fair value of the Corporation's Level 3 portfolio investments as of December 31, 2024:

Investment Type	Market Approach				Totals
	EBITDA Multiple	Liquidation Seniority	Revenue Multiple	Transaction Pricing	
Non-Control/Non-Affiliate Equity	\$ —	\$ —	\$ 700,000	\$ 100,063	\$ 800,063
Non-Control/Non-Affiliate Loan and Debt	13,619,638	2,230,196	—	—	15,849,834
Total Non-Control/Non-Affiliate	\$ 13,619,638	\$ 2,230,196	\$ 700,000	\$ 100,063	\$ 16,649,897
Affiliate Equity	\$ 7,061,384	\$ —	\$ —	\$ 9,875,000	\$ 16,936,384
Affiliate Loan and Debt	30,475,441	—	—	4,256,319	34,731,760
Total Affiliate	\$ 37,536,825	\$ —	\$ —	\$ 14,131,319	\$ 51,668,144
Control Equity	\$ —	\$ —	\$ —	\$ —	\$ —
Control Debt	—	2,500,000	—	—	2,500,000
Total Control	\$ —	\$ 2,500,000	\$ —	\$ —	\$ 2,500,000
Total Level 3 Investments	\$ 51,156,463	\$ 4,730,196	\$ 700,000	\$ 14,231,382	\$ 70,818,041
Range	4-10X	1X	3.5X	Not Applicable	
Unobservable Input	EBITDA Multiple	Asset Value	Revenue Multiple	Transaction Price	
Weighted Average	5.5 X	1X	3.5X	Not Applicable	

The following table provides a summary of the components of Level 1, 2 and 3 Assets Measured at Fair Value at December 31, 2024:

Description	December 31, 2024	Fair Value Measurements at Reported Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Other Significant Unobservable Inputs (Level 3)
Loan investments	\$ 15,037,873	\$ —	\$ —	\$ 15,037,873
Debt investments	38,043,721	—	—	38,043,721
Equity investments	17,736,447	—	—	17,736,447
Total	\$ 70,818,041	\$ —	\$ —	\$ 70,818,041

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table provides a summary of changes in Assets Measured at Fair Value Using Significant Unobservable Inputs (Level 3) for the year ended December 31, 2024:

Description	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				Total
	Loan Investments	Debt Investments	Equity Investments		
Ending Balance December 31, 2023, of Level 3 Assets	\$ 12,417,977	\$ 36,861,525	\$ 20,536,560	\$	69,816,062
Realized gains (losses) included in net change in net assets from operations:					
DSD Operating, LLC (DSD)	—	—	23,699	—	23,699
Knoa Software, Inc. (Knoa)	—	—	(1,229,155)	—	(1,229,155)
Mezmeriz, Inc. (Mezmeriz)	—	—	(742,850)	—	(742,850)
SciAps, Inc. (SciAps)	—	—	7,716,461	—	7,716,461
Tilson Technology Management, Inc. (Tilson)	—	—	397,264	—	397,264
Total realized gains (losses)	—	—	6,165,419	—	6,165,419
Unrealized gains (losses) included in net change in net assets from operations:					
BMP Food Service Supply Holdco, LLC (FSS)	—	—	(610,000)	—	(610,000)
BMP Swanson Holdco, LLC (Swanson)	—	—	250,000	—	250,000
Caitec, Inc. (Caitec)	—	—	(72,522)	—	(72,522)
Carolina Skiff LLC (Carolina Skiff)	—	—	(500,000)	—	(500,000)
Filterworks Acquisition USA, LLC (Filterworks)	—	—	(396,226)	—	(396,226)
FCM Industries Holdco LLC (First Coast Mulch)	—	(484,837)	—	—	(484,837)
Highland All About People Holdings, Inc. (All About People)	—	—	(400,000)	—	(400,000)
ITA Acquisition, LLC (ITA)	(2,565,130)	—	—	—	(2,565,130)
Knoa	—	—	1,129,155	—	1,129,155
Mezmeriz	—	—	742,850	—	742,850
Mountain Regional Equipment Solutions (MRES)	—	(452,000)	(264,545)	—	(716,545)
Pressure Pro, Inc. (Pressure Pro)	—	—	720,000	—	720,000
Tilson	—	—	950,000	—	950,000
Total unrealized gains (losses)	(2,565,130)	(936,837)	1,548,712	—	(1,953,255)
Purchases of securities/changes to securities/non-cash conversions:					
All About People	—	125,904	—	—	125,904
Caitec	590,424	—	—	—	590,424
Filterworks	—	253,952	—	—	253,952
First Coast Mulch	—	46,681	—	—	46,681
FSS	—	177,911	107,619	—	285,530
GoNoodle, Inc. (GoNoodle)	—	14,314	—	—	14,314
HDI Acquisition LLC (Hilton Displays)	—	21,519	—	—	21,519
Inter-National Electronic Alloys LLC (EFINEA)	—	33,995	—	—	33,995
ITA	916,170	—	—	—	916,170
Mattison Avenue Holdings LLC (Mattison)	5,572,902	—	—	—	5,572,902
Mobile RN Holdings LLC (Mobile IV Nurses)	—	2,506,319	375,000	—	2,881,319
MRES	—	2,952,000	—	—	2,952,000
Pressure Pro	—	66,721	—	264,545	3,216,545
Seybert's Billiards Corporation (Seybert's)	—	1,928,257	—	—	1,928,257
Total purchases of securities/changes to securities/non-cash conversions	7,079,496	8,127,573	747,164	—	15,954,233
Repayments and sale of securities:					
DSD	—	—	(23,699)	—	(23,699)
Filterworks	—	(206,250)	—	—	(206,250)
FSS	—	(34,838)	—	—	(34,838)
Mattison	(1,894,470)	—	—	—	(1,894,470)
Nailbiter, Inc. (Nailbiter)	—	(2,250,000)	—	—	(2,250,000)
Pressure Pro	—	(1,427,452)	—	—	(1,427,452)
SciAps	—	(2,090,000)	(10,840,445)	—	(12,930,445)
Tilson	—	—	(397,264)	—	(397,264)
Total repayments and sale of securities	(1,894,470)	(6,008,540)	(11,261,408)	—	(19,164,418)
Ending Balance December 31, 2024, of Level 3 Assets	<u>\$ 15,037,873</u>	<u>\$ 38,043,721</u>	<u>\$ 17,736,447</u>	<u>\$</u>	<u>70,818,041</u>
Change in unrealized appreciation/depreciation included in earnings related to Level 3 investments still held at reporting date				<u>\$</u>	<u>(3,825,260)</u>

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 3. - OTHER ASSETS

Other assets was comprised of the following at December 31:

	2025	2024
Deferred financing fees, net	\$ 37,500	\$ 62,500
Accounts receivable	—	22,929
Prepaid expenses	16,748	16,977
Dividends receivable	—	13,125
Total other assets	<u>\$ 54,248</u>	<u>\$ 115,531</u>

NOTE 4. - INCOME TAXES

The Corporation elected to be treated, for income tax purposes, as a RIC for the 2025, 2024 and 2023 tax years under Subchapter M of the Code. As a result, the Corporation did not pay corporate-level Federal income taxes on any net ordinary income or capital gains that the Corporation distributed to its shareholders as dividends. The Corporation must distribute substantially all of its investment company taxable income each tax year as dividends to its shareholders to maintain its RIC status. Depending on the level of taxable income earned in a tax year, the Corporation may choose to carry forward taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income, as required. To the extent that the Corporation determines that its estimated current year taxable income will be in excess of estimated dividend distributions for the current year from such income, the Corporation accrues excise tax, if any, on estimated excess taxable income as such taxable income is earned. The Corporation incurred \$40,997, \$37,388 and \$52,800 in federal excise tax expense during the years ended December 31, 2025, 2024 and 2023, respectively.

Distributions from net investment income and distributions from net realized capital gains are determined in accordance with U.S. federal income tax regulations, which may differ from amounts determined in accordance with GAAP and those differences could be material. These book-to-tax differences are either temporary or permanent in nature. Reclassifications due to permanent book-tax differences, including non-deductible taxes and the tax treatment of earnings from the subsidiaries, have no impact on net assets.

The following differences were reclassified for tax purposes for the years ended December 31, 2025 and December 31, 2024:

	2025	2024
Increase (decrease) in capital in excess of par value	\$ 11,653	\$ (381,550)
(Decrease) increase in total distributable earnings	(11,653)	381,550

The Corporation's permanent book-to-tax reclassifications for 2025 are an estimate and will not be finalized until the Corporation files its 2025 federal income tax returns in 2026. Therefore, the Corporation's actual permanent book-to tax reclassifications may be different than this estimate.

Taxable income generally differs from net increase (decrease) in net assets for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses and generally excludes unrealized appreciation (depreciation) on investments, as investment gains and losses are not included in taxable income until they are realized.

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table reconciles the net (decrease) increase in net assets resulting from operations to taxable income for the years ended December 31, 2025 and December 31, 2024:

	2025	2024
Net (decrease) increase in net assets resulting from operations	\$ (8,039,620)	\$ 8,827,612
Net change in unrealized depreciation on investments	11,327,218	5,722,329
Net change in deferred tax asset/liability	(45,348)	376,989
GAAP versus tax basis consolidation of subsidiaries	(5,834)	(32,936)
Other permanent book income and tax income differences	40,997	37,498
Temporary book income and tax income differences	(265,829)	(2,270,112)
Capital loss carryforward	2,001,997	—
Taxable income	<u>\$ 5,013,581</u>	<u>\$ 12,661,380</u>

The Corporation's taxable income for 2025 is an estimate and will not be finalized until the Corporation files its 2025 Federal income tax returns in 2026. Therefore, the Corporation's actual taxable income and the Corporation's actual taxable income that was earned in 2025 and carried forward for distribution in 2026 may be different than this estimate.

For tax purposes, distributions paid to shareholders are reported as ordinary income, long term capital gains and return of capital, or a combination thereof. The tax character of distributions paid and deemed paid during the years ended December 31, 2025 and December 31, 2024 was as follows:

	2025	2024
Ordinary income	\$ 5,109,447	\$ 3,427,968
Long-term capital gains	—	9,554,568
Return of Capital	—	—
Total	<u>\$ 5,109,447</u>	<u>\$ 12,982,536</u>

The determination of the tax attributes of the Corporation's distributions is made annually as of the end of the Corporation's fiscal year based upon the Corporation's taxable income for the full year and distributions paid for the full year. The actual tax characteristics of distributions to shareholders are reported to shareholders annually on IRS Form 1099-DIV.

The tax basis components of distributable earnings (accumulated losses) and reconciliation to accumulated earnings (deficit) on a book basis for the years ended December 31, 2025 and December 31, 2024 were as follows:

	2025	2024
Undistributed ordinary income – tax basis	\$ 94,001	\$ 11,649
Capital loss carryforwards	(2,001,997)	—
Unrealized (depreciation) appreciation on investments	(8,579,105)	3,843,912
Other temporary differences	(129,769)	(1,313,179)
Total accumulated (deficit) earnings – book basis	<u>\$ (10,616,870)</u>	<u>\$ 2,542,382</u>

The differences between book basis and tax basis components of distributable earnings is attributable primarily to the tax treatment of incentive fees, the tax treatment of organization costs, return of capital distributions from corporations, and the tax treatment of defaulted securities.

The Corporation had the following wholly-owned blocker companies in place at December 31, 2025: Rand BMP Swanson Holdings Corp., Rand Carolina Skiff Holdings Corp., Rand DSD Holdings Corp., Rand Filterworks Holdings Corp., Rand FSS Holdings Corp., Rand INEA Holdings Corp., and Rand ITA Holdings Corp. (the "Blocker Corps"), which are taxable entities and therefore are not consolidated for tax purposes. The primary purpose of the Blocker Corps is to permit the Corporation to hold certain equity interests in portfolio companies that are organized as limited liability companies, or LLCs (or other forms of pass-through entities), and still allow the Corporation to satisfy the RIC tax requirement that at least 90% of its gross income for U.S. federal income tax purposes must consist of qualifying investment income. The Blocker Corps are taxed at standard corporate tax rates based on their taxable income.

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

At December 31, 2025, the Corporation had a net deferred tax asset of \$0. At December 31, 2024, the Corporation had a net deferred tax asset of \$2,161 that primarily related to net operating loss carryforwards, business interest expense carryforwards, and capital loss carryforwards within the Blocker Corps.

Income Taxes on Blocker Corps

Deferred tax assets and liabilities are recorded for temporary differences between the financial statement and tax bases of assets and liabilities using the tax rate expected to be in effect when the taxes are actually paid or recovered.

The tax effect of the major temporary differences and carryforwards that give rise to the Corporation's net deferred tax asset at December 31, 2025 and 2024 are approximately as follows:

	2025	2024
Investments	\$ (1,274,963)	\$ (635,300)
NOL & tax credit carryforwards, net of valuation allowance	1,274,963	637,461
Deferred tax asset, net	<u>\$ —</u>	<u>\$ 2,161</u>

The major temporary differences cited above include differences in the book and tax bases of the Corporation's portfolio company investments, as well as unrealized gains and losses on corporate investments that will be taxed when realized in future years. The Corporation assesses the recoverability of its deferred tax assets annually to determine if a valuation allowance is necessary. The Corporation records a valuation allowance against the deferred tax assets if and to the extent it is more likely than not that the Corporation will not recover the deferred tax assets. In evaluating the need for a valuation allowance, the Corporation weighs all relevant positive and negative evidence, and considers among other factors, historical financial performance, projected future taxable income, scheduled reversals of deferred tax liabilities, the overall business environment, and tax planning strategies. Changes in circumstances, including the Blocker Corps generating significant taxable income and tax planning strategies, could cause a change in judgment about the need for a valuation allowance of the related deferred tax assets. Any change in the valuation allowance will be included in income in the period of the change in estimate.

Accordingly, during the year ended December 31, 2025, the Corporation estimated that the net deferred tax asset of its Blocker Corps is not expected to be recoverable in the future. The components of the valuation allowance against the Corporation's U.S. deferred tax assets are as follows at December 31:

	2025	2024
Federal	\$ 316,680	\$ 363,471
State, net of federal benefit	26,590	—
Total	<u>\$ 343,270</u>	<u>\$ 363,471</u>

On January 1, 2024, the Corporation restructured the Blocker Corps with Rand DSD Holdings Corp becoming the common tax parent of the other Blocker Corps. In 2024, the Corporation began to file a consolidated federal, and as applicable, various state consolidated income tax returns. As a result of this restructuring, the Blocker Corps have certain tax attributes that are subject to Separate Return Limitations ("SRLY"). At December 31, 2025 and 2024, the Corporation had \$4,715,217, and \$2,945,643, respectively, of federal net operating loss carryforwards ("NOL") and \$2,476,800 and \$1,782,558, respectively, of business interest expense carryforwards. Of these amounts, approximately \$2,000,000 and \$1,060,000 of federal NOL and business interest expense carryforwards are subject to SRLY limitations. For state tax purposes, there were various state NOL carryforwards totaling \$1,262,146 and \$821,683 at December 31, 2025 and 2024, respectively. Approximately \$640,000 of state NOL carryforwards are subject to SRLY limitations.

Under the provisions of Section 382 of the Code, net operating loss and credit carryforwards and other tax attributes may be subject to limitations if there has been a significant change in ownership in the Corporation, as defined by the IRC. Prior to the completion of the Transaction with East in November 2019, the Corporation was able to utilize the remaining federal net operating losses. However, state net operating losses may be subject to similar limitations.

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The components of income tax expense (benefit) reported in the consolidated statements of operations are as follows for the years ended December 31:

	2025	2024	2023
Current:			
Federal	\$ 41,315	\$ (85,356)	\$ 609,056
State	1,343	5,292	58,320
	42,658	(80,064)	667,376
Deferred:			
Federal	(6,837)	62,619	(13,797)
State	8,998	(25,600)	2,778
	2,161	37,019	(11,019)
Total	\$ 44,819	\$ (43,045)	\$ 656,357

Income taxes paid (net of refunds) by jurisdiction type are as follows for the years ended December 31:

	2025	2024	2023
Federal	\$ 37,388	\$ 80,437	\$ 602,903
State	(40,514)	40,996	42,345
Total income taxes paid (net of refunds)	(3,126)	121,433	645,248

Income taxes paid (net of refunds) exceeded 5 percent of total income taxes paid (net of refunds) in the following jurisdictions for the years ended December 31:

	2025	2024	2023
California	\$ 2,500	\$ *	\$ *
Massachusetts	1,427	*	*
South Carolina	(6,052)	*	*
Georgia	(6,988)	*	*
Utah	(14,633)	(6,088)	*
New Jersey	(17,468)	16,000	*
Pennsylvania	*	28,931	*
Nebraska	*	(8,000)	*

* Jurisdiction below the 5 percent threshold for the period presented

All of the Corporation's income before income taxes is attributable to domestic operations. The Corporation does not have any foreign operations, and no portion of income before income taxes was generated from foreign jurisdictions for the years ended December 31, 2025, 2024, and 2023.

A reconciliation of the expense (benefit) from income taxes at the federal statutory rate to the expense reported is as follows for the years ended December 31:

	2025		2024		2023	
	Amount	%*	Amount	%*	Amount	%*
Net investment income, realized (loss) gain and unrealized (loss) gain before income taxes	\$ (7,994,801)		\$ 8,784,567		\$ 7,183,007	
Expected tax (benefit) expense at statutory rate	(1,678,908)	21.0%	1,844,759	21.0%	1,508,431	21.0%
Change in valuation allowance	(46,791)	0.6%	232,133	2.6%	131,338	1.8%
Tax benefit of RIC status	1,727,991	(21.6%)	(2,169,298)	(24.7%)	(1,067,238)	(14.9%)
RIC excise tax expense	40,997	(0.5%)	37,388	0.4%	52,800	0.7%
Other	1,530	(0.0%)	11,973	0.1%	31,026	0.4%
Total	\$ 44,819	(0.6%)	\$ (43,045)	(0.5%)	\$ 656,357	9.1%

* Percentages may not foot due to rounding

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The primary driver of the difference between the U.S. federal statutory rate and the effective tax rate is the Corporation's election to be treated as a RIC. Other reconciling items primarily relate to Federal excise tax and changes in valuation allowances associated with taxable subsidiary entities.

The Corporation is currently open to audit under the statute of limitations by the Internal Revenue Service for the years ended December 31, 2022 through 2025. In general, the Corporation's state income tax returns are open to audit under the statute of limitations for the years ended December 31, 2022 through 2025.

It is the Corporation's policy to include interest and penalties related to income tax liabilities in income tax expense on the Corporation's Consolidated Statement of Operations. In addition, the Corporation records uncertain tax positions in accordance with ASC 740, "Income Taxes", ("ASC 740"). ASC 740 provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the financial statements. The uncertain tax benefits for the years ended December 31, 2025, 2024 and 2023 were de minimis. The Corporation incurred \$315 and \$2,266 in interest expense and penalties related to income tax liabilities during the years ended December 31, 2025 and 2024, respectively. No amounts were recorded for interest and penalties for the year ended December 31, 2023.

On July 4, 2025, the One Big Beautiful Bill (OBBB) Act, which includes a broad range of tax reform provisions including 100% bonus depreciation on qualified property, full expensing for research and development expenditures and restoration of pre-2022 interest expense limitations, was signed into law in the United States. The impacts of OBBB are reflected in our results for the fiscal year ended December 31, 2025, and there was no material impact to our income tax expense or effective tax rate. We expect certain provisions will decrease cash taxes paid and may change the timing of cash tax payments in future periods due to the nature of our equity investments in wholly-owned subsidiaries.

NOTE 5. – SENIOR SECURED REVOLVING CREDIT FACILITY

On June 27, 2022, the Corporation entered into a credit agreement (the "Credit Agreement") with M&T Bank, as lender (the "Lender"), which provides the Corporation with a senior secured revolving credit facility in a principal amount not to exceed \$25.0 million (the "Credit Facility"). The amount the Corporation can borrow, at any given time, under the Credit Facility is tied to a borrowing base, which is measured as (i) 75% of the aggregate sum of the fair market values of the publicly traded equity securities held (other than shares of ACV Auctions, if any) plus (ii) the least of (a) 75% of the fair market value of the shares of ACV Auctions held, if any, (b) \$6.25 million and (c) 25% of the aggregate borrowing base availability for the Credit Facility at any date of determination plus (iii) 50% of the aggregate sum of the fair market values of eligible private loans held that meet specified criteria plus (iv) the lesser of (a) 50% of the aggregate sum of the fair market values of unsecured private loans held that meet specified criteria and (b) \$1.25 million minus (v) such reserves as the Lender may establish from time to time in its sole discretion. As of December 31, 2025, the Corporation did not own any publicly traded equity securities or any shares of ACV Auctions. The Credit Facility has a maturity date of June 27, 2027. Under the borrowing base formula described above, the unused line of credit balance for the Credit Facility was approximately \$19.2 million at December 31, 2025.

The Corporation's borrowings under the Credit Facility bear interest at a variable rate determined as a rate per annum equal to 3.50 percentage points above the greater of (i) the applicable daily simple secured overnight financing rate (SOFR) or (ii) 0.25%. At December 31, 2025, the Corporation's applicable interest rate was 7.37%. In addition, under the terms of the Credit Facility, the Corporation has also agreed to pay the Lender an unused commitment fee on a quarterly basis, computed as 0.30% multiplied by the average daily Unused Commitment Fee Base (which is defined as the difference between (i) \$25.0 million and (ii) the sum of the aggregate principal amount of the Corporation's outstanding borrowings under the Credit Facility) for the preceding quarter. The unused commitment fee related to the Credit Facility during the years ended December 31, 2025, 2024, and 2023 was \$75,582, \$38,651 and \$44,434, respectively. Unused commitment fees are recorded as interest expense on the Consolidated Statements of Operations.

The Credit Agreement contains representations and warranties and affirmative, negative and financial covenants usual and customary for agreements of this type, including among others, covenants that prohibit, subject to certain specified exceptions, the Corporation's ability to merge or consolidate with other companies, sell any material part of the Corporation's assets, incur other indebtedness, incur liens on the Corporation's assets, make investments or loans to third parties other than permitted investments and permitted loans, and declare any distribution or dividend other than certain permitted distributions. The Credit Agreement includes the following financial covenants: (i) a tangible net worth covenant that requires the Corporation to maintain a Tangible Net Worth (defined in the Credit Agreement as the Corporation's aggregate assets, excluding intangible assets, less all liabilities) of not less than \$50.0 million, which is measured quarterly at the end of each fiscal quarter, (ii) an asset coverage ratio covenant that requires the

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Corporation to maintain an Asset Coverage Ratio (defined in the Credit Agreement as the ratio of the fair market value of all of the Corporation's assets to the sum of all of the Corporation's obligations for borrowed money plus all capital lease obligations) of not less than 3:1, which is measured quarterly at the end of each fiscal quarter and (iii) an interest coverage ratio covenant that requires the Corporation to maintain an Interest Coverage Ratio (defined in the Credit Agreement as the ratio of Cash Flow (as defined in the Credit Agreement) to Interest Expense (as defined in the Credit Agreement)) of not less than 2.5:1, which is measured quarterly on a trailing twelve-months basis. As of December 31, 2025, the Corporation was in compliance with these covenants.

Events of default under the Credit Agreement which permit the Lender to exercise its remedies, including acceleration of the principal and interest on the Credit Facility, include, among others: (i) default in the payment of principal or interest on the Credit Facility, (ii) default by the Corporation on any other obligation, condition, covenant or other provision under the Credit Agreement and related documents, (iii) failure by the Corporation to pay any material indebtedness or obligation owing to any third party or affiliate, or the failure by the Corporation to perform any agreement with any third party or affiliate that would have a material adverse effect on the Corporation and its subsidiaries taken as a whole, (iv) the sale of all or substantially all of the Corporation's assets to a third party, (v) various bankruptcy and insolvency events, and (vi) any material adverse change in the Corporation and its subsidiaries, taken as a whole, or their business, assets, operations, management, ownership, affairs, condition (financial or otherwise) or the Lender's collateral that the Lender reasonably determines will have a material adverse effect on the Lender's collateral, the Corporation and its subsidiaries, taken as a whole, or their business, assets, operation or condition (financial or otherwise) or on the Corporation's ability to repay its debts.

In connection with entry into the Credit Facility, the Corporation and each of its subsidiaries that guaranty the Credit Facility entered into a general security agreement, dated June 27, 2022, with the Lender (the "Security Agreement"). The Security Agreement secures all of the Corporation's obligations to the Lender, including, without limitation, principal and interest on the Credit Facility and any fees and charges. The security interest granted under the Security Agreement covers all of the Corporation's personal property including, among other things, all accounts, chattel paper, investment property, deposit accounts, general intangibles, inventory, and all of the fixtures. The Security Agreement contains various representations, warranties, covenants and agreements customary in security agreements and various events of default with remedies under the New York Uniform Commercial Code and the Security Agreement. Events of default under the Security Agreement, which permit the Lender to exercise its various remedies, are similar to those contained in the Credit Agreement.

The outstanding balance drawn on the Credit Facility was \$0 and \$600,000 at December 31, 2025 and 2024, respectively. A closing fee of \$125,000 was paid related to the closing of this Credit Facility during the year ended December 31, 2022. The unamortized closing fee was \$37,500 and \$62,500 as of December 31, 2025 and 2024, respectively, and it is recorded in Other Assets on the Consolidated Statements of Financial Position. Amortization expense related to the Credit Facility was \$25,000 during each of the years ended December 31, 2025, 2024 and 2023.

For the years ended December 31, 2025, 2024 and 2023, the average debt outstanding under the Credit Facility and weighted average interest rate were as follows:

	2025	2024	2023
Average debt outstanding	\$ 149,589	\$ 11,484,016	\$ 11,180,959
Weighted average interest rate	7.88%	8.91%	8.72%

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Information about the Corporation's senior securities (including debt securities and other indebtedness) is shown in the following table.

Year	Total Amount Outstanding (1)	Asset Coverage Ratio Per Unit (2)	Involuntary Liquidation Preference Per Unit (3)	Average Market Value Per Unit (4)
December 31, 2022				
Credit Facility	\$ 2,550,000	\$ 23,636	N/A	N/A
December 31, 2023				
Credit Facility	16,250,000	4,737	N/A	N/A
December 31, 2024				
Credit Facility	600,000	109,888	N/A	N/A
December 31, 2025				
Credit Facility	-	N/A	N/A	N/A

(1) Total amount of each class of senior securities outstanding at the end of the period presented.

(2) Asset coverage per unit is the ratio of the carrying value of the Corporation's total consolidated assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollar amounts per \$1,000 of indebtedness.

(3) The amount to which such class of senior security would be entitled upon the voluntary liquidation of the issuer in preference to any security junior to it. The N/A in this column indicates that the SEC expressly does not require this information to be disclosed for certain types of senior securities.

(4) Average market value per unit is not applicable because these are not registered for public trading.

NOTE 6. - STOCKHOLDERS' EQUITY (NET ASSETS)

At December 31, 2025 and 2024, there were 500,000 shares of \$10.00 par value preferred stock authorized and unissued.

On April 23, 2025, the Board of Directors approved a new share repurchase plan, which authorizes the Corporation to repurchase shares of the Corporation's outstanding common stock with an aggregate cost of up to \$1,500,000 at prices per share of common stock no greater than the then current net asset value per share. This new share repurchase authorization lasts for a period of 12 months from the authorization date until April 23, 2026. This new share repurchase plan replaces the share repurchase authorization that was previously approved by the Board of Directors in April 2024. No shares of Rand's common stock were repurchased by the Corporation during the years ended December 31, 2025 or 2024.

The Corporation's Board of Directors declared the following dividends during the year ended December 31, 2025:

Quarter	Dividend/Share Amount	Record Date	Payment Date	Type
1st	\$ 0.29	March 14, 2025	March 28, 2025	Quarterly
2nd	\$ 0.29	May 30, 2025	June 13, 2025	Quarterly
3rd	\$ 0.29	August 29, 2025	September 12, 2025	Quarterly
4th	\$ 0.29	December 16, 2025	December 30, 2025	Quarterly
4th	\$ 0.56	December 16, 2025	December 30, 2025	Special

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

A summary of changes in equity accounts is shown in the following table.

	Common Stock	Capital in excess of par value	Stock dividends distributable	Treasury Stock, at cost	Total distributable earnings (losses)	Total Stockholders' Equity (Net Assets)
January 1, 2024	\$ 264,892	\$ 55,801,170	\$ —	\$ (1,566,605)	\$ 6,315,756	\$ 60,815,213
Dividend declaration	—	—	8,672,231	—	(12,982,536)	(4,310,305)
Tax reclassification of stockholders' equity	—	(381,550)	—	—	381,550	—
Net increase in net assets from operations	—	—	—	—	8,827,612	8,827,612
December 31, 2024	\$ 264,892	\$ 55,419,620	\$ 8,672,231	\$ (1,566,605)	\$ 2,542,382	\$ 65,332,520
January 1, 2025	\$ 264,892	\$ 55,419,620	\$ 8,672,231	\$ (1,566,605)	\$ 2,542,382	\$ 65,332,520
Dividend declaration	38,879	8,631,884	(8,672,231)	—	(5,107,979)	(5,109,447)
Tax reclassification of stockholders' equity	—	11,653	—	—	(11,653)	—
Net decrease in net assets from operations	—	—	—	—	(8,039,620)	(8,039,620)
December 31, 2025	\$ 303,771	\$ 64,063,157	\$ —	\$ (1,566,605)	\$ (10,616,870)	\$ 52,183,453

NOTE 7. - COMMITMENTS AND CONTINGENCIES

The Corporation had no commitments at December 31, 2025 or 2024.

NOTE 8. - QUARTERLY OPERATIONS AND EARNINGS DATA – UNAUDITED

	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
2025				
Investment income	\$ 1,285,068	\$ 1,579,623	\$ 1,602,297	\$ 2,007,904
Net increase (decrease) in net assets from operations	\$ 1,086,281	\$ (2,231,194)	\$ (7,736,154)	\$ 841,447
Basic and diluted net increase (decrease) in net assets from operations per weighted share outstanding	\$ 0.37	\$ (0.75)	\$ (2.60)	\$ 0.29
2024				
Investment income	\$ 2,137,463	\$ 2,218,454	\$ 2,136,149	\$ 2,067,219
Net (decrease) increase in net assets from operations	\$ (2,946,058)	\$ 2,636,516	\$ 7,737,773	\$ 1,399,381
Basic and diluted net (decrease) increase in net assets from operations per weighted share outstanding	\$ (1.14)	\$ 1.02	\$ 3.00	\$ 0.54

NOTE 9. – RELATED PARTY TRANSACTIONS

Investment Management Agreement

Concurrent with the Closing, RCM, a registered investment adviser, was retained by the Corporation as its external investment adviser and administrator, which resulted in Daniel Penberthy, the Corporation's President and Chief Executive Officer, and Margaret Brechtel, the Corporation's Executive Vice President, Treasurer, Chief Financial Officer and Secretary, serving as officers and employees of RCM. Under the Investment Management Agreement, the Corporation pays RCM, as compensation for the investment advisory and management services, fees consisting of two components: (i) the Base Management Fee and (ii) the Incentive Fee.

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

At December 31, 2025 and 2024, amounts payable to RCM were comprised of the following, and are reported on the “Due to investment adviser” line item in the Consolidated Statements of Financial Position:

	2025	2024
Base Management Fee payable	\$ 176,391	\$ 277,628
Income Based Incentive Fees payable	342,896	178,218
Capital Gains Fee payable	—	1,727,000
Total due to investment adviser	<u>\$ 519,287</u>	<u>\$ 2,182,846</u>

The “Base Management Fee” is calculated at an annual rate of 1.50% of the Corporation’s total assets (other than cash and cash equivalents but including assets purchased with borrowed funds). For the years ended December 31, 2025, 2024 and 2023, the Base Management Fees earned by RCM were \$830,630, \$1,212,160 and \$1,057,166, respectively. As of December 31, 2025 and 2024, the Corporation had \$176,391 and \$277,628, respectively, payable for the Base Management Fees, and it is included in the “Due to investment adviser” line item in the Corporation’s Consolidated Statements of Financial Position.

The “Incentive Fee” is comprised of two parts: (1) the “Income Based Fee” and (2) the “Capital Gains Fee”. The Income Based Fee is calculated and payable quarterly in arrears based on the “Pre-Incentive Fee Net Investment Income” (as defined in the Investment Management Agreement) for the immediately preceding calendar quarter, subject to a hurdle rate of 1.75% per quarter (7% annualized) and is payable promptly following the filing of the Corporation’s financial statements for such quarter, to the extent the Income Based Fee exceeds Accrued Unpaid Income.

The Corporation pays RCM an Incentive Fee with respect to its Pre-Incentive Fee Net Investment Income in each calendar quarter as follows:

- (i) no Income Based Fee in any quarter in which the Pre-Incentive Fee Net Investment Income for such quarter does not exceed the hurdle rate of 1.75% (7.00% annualized);
- (ii) 100% of the Pre-Incentive Fee Net Investment Income for any calendar quarter with respect to that portion of the Pre-Incentive Fee Net Investment Income for such calendar quarter, if any, that exceeds the hurdle rate of 1.75% (7.00% annualized) but is less than 2.1875% (8.75% annualized); and
- (iii) 20% of the amount of the Pre-Incentive Fee Net Investment Income for any calendar quarter with respect to that portion of the Pre-Incentive Fee Net Investment Income for such calendar quarter, if any, that exceeds 2.1875% (8.75% annualized).

The Income Based Fee paid to RCM for any calendar quarter shall not be in excess of the Incentive Fee Cap. The “Incentive Fee Cap” for any quarter is an amount equal to (1) 20.0% of the Cumulative Net Return (as defined below) during the relevant Income Based Fee Calculation Period (as defined below) minus (2) the aggregate Income Based Fee that was paid in respect of the calendar quarters included in the relevant Income Based Fee Calculation Period.

For purposes of the calculation of the Income Based Fee, “Income Based Fee Calculation Period” is defined as, with reference to a calendar quarter, the period of time consisting of such calendar quarter and the additional quarters that comprise the eleven calendar quarters immediately preceding such calendar quarter.

For purposes of the calculation of the Income Based Fee, “Cumulative Net Return” is defined as (1) the aggregate net investment income in respect of the relevant Income Based Fee Calculation Period minus (2) any Net Capital Loss, if any, in respect of the relevant Income Based Fee Calculation Period. If, in any quarter, the Incentive Fee Cap is zero or a negative value, the Corporation pays no Income Based Fee to RCM for such quarter. If, in any quarter, the Incentive Fee Cap for such quarter is a positive value but is less than the Income Based Fee that is payable to RCM for such quarter (before giving effect to the Incentive Fee Cap) calculated as described above, the Corporation pays an Income Based Fee to RCM equal to the Incentive Fee Cap for such quarter. If, in any quarter, the Incentive Fee Cap for such quarter is equal to or greater than the Income Based Fee that is payable to RCM for such quarter (before giving effect to the Incentive Fee Cap) calculated as described above, the Corporation pays an Income Based Fee to the Adviser equal to the Income Based Fee calculated as described above for such quarter without regard to the Incentive Fee Cap.

For purposes of the calculation of the Income Based Fee, “Net Capital Loss,” in respect of a particular period, means the difference, if positive, between (1) aggregate capital losses, whether realized or unrealized, in such period and (2) aggregate capital gains, whether realized or unrealized, in such period.

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Any Income Based Fee otherwise payable under the Investment Management Agreement with respect to Accrued Unpaid Income (as described below) (such fees being the “Accrued Unpaid Income Based Fees”) shall be deferred, on a security by security basis, and shall become payable to RCM only if, as, when and to the extent cash is received in respect of any Accrued Unpaid Income. Any Accrued Unpaid Income that is subsequently reversed in connection with a write-down, write-off, impairment or similar treatment of the investment giving rise to such Accrued Unpaid Income will, in the applicable period of reversal, (1) reduce Pre-Incentive Fee Net Investment Income and (2) reduce the amount of Accrued Unpaid Income Based Fees. For purposes of the Investment Management Agreement, Accrued Unpaid Income is defined as any net investment income that consists of any accretion of original issue discount, market discount, payment-in-kind interest, payment-in-kind dividends or other types of deferred or accrued income, including in connection with zero coupon securities, that the Corporation has recognized in accordance with GAAP, but has not yet received in cash. Subsequent payments of Accrued Unpaid Income Based Fees that are deferred as provided for in the Investment Management Agreement shall not reduce the amounts otherwise payable for any quarter as an Income Based Fee.

For the years ended December 31, 2025 and 2024, the Income Based Fees earned under the Investment Management Agreement were \$186,178 and \$178,218, respectively. For the year ended December 31, 2023, there were no Income Based Fees earned under the Investment Management Agreement. As of December 31, 2025, the cumulative accrued Income Based Fees payable were \$342,896, and based upon the Accrued Unpaid Income received in cash during the prior quarter by the Corporation, none of the accrued Income Based Fees became payable to RCM as of the end of such quarter. As of December 31, 2024, cumulative accrued Income Based Fees payable was \$178,218.

The second part of the Incentive Fee is the “Capital Gains Fee”. This fee is determined and payable in arrears as of the end of each calendar year. Under the terms of the Investment Management Agreement, the Capital Gains Fee is calculated at the end of each applicable year by subtracting (1) the sum of the cumulative aggregate realized capital losses and aggregate unrealized capital depreciation from (2) the cumulative aggregate realized capital gains, in each case calculated from November 8, 2019. If this amount is positive at the end of any calendar year, then the Capital Gains Fee for such year is equal to 20.0% of such amount, less the cumulative aggregate amount of Capital Gains Fees paid in all prior years. If such amount is negative, then there is no Capital Gains Fee payable for that calendar year. If the Investment Management Agreement is terminated as of a date that is not a calendar year end, the termination date shall be treated as though it were a calendar year end for purposes of calculating and paying the Capital Gains Fee.

For purposes of the Capital Gains Fee:

- The cumulative aggregate realized capital gains are calculated as the sum of the differences, if positive, between (a) the net sales price of each investment in the Corporations portfolio when sold minus (b) the accreted or amortized cost basis of such investment.
- The cumulative aggregate realized capital losses are calculated as the sum of the amounts by which (a) the net sales price of each investment in the portfolio when sold is less than (b) the accreted or amortized cost basis of such investment.
- The aggregate unrealized capital depreciation is calculated as the sum of the amount, if negative, between (a) the valuation of each investment in the portfolio as of the applicable Capital Gains Fee calculation date minus (b) the accreted or amortized cost basis of such investment.

For purposes of calculating the amount of the capital gains incentive fee accrual to be included as part of a company’s financial statements, GAAP requires a company to consider, as part of such calculation, the amount of cumulative aggregate unrealized capital appreciation that such company has with respect to its investments. As a result, the capital gains incentive fee accrual under GAAP is calculated using both the cumulative aggregate realized capital gains and losses and the aggregate net change in unrealized capital appreciation/depreciation at the close of the period. If the calculated amount is positive, GAAP requires the Corporation to record a capital gains incentive fee accrual equal to 20% of this cumulative amount, less the aggregate amount of actual capital gains incentive fees paid, or capital gains incentive fees accrued under GAAP, for all prior periods. However, unrealized capital appreciation is not used by the Corporation as part of the calculation to determine the amount of the Capital Gains Fee actually payable to RCM under the terms of the Investment Management Agreement. There can be no assurances that such unrealized capital appreciation will be realized in the future.

As of December 31, 2025, there was no Capital Gains Fee currently payable under the terms of the Investment Management Agreement.

RAND CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of December 31, 2024, the accrued capital gains incentive fee under GAAP was \$3,292,000. The amount payable to RCM as of December 31, 2024, under the Investment Management Agreement, was \$1,727,000, and was recorded on the “Due to investment adviser” line item in the Corporation’s Consolidated Statement of Financial Position. The remaining capital gains fee accrued in accordance with GAAP as of December 31, 2024 was \$1,565,000, and was not payable to RCM, and was recorded on the “Capital gains incentive fees” line item in the Corporation’s Consolidated Statement of Financial Position.

The (benefit) expense related to the accrued capital gains incentive fee was (\$1,565,000), \$1,012,300 and \$804,700 for the years ended December 31, 2025, 2024 and 2023, respectively and is recorded on the “Capital gains incentive fees” line item in the Corporation’s Consolidated Statements of Operations.

Administration Agreement

Under the terms of the Administration Agreement, RCM agreed to perform (or oversee, or arrange for, the performance of) the administrative services necessary for the Corporation’s operations, including, but not limited to, office facilities, equipment, clerical, bookkeeping, finance, accounting, compliance and record keeping services at such office facilities and such other services as RCM, subject to review by the Corporation’s Board of Directors, will from time to time determine to be necessary or useful to perform its obligations under the Administration Agreement. RCM shall also arrange for the services of, and oversee, custodians, depositories, transfer agents, dividend disbursing agents, other shareholder servicing agents, accountants, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable.

RCM is responsible for the Corporation’s financial and other records that are required to be maintained and prepares all reports and other materials required to be filed with the SEC or any other regulatory authority, including reports to shareholders. In addition, RCM assists the Corporation in determining and publishing the Corporation’s net asset value (NAV), overseeing the preparation and filing of tax returns, and the printing and dissemination of reports to shareholders, and generally overseeing the payment of expenses and the performance of administrative and professional services rendered by others. RCM provides, on the Corporation’s behalf, managerial assistance to those portfolio companies that have accepted its offer to provide such assistance.

For the years ended December 31, 2025, 2024 and 2023, the Corporation recorded and paid administrative fees of \$199,950, \$158,167 and \$149,000, respectively, related to costs incurred by RCM that are reimbursable under the Administration Agreement.

Note 10. SEGMENT REPORTING

The Corporation operates through a single operating and reporting segment with an investment objective to generate both current income and capital appreciation through debt and equity investments. The chief operating decision maker (“CODM”) is comprised of the Corporation’s chief executive officer and chief financial officer and the CODM assesses the performance and makes operating decisions for the Corporation on a consolidated basis primarily based on the Corporation’s net increase in net assets from operations. In addition to numerous other factors and metrics, the CODM utilizes net investment income as a key metric in determining the amount of dividends to be distributed to the Corporation’s shareholders. As the Corporation’s operations comprise of a single reporting segment, the segment assets are reflected on the accompanying Consolidated Statements of Financial Position as “total assets” and the significant segment expenses are listed on the accompanying Consolidated Statements of Operations. The accounting policies of the segment is the same as those described in the summary of significant accounting policies.

NOTE 11. – SUBSEQUENT EVENT

Subsequent to year end, on February 25, 2026, Rand’s Board of Directors declared a quarterly cash dividend of \$0.29 per share. The cash dividend will be paid on or about March 25, 2026 to shareholders of record as of March 11, 2026.

RAND CAPITAL CORPORATION AND SUBSIDIARY
SCHEDULE OF CONSOLIDATED CHANGES IN INVESTMENTS AT
COST AND REALIZED GAIN (LOSS)
For the Year Ended December 31, 2025

	Cost Increase (Decrease)	Realized Gain (Loss)
New investments:		
Bauer Sheet Metal and Fabricating Inc.	\$ 3,250,000	\$ —
BlackJet Direct Marketing, LLC	2,500,000	—
BMP Food Service Supply Holdco, LLC	400,000	—
ITA Acquisition, LLC	375,000	—
Carolina Skiff LLC	34,755	—
Total of new investments	6,559,755	—
Other changes to investments:		
BMP Food Service Supply Holdco, LLC interest conversion	653,470	—
Caitec, Inc. interest conversion	575,152	—
Mountain Regional Equipment Solutions interest conversion, fee conversion and OID amortization	362,419	—
Autotality (formerly Filterworks Acquisition USA, LLC) interest conversion	220,923	—
Highland All About People Holdings, Inc. interest conversion	130,740	—
Seybert's Billiards Corporation OID amortization and interest conversion	69,983	—
BMP Swanson Holdco, LLC interest conversion	54,472	—
FCM Industries Holdco LLC interest conversion	51,507	—
Mobile RN Holdings LLC interest conversion	25,508	—
Pressure Pro, Inc. OID amortization and interest conversion	22,445	—
Inter-National Electronic Alloys LLC interest conversion	17,177	—
GoNoodle, Inc. interest conversion	14,457	—
BlackJet Direct Marketing, LLC interest conversion	6,941	—
Bauer Sheet Metal and Fabricating Inc. OID amortization	600	—
Total of other changes to investments	2,205,794	—
Investments repaid, sold or liquidated:		
Microcision LLC escrow receipt	—	55,357
GoNoodle, Inc. warrant expiration	(25)	(25)
Carolina Skiff LLC equity sale	(34,755)	684
Lumious loan repayment and realized loss	(789,944)	(77,314)
HDI Acquisition LLC debt repayment	(1,071,824)	—
Pressure Pro, Inc. debt repayment and warrant sale	(1,755,150)	870,000
Tilson Technology Management, Inc. liquidation	(2,850,015)	(2,850,015)
Mattison Avenue Holdings LLC debt repayment	(5,572,902)	—
Seybert's Billiards Corporation debt repayment	(7,748,770)	—
Total of investments repaid, sold, liquidated or converted	(19,823,385)	(2,001,313)
Net change in investments, at cost and total realized loss	\$ (11,057,836)	\$ (2,001,313)

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Rand Capital Corporation and Subsidiaries

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statement of financial position, including the consolidated schedule of portfolio investments, of Rand Capital Corporation and Subsidiaries (the Corporation) as of December 31, 2025, and the related consolidated statements of operations, changes in net assets, financial highlights and cash flows for the year ended December 31, 2025, and the related notes to the consolidated financial statements (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Rand Capital Corporation and Subsidiaries as of December 31, 2025, and the results of its operations, its cash flows and financial highlights for the year ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Corporation's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Corporation in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Corporation is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our procedures included confirmation of investments as of December 31, 2025, by correspondence with portfolio companies; or by other appropriate audit procedures when replies were not received. We believe that our audit provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Fair-Value – Level 3 Investments

Critical Audit Matter Description

At December 31, 2025, the fair value of the Corporation's investments categorized as Level 3 investments within the fair value hierarchy (Level 3 investments) totaled \$48,480,496. Management determines the fair value of the Corporation's Level 3 investments by applying the methodologies outlined in Note 2 to the consolidated financial statements and using significant unobservable inputs and assumptions. Determining the fair value of the Level 3 investments requires management to make judgments about the valuation methodologies and significant unobservable inputs and assumptions including, among others, EBITDA multiples and revenue multiples, used in determining the fair value measurements.

How the Critical Audit Matter Was Addressed in the Audit

Auditing the fair value of the Corporation's Level 3 investments was complex, as the unobservable inputs and assumptions used by the Corporation are highly judgmental, are sensitive to economic factors, and could have a significant effect on the fair value measurement of such investments.

Our audit procedures included, among others, obtaining an understanding and evaluated the design of controls over the Corporation's investment valuation process, evaluating the Corporation's valuation methodologies, testing the significant unobservable inputs and assumptions, including testing the completeness, accuracy, and relevance of the underlying data used in the technique used by the Corporation in determining the fair value of the Corporation's Level 3 investments, and testing the mathematical accuracy of the Corporation's valuation calculations. For Level 3 investments, we reviewed the information considered by the Board of Directors relating to the Corporation's determination of fair value. For a selection of the Corporation's Level 3 investments, we independently developed fair value estimates and compared them to the Corporation's estimates. We developed our independent fair value estimates by using the respective investment's financial information, which we compared to underlying source documents provided to the Corporation by the investment, and available market information from third-party sources, such as market multiples. We also evaluated subsequent events and other available information and considered whether they corroborated or contradicted the Corporation's year-end valuations.

Opinion on the Supplementary Information

The supplemental schedule of consolidated changes in investments at cost and realized gain (loss) for the year ended December 31, 2025 has been subjected to audit procedures performed in conjunction with the audit of the Corporation's consolidated financial statements. The supplemental schedule is the responsibility of the Corporation's management. Our audit procedures included determining whether the supplemental schedule reconciles to the consolidated financial statements or the underlying accounting and other records, as applicable and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with accounting principles generally accepted in the United States of America. In our opinion, the supplemental schedule of consolidated changes in investments at cost and realized gain (loss) for the year ended December 31, 2025 is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Matter

The consolidated financial statements of the Corporation, including the accompanying consolidated statement of financial position and the consolidated schedule of portfolio investments as of December 31, 2024, and the related consolidated statements of operations, changes in net assets, and cash flows for each of the two years in the period ended December 31, 2024 and the financial highlights schedule for each of the four years in the period ended December 31, 2024 were audited by Freed Maxick, P.C., who joined WithumSmith+Brown, PC., on August 1, 2025, and rendered their opinion on such statements on March 10, 2025.

/s/ Withum Smith+Brown, PC

We have served as the Corporation's auditor since 2003.

Buffalo, New York
March 5, 2026

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Rand Capital Corporation and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of financial position, including the consolidated schedule of portfolio investments, of Rand Capital Corporation and Subsidiaries (the Corporation) as of December 31, 2024, and the related consolidated statements of operations, changes in net assets and cash flows and the related notes to the consolidated financial statements for each of the two years in the period ended December 31, 2024, and the financial highlights schedule for each of the four years in the period ended December 31, 2024 (collectively, the financial statements). In our opinion, the financial statements and financial highlights schedule present fairly, in all material respects, the financial position of Rand Capital Corporation and Subsidiaries as of December 31, 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, and the financial highlights for each of the four years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and the financial highlights schedule are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the Corporation's financial statements and financial highlights schedule based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Corporation in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights schedule are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights schedule, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights schedule. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights schedule. Our procedures included confirmation of investments as of December 31, 2024, by correspondence with portfolio companies and custodian(s); or by other appropriate audit procedures when replies were not received. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgements. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Fair-Value – Level 3 Investments

Critical Audit Matter Description

At December 31, 2024, the fair value of the Corporation's investments categorized as Level 3 investments within the fair value hierarchy (Level 3 investments) totaled \$70,818,041. Management determines the fair value of the Corporation's Level 3 investments by applying the methodologies outlined in Note 2 to the consolidated financial statements and using significant unobservable inputs and assumptions. Determining the fair value of the Level 3 investments requires management to make judgments about the valuation

methodologies and significant unobservable inputs and assumptions including, among others, EBITDA multiples and revenue multiples, used in determining the fair value measurements.

How the Critical Audit Matter Was Addressed in the Audit

Auditing the fair value of the Corporation's Level 3 investments was complex, as the unobservable inputs and assumptions used by the Corporation are highly judgmental, are sensitive to economic factors, and could have a significant effect on the fair value measurement of such investments.

Our audit procedures included, among others, obtaining an understanding and evaluating the design of controls over the Corporation's investment valuation process, evaluating the Corporation's valuation methodologies, testing the significant unobservable inputs and assumptions used by the Corporation in determining the fair value of the Corporation's Level 3 investments, and testing the mathematical accuracy of the Corporation's valuation calculations. For Level 3 investments, we reviewed the information considered by the Board of Directors relating to the Corporation's determination of fair value. For a selection of the Corporation's Level 3 investments, we independently developed fair value estimates and compared them to the Corporation's estimates. We developed our independent fair value estimates by using the respective investment's financial information, which we compared to underlying source documents provided to the Corporation by the investment, and available market information from third-party sources, such as market multiples. We also evaluated subsequent events and other available information and considered whether they corroborated or contradicted the Corporation's year-end valuations.

/s/ FREED MAXICK P.C. (F/K/A Freed Maxick CPAs, P.C.)

We have served as the Corporation's auditor since 2003.

Buffalo, New York
March 10, 2025

Part IV

Item 15. Exhibits and Financial Statement Schedules

- (a) The following documents are filed as part of this report and included in *Part II, Item 8, Financial Statements and Supplementary Data*:
- (1) CONSOLIDATED FINANCIAL STATEMENTS
- Consolidated Statements of Financial Position as of December 31, 2025 and 2024
 - Consolidated Statements of Operations for the three years in the period ended December 31, 2025
 - Consolidated Statements of Changes in Net Assets for the three years in the period ended December 31, 2025
 - Consolidated Statements of Cash Flows for the three years in the period ended December 31, 2025
 - Consolidated Schedule of Portfolio Investments as of December 31, 2025
 - Consolidated Schedule of Portfolio Investments as of December 31, 2024
 - Financial Highlights Schedule for the five years in the period ended December 31, 2025
 - Notes to the Consolidated Financial Statements
 - Supplemental Schedule of Consolidated Changes in Investments at Cost and Realized Gain for the year ended December 31, 2025
 - Reports of Independent Registered Public Accounting Firms
- (2) FINANCIAL STATEMENT SCHEDULES
- The required financial statement Schedule II – Valuation and Qualifying Accounts has been omitted because the information required is included in the Notes to the consolidated financial statements.
- (b) The following exhibits are filed with this report or are incorporated herein by reference to a prior filing, in accordance with Rule 12b-32 under the Securities Exchange Act of 1934, as amended.
- (2.1) [Agreement and Plan of Merger, dated as of December 27, 2021, by and between Rand Capital Sub, Inc. and Rand Capital Sub, LLC, incorporated by reference to Exhibit 2.1 to the Corporation's Current Report on Form 8-K, as filed with the SEC on December 30, 2021.](#)
- (3.1)(i) [Certificate of Incorporation of the Corporation, incorporated by reference to Exhibit \(a\)\(1\) of Form N-2 filed with the SEC on April 22, 1997. \(File No. 333-25617\).](#)
- (3.1)(ii) [Certificate of Amendment to the Certificate of Incorporation, as amended, incorporated by reference to Exhibit 3.1 to the Corporation's Current Report on Form 8-K filed with the SEC on November 12, 2019.](#)
- (3.1)(iii) [Certificate of Amendment to the Certificate of Incorporation, as amended, incorporated by reference to Exhibit 3.1 to the Corporation's Current Report on Form 8-K filed with the SEC on May 21, 2020.](#)
- (3.1)(iv) [By-laws of the Corporation, incorporated by reference to Exhibit 3\(ii\) to the Corporation's Quarterly Report on Form 10-Q for the period ended September 30, 2016 filed with the SEC on November 2, 2016. \(File No. 814-00235\).](#)
- (4.1) [Specimen certificate of common stock certificate, incorporated by reference to Exhibit \(b\) of Form N-2 filed with the SEC on April 22, 1997. \(File No. 333-25617\).](#)
- (4.2) [Description of Securities of Rand Capital Corporation registered under Section 12 of the Securities Exchange Act of 1934, as amended, incorporated by reference to Exhibit 4.2 to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2019, as filed with the SEC on March 9, 2020.](#)
- (10.1) [Stock Purchase Agreement, dated as of January 24, 2019, by and among East Asset Management LLC, Rand Capital Corporation and, solely for purposes of being bound by Sections 7.10 and 10.9\(a\) and \(b\) thereof, Rand](#)

- [Capital Management, LLC, incorporated by reference to Exhibit 10.1 to the Corporation's Current Report on Form 8-K filed with the SEC on January 25, 2019.](#)
- (10.2) [Investment Advisory and Management Agreement, dated as of December 31, 2020, between Rand Capital Corporation and Rand Capital Management LLC, incorporated by reference to Exhibit 10.1 to the Corporation's Current Report on Form 8-K filed with the SEC on January 4, 2021.](#)
- (10.3) [Administration Agreement, dated as of December 31, 2020, between Rand Capital Corporation and Rand Capital Management LLC, incorporated by reference to Exhibit 10.2 to the Corporation's Current Report on Form 8-K filed with the SEC on January 4, 2021.](#)
- (10.4) [Shareholder Agreement, dated as of November 8, 2019, by and between Rand Capital Corporation and East Asset Management, LLC, incorporated by reference to Exhibit 10.3 to the Corporation's Current Report on Form 8-K filed with the SEC on November 12, 2019.](#)
- (10.5) [Credit Agreement, dated June 27, 2022, by and between Rand Capital Corporation, as borrower, and M&T Bank, as lender, incorporated by reference to Exhibit 10.1 to the Corporation's Current Report on Form 8-K filed with the SEC on June 27, 2022.](#)
- (10.6) [Revolving Line Note, dated June 27, 2022, by Rand Capital Corporation, as borrower, incorporated by reference to Exhibit 10.2 to the Corporation's Current Report on Form 8-K filed with the SEC on June 27, 2022.](#)
- (10.7) [Addendum to Line of Credit Note, dated June 27, 2022, by Rand Capital Corporation, as borrower, incorporated by reference to Exhibit 10.3 to the Corporation's Current Report on Form 8-K filed with the SEC on June 27, 2022.](#)
- (10.8) [Variable Rate Rider \(Daily Simple SOFR\), dated June 27, 2022, by Rand Capital Corporation, as borrower, incorporated by reference to Exhibit 10.4 to the Corporation's Current Report on Form 8-K filed with the SEC on June 27, 2022.](#)
- (10.9) [General Security Agreement, dated June 27, 2022, by Rand Capital Corporation and each of the subsidiaries listed therein, as debtors, in favor of Manufacturers and Traders Trust Company, as the secured party, incorporated by reference to Exhibit 10.5 to the Corporation's Current Report on Form 8-K filed with the SEC on June 27, 2022.](#)
- (16.1) [Letter of Freed Maxick, P.C., dated September 11, 2025, incorporated by reference to Exhibit 16.1 to the Corporation's Current Report on Form 8-K filed with the SEC on September 11, 2025.](#)
- (19.1) [Insider Trading Policy, incorporated by reference to Exhibit 19.1 to the Corporation's Annual Report on Form 10-K filed with the SEC on March 10, 2025.](#)
- (21.1) [Subsidiaries of Rand Capital Corporation - Rand BMP Swanson Holdings Corp., Rand Carolina Skiff Holdings Corp., Rand DSD Holdings Corp., Rand Filterworks Holdings Corp., Rand FSS Holdings Corp., Rand INEA Holdings Corp., and Rand ITA Holdings Corp.](#)
- (31.1)* [Certification of Principal Executive Officer Pursuant to Rules 13a-14\(a\)/15d-14\(a\) under the Securities Exchange Act of 1934, as amended.](#)
- (31.2)* [Certification of Principal Financial Officer Pursuant to Rules 13a-14\(a\)/15d-14\(a\) under the Securities Exchange Act of 1934, as amended.](#)
- (32.1)** [Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – Rand Capital Corporation.](#)
- (97.1) [Clawback Policy, incorporated by reference to Exhibit 97.1 to the Corporation's Annual Report on Form 10-K filed with the SEC on March 10, 2025.](#)
- 101.INS* Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
- 101.SCH* Inline XBRL Taxonomy Extension Schema With Embedded Linkbases Document
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

**Furnished herewith.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: March 31, 2026

RAND CAPITAL CORPORATION

By: */s/ Daniel P. Penberthy*
Daniel P. Penberthy, Chief Executive Officer and President

EXHIBIT 31.1

**CERTIFICATION
of**

Principal Executive Officer Pursuant to Rules 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended

I, Daniel P. Penberthy, certify that:

1. I have reviewed this annual report on Form 10-K of Rand Capital Corporation and subsidiaries;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 31, 2026

/s/ Daniel P. Penberthy
Daniel P. Penberthy, Chief Executive Officer and President
(Principal Executive Officer of Rand Capital Corporation)

**EXHIBIT 31.2
CERTIFICATION
of**

Principal Financial Officer Pursuant to Rules 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended

I, Margaret W. Brechtel, certify that:

1. I have reviewed this annual report on Form 10-K of Rand Capital Corporation and subsidiaries;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 31, 2026

/s/ Margaret W. Brechtel
Margaret W. Brechtel, Executive Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer of Rand Capital Corporation)

EXHIBIT 32.1

CERTIFICATION

**Pursuant to 18 U.S.C Section 1350 as Adopted Pursuant to Section 906
Of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of Rand Capital Corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report on Form 10-K for the year ended December 31, 2025 (the "Form 10-K") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 31, 2026

/s/ Daniel P. Penberthy
Daniel P. Penberthy, Chief Executive Officer and President
(Principal Executive Officer of Rand Capital Corporation)

Dated: March 31, 2026

/s/ Margaret W. Brechtel
Margaret W. Brechtel, Executive Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer of Rand Capital Corporation)
