

**Rand Worldwide, Inc.**  
**Consolidated Balance Sheet**  
**As of September 30, 2016**

**Assets-**

**Current assets**

|                             |                   |
|-----------------------------|-------------------|
| Cash and cash equivalents   | \$ 2,052,000      |
| Net receivables             | 9,908,000         |
| Inventory                   | 20,000            |
| Other current assets        | 833,000           |
| <b>Total current assets</b> | <b>12,813,000</b> |

|                             |                   |
|-----------------------------|-------------------|
| Property, plant & equipment | 791,000           |
| Goodwill                    | 16,462,000        |
| Intangible assets           | 3,651,000         |
| Other assets                | 251,000           |
| Deferred income taxes       | 3,741,000         |
| <b>Total assets</b>         | <b>37,709,000</b> |

**Liabilities and stockholders' equity-**

**Current liabilities**

|                                       |                   |
|---------------------------------------|-------------------|
| Accounts payable and accrued expenses | 5,857,000         |
| Current portion of long-term debt     | 4,200,000         |
| Other current liabilities             | 3,962,000         |
| <b>Total current liabilities</b>      | <b>14,019,000</b> |

|                                      |                   |
|--------------------------------------|-------------------|
| Note payable, net of current portion | 4,400,000         |
| <b>Total liabilities</b>             | <b>18,419,000</b> |

**Stockholders' equity**

|                                        |                   |
|----------------------------------------|-------------------|
| Common stock                           | 311,000           |
| Preferred stock                        | 21,000            |
| Additional paid-in capital             | 35,733,000        |
| Accumulated deficit                    | (16,487,000)      |
| Accumulated other comprehensive income | (288,000)         |
| <b>Total stockholders' equity</b>      | <b>19,290,000</b> |

|                                                   |                      |
|---------------------------------------------------|----------------------|
| <b>Total liabilities and stockholders' equity</b> | <b>\$ 37,709,000</b> |
|---------------------------------------------------|----------------------|

**Rand Worldwide, Inc.**  
**Consolidated Income Statement**  
**For the Three Months Ended September 30, 2016**

|                                                    |                                   |
|----------------------------------------------------|-----------------------------------|
| Total revenue                                      | \$ 22,283,000                     |
| Total cost of revenue                              | <u>11,564,000</u>                 |
| <b>Gross margin</b>                                | <b><u>10,719,000</u></b>          |
| <br>                                               |                                   |
| Selling, general & administrative expenses         | 8,460,000                         |
| Depreciation & amortization expense                | <u>274,000</u>                    |
| <b>Operating income</b>                            | <b><u>1,985,000</u></b>           |
| <br>                                               |                                   |
| Other expense                                      | <u>(111,000)</u>                  |
| <b>Income before income taxes</b>                  | <b><u>1,874,000</u></b>           |
| <br>                                               |                                   |
| Income tax expense                                 | <u>(739,000)</u>                  |
| <b>Net income</b>                                  | <b><u>1,135,000</u></b>           |
| <br>                                               |                                   |
| Preferred stock dividends                          | <u>(13,000)</u>                   |
| <b>Net income available to common stockholders</b> | <b><u><u>\$ 1,122,000</u></u></b> |

**Rand Worldwide, Inc.**  
**Consolidated Statement of Cash Flows**  
**For the Three Months Ended September 30, 2016**

|                                                                                   |                            |
|-----------------------------------------------------------------------------------|----------------------------|
| <b>Operating activities</b>                                                       |                            |
| Net income                                                                        | \$ 1,135,000               |
| Adjustments to reconcile net income to net cash provided by operating activities: |                            |
| Depreciation and amortization expense                                             | 274,000                    |
| Adjustments to net income                                                         | 280,000                    |
| Changes in liabilities                                                            | (4,301,000)                |
| Changes in accounts receivable                                                    | 3,598,000                  |
| Changes in inventories                                                            | (3,000)                    |
| Changes in other operating activities                                             | 339,000                    |
| <b>Net cash provided by operating activities</b>                                  | <b><u>1,322,000</u></b>    |
| <b>Investing activities</b>                                                       |                            |
| Purchases of property and equipment                                               | (27,000)                   |
| <b>Net cash used in investing activities</b>                                      | <b><u>(27,000)</u></b>     |
| <b>Financing activities</b>                                                       |                            |
| Net payments of borrowings                                                        | (787,000)                  |
| Payment of preferred stock dividends                                              | (13,000)                   |
| <b>Net cash used in financing activities</b>                                      | <b><u>(800,000)</u></b>    |
| Effect of exchange rate changes on cash                                           | (56,000)                   |
| <b>Net change in cash</b>                                                         | <b>439,000</b>             |
| Cash - beginning of period                                                        | 1,613,000                  |
| <b>Cash - end of period</b>                                                       | <b><u>\$ 2,052,000</u></b> |

**Rand Worldwide, Inc.**  
**Additional Disclosure Information**  
**As of September 30, 2016**

As of September 30, 2016 there were 31,070,342 shares of common stock outstanding.