

Rand Worldwide, Inc.
Consolidated Balance Sheet
As of December 31, 2016

Assets-

Current assets

Cash and cash equivalents	\$ 839,000
Net receivables	13,987,000
Inventory	83,000
Other current assets	603,000
Total current assets	15,512,000

Property, plant & equipment	715,000
Goodwill	16,433,000
Intangible assets	6,222,000
Other assets	243,000
Deferred income taxes	3,601,000
Total assets	42,726,000

Liabilities and stockholders' equity-

Current liabilities

Accounts payable and accrued expenses	9,594,000
Current portion of long-term debt	4,462,000
Other current liabilities	5,541,000
Total current liabilities	19,597,000

Note payable, net of current portion	3,088,000
Total liabilities	22,685,000

Stockholders' equity

Common stock	311,000
Preferred stock	21,000
Additional paid-in capital	35,759,000
Accumulated deficit	(15,629,000)
Accumulated other comprehensive income	(421,000)
Total stockholders' equity	20,041,000

Total liabilities and stockholders' equity	\$ 42,726,000
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Rand Worldwide, Inc.
Consolidated Income Statement
For the Three Months Ended December 31, 2016

Total revenue	\$ 17,248,000
Total cost of revenue	<u>7,441,000</u>
Gross margin	<u>9,807,000</u>
Selling, general & administrative expenses	8,077,000
Depreciation & amortization expense	<u>298,000</u>
Operating income	<u>1,432,000</u>
Other expense	<u>(98,000)</u>
Income before income taxes	<u>1,334,000</u>
Income tax expense	<u>(477,000)</u>
Net income	<u>857,000</u>
Preferred stock dividends	<u>(13,000)</u>
Net income available to common stockholders	<u><u>\$ 844,000</u></u>

Rand Worldwide, Inc.
Consolidated Statement of Cash Flows
For the Three Months Ended December 31, 2016

Operating activities	
Net income	\$ 857,000
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization expense	298,000
Adjustments to net income	177,000
Changes in liabilities	4,685,000
Changes in accounts receivable	(4,080,000)
Changes in inventories	(63,000)
Changes in other operating activities	241,000
Net cash provided by operating activities	<u>2,115,000</u>
Investing activities	
Purchases of property and equipment	(66,000)
Payments for the purchase of intangible assets	(2,778,000)
Proceeds from sale of asset	51,000
Net cash used in investing activities	<u>(2,793,000)</u>
Financing activities	
Proceeds from borrowings	631,000
Net payments of borrowings	(1,050,000)
Payment of preferred stock dividends	(13,000)
Net cash used in financing activities	<u>(432,000)</u>
Effect of exchange rate changes on cash	(103,000)
Net change in cash	(1,213,000)
Cash - beginning of period	2,052,000
Cash - end of period	<u>\$ 839,000</u>

Rand Worldwide, Inc.
Additional Disclosure Information
As of December 31, 2016

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