

Rand Worldwide, Inc.
Consolidated Balance Sheet
As of March 31, 2017

Assets-

Current assets

Cash and cash equivalents	\$ 1,262,000
Net receivables	12,017,000
Inventory	152,000
Other current assets	837,000

Total current assets 14,268,000

Property, plant & equipment	707,000
Goodwill	16,444,000
Intangible assets	9,467,000
Other assets	238,000
Deferred income taxes	3,603,000

Total assets 44,727,000

Liabilities and stockholders' equity-

Current liabilities

Accounts payable and accrued expenses	7,489,000
Borrowings under line of credit	3,991,000
Current portion of long-term debt	4,725,000
Other current liabilities	5,160,000

Total current liabilities 21,365,000

Note payable, net of current portion 1,775,000

Total liabilities 23,140,000

Stockholders' equity

Common stock	311,000
Preferred stock	21,000
Additional paid-in capital	35,790,000
Accumulated deficit	(14,158,000)
Accumulated other comprehensive income	(377,000)

Total stockholders' equity 21,587,000

Total liabilities and stockholders' equity \$ 44,727,000

Rand Worldwide, Inc.
Consolidated Income Statement
For the Three Months Ended March 31, 2017

Total revenue	\$ 19,627,000
Total cost of revenue	8,139,000
Gross margin	<u>11,488,000</u>
Selling, general & administrative expenses	8,568,000
Depreciation & amortization expense	319,000
Operating income	<u>2,601,000</u>
Other expense	(100,000)
Income before income taxes	<u>2,501,000</u>
Income tax expense	(1,031,000)
Net income	<u>1,470,000</u>
Preferred stock dividends	(12,000)
Net income available to common stockholders	<u><u>\$ 1,458,000</u></u>

Rand Worldwide, Inc.
Consolidated Statement of Cash Flows
For the Three Months Ended March 31, 2017

Operating activities	
Net income	\$ 1,470,000
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization expense	319,000
Adjustments to net income	15,000
Changes in liabilities	(2,014,000)
Changes in accounts receivable	1,992,000
Changes in inventories	(69,000)
Changes in other operating activities	<u>(229,000)</u>
Net cash provided by operating activities	<u>1,484,000</u>
Investing activities	
Purchases of property and equipment	(64,000)
Payments for the purchase of intangible assets	<u>(3,330,000)</u>
Net cash used in investing activities	<u>(3,394,000)</u>
Financing activities	
Proceeds from borrowings	3,991,000
Net payments of borrowings	(1,681,000)
Proceeds from issuance of common stock upon the exercise of stock options	4,000
Payment of preferred stock dividends	<u>(12,000)</u>
Net cash provided by financing activities	<u>2,302,000</u>
Effect of exchange rate changes on cash	31,000
Net change in cash	423,000
Cash - beginning of period	<u>839,000</u>
Cash - end of period	<u>\$ 1,262,000</u>

Rand Worldwide, Inc.
Additional Disclosure Information
As of March 31, 2017

As of March 31, 2017, there were 31,072,842 shares of common stock outstanding.