

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

**Assets-**

**Current assets**

Cash and cash equivalents	\$ 2,310,000
Net receivables	13,281,000
Inventory	18,000
Other current assets	734,000
<b>Total current assets</b>	<b>16,343,000</b>

Property, plant & equipment	928,000
Goodwill	16,479,000
Intangible assets	4,015,000
Other assets	272,000
Deferred income taxes	3,846,000
<b>Total assets</b>	<b>41,883,000</b>

**Liabilities and stockholders' equity-**

**Current liabilities**

Accounts payable and accrued expenses	6,988,000
Current portion of long-term debt	3,413,000
Other current liabilities	5,178,000
<b>Total current liabilities</b>	<b>15,579,000</b>

Note payable, net of current portion	9,150,000
<b>Total liabilities</b>	<b>24,729,000</b>

**Stockholders' equity**

Common stock	311,000
Preferred stock	21,000
Additional paid-in capital	35,681,000
Accumulated deficit	(18,644,000)
Accumulated other comprehensive income	(215,000)
<b>Total stockholders' equity</b>	<b>17,154,000</b>

<b>Total liabilities and stockholders' equity</b>	<b>\$ 41,883,000</b>
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**Rand Worldwide, Inc.**  
**Consolidating Income Statement**  
**For the Three Months Ended March 31, 2016**

Total revenue	\$ 23,873,000
Total cost of revenue	<u>11,502,000</u>
<b>Gross margin</b>	<b>12,371,000</b>
Selling, general & administrative expenses	8,842,000
Depreciation & amortization expense	<u>297,000</u>
<b>Operating income</b>	<b>3,232,000</b>
Other expense	<u>(186,000)</u>
<b>Income before income taxes</b>	<b>3,046,000</b>
Income tax expense	<u>(1,197,000)</u>
<b>Net income</b>	<b>1,849,000</b>
Preferred stock dividends	<u>(15,000)</u>
<b>Net income available to common stockholders</b>	<b><u>\$ 1,834,000</u></b>

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

**Operating activities**

Net income	\$ 1,849,000
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization expense	297,000
Adjustments to net income	(4,000)
Changes in liabilities	(3,280,000)
Changes in accounts receivable	792,000
Changes in inventories	23,000
Changes in other operating activities	(15,000)
<b>Net cash provided by operating activities</b>	<b><u>(338,000)</u></b>

**Investing activities**

Purchases of property and equipment	(129,000)
<b>Net cash used in investing activities</b>	<b><u>(129,000)</u></b>

**Financing activities**

Net payments of borrowings	(2,787,000)
Payment of preferred stock dividends	(15,000)
<b>Net cash used in financing activities</b>	<b><u>(2,802,000)</u></b>
Effect of exchange rate changes on cash	274,000

<b>Net change in cash</b>	<b>(2,995,000)</b>
Cash - beginning of period	5,305,000
<b>Cash - end of period</b>	<b><u>\$ 2,310,000</u></b>

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

The total number of shares outstanding as of March 31, 2016 was 31,070,343.