

Rand Worldwide, Inc.
Consolidated Balance Sheet
As of March 31, 2018

Assets-

Current assets

| | |
|-----------------------------|-------------------|
| Cash and cash equivalents | \$ 833,000 |
| Net receivables | 13,601,000 |
| Inventory | 13,000 |
| Other current assets | 965,000 |
| Total current assets | 15,412,000 |

| | |
|-----------------------------|-------------------|
| Property, plant & equipment | 1,078,000 |
| Goodwill | 16,486,000 |
| Intangible assets | 9,656,000 |
| Other assets | 233,000 |
| Deferred income taxes | 3,501,000 |
| Total assets | 46,366,000 |

Liabilities and stockholders' equity-

Current liabilities

| | |
|---------------------------------------|-------------------|
| Accounts payable and accrued expenses | 9,113,000 |
| Borrowings under line of credit | 7,821,000 |
| Current portion of long-term debt | 1,775,000 |
| Other current liabilities | 3,877,000 |
| Total liabilities | 22,586,000 |

Stockholders' equity

| | |
|--|-------------------|
| Common stock | 311,000 |
| Preferred stock | 21,000 |
| Additional paid-in capital | 35,894,000 |
| Accumulated deficit | (12,239,000) |
| Accumulated other comprehensive income | (207,000) |
| Total stockholders' equity | 23,780,000 |

| | |
|---|----------------------|
| Total liabilities and stockholders' equity | \$ 46,366,000 |
|---|----------------------|

Rand Worldwide, Inc.
Consolidating Income Statement
For the Three Months Ended March 31, 2018

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|--|---------------------|
| Total revenue | \$ 30,122,000 |
| Total cost of revenue | 19,040,000 |
| Gross margin | 11,082,000 |
| | |
| Selling, general & administrative expenses | 8,972,000 |
| Depreciation & amortization expense | 316,000 |
| Operating income | 1,794,000 |
| | |
| Other expense | (107,000) |
| Income before income taxes | 1,687,000 |
| | |
| Income tax expense | (593,000) |
| Net income | 1,094,000 |
| | |
| Preferred stock dividends | (12,000) |
| Net income available to common stockholders | \$ 1,082,000 |

Rand Worldwide, Inc.
Consolidated Statement of Cash Flows
For the Three Months Ended March 31, 2018

| | |
|---|--------------------------|
| Operating activities | |
| Net income | \$ 1,094,000 |
| Adjustments to reconcile net income to net cash provided by operating activities: | |
| Depreciation and amortization expense | 316,000 |
| Adjustments to net income | 186,000 |
| Changes in liabilities | (96,000) |
| Changes in accounts receivable | (687,000) |
| Changes in inventories | (2,000) |
| Changes in other operating activities | (94,000) |
| Net cash provided by operating activities | <u>717,000</u> |
| Investing activities | |
| Purchases of property and equipment | (47,000) |
| Net cash used in investing activities | <u>(47,000)</u> |
| Financing activities | |
| Proceeds from borrowings | 20,535,000 |
| Net payments of borrowings | (21,039,000) |
| Payment of preferred stock dividends | (12,000) |
| Net cash used in financing activities | <u>(516,000)</u> |
| Effect of exchange rate changes on cash | (106,000) |
| Net change in cash | 48,000 |
| Cash - beginning of period | 785,000 |
| Cash - end of period | <u>\$ 833,000</u> |

Rand Worldwide, Inc.
Additional Disclosure Information
As of March 31, 2018

As of March 31, 2018 there were 31,072,842 shares of common stock outstanding.