



NEWS RELEASE

Charlotte's Web Holdings Reports Q3-2020 Results

A return to organic quarterly growth

(BOULDER, Colo.), November 12, 2020 – (TSX:CWEB, OTCQX:CWBHF), Charlotte's Web Holdings, Inc. ("Charlotte's Web" or the "Company") the market share leader in full spectrum cannabidiol (CBD) hemp extract wellness products, today reported financial results for the third quarter ended September 30, 2020. All amounts are expressed in United States' dollars unless otherwise noted. Certain metrics, including those expressed on an adjusted basis, are non-IFRS measures.

Q3-2020 Financial Highlights

- Consolidated revenue increased 0.4% to \$25.2 million vs. Q3-2019 and increased 17% vs. Q2-2020, marking a return to consecutive quarter growth
- Direct-to-Consumer ("DTC") eCommerce sales increased 27.5% year-over-year and contributed 66.3% of Q3 revenue
- Gross profit of \$15.2 million, or 60.3% of consolidated revenue (prior to biological asset adjustments)
- Adjusted EBITDA loss of \$6.7 million
- \$65.9 million cash and \$128.6 million working capital on September 30, 2020

Business Highlights

- Increased revenue vs prior quarter for both DTC +8% and B2B +39%
- B2B quarter on quarter growth led by natural retail +20% and healthcare practitioner (HCP) +101% channels following portfolio repricing and expanded product offering
- Increased doors by ~ 1000 for 22,000 total unique retail doors carrying our portfolio of brands including Charlotte's Web™, CBD Medic™, CBD Clinic™, and Harmony Hemp
- Completed 100-day integration of Abacus Health Products acquisition contributing revenue of approximately \$2.5 million to Q3-2020
- Completed \$11.5M phase 2 investment in new 137,000 sq ft facility to build out production. Phase 3 extraction and R&D expansion planned to be operational by the end of Q1 2021 ahead of anticipated growth
- Launched CBD liver health study with ValidCare, progressing for publication early 2021
- Advanced regulatory definition at the federal and state levels including introduction of Federal bill H.R. 8179 to legislate CBD and other hemp derivative products as dietary supplements
- Achieved official B Corp certification on August 28 indicating excellence in ESG. Charlotte's Web is the world's largest and only publicly traded CBD B Corp
- Strengthened the Company's board with the additions of Jean Birch and Susan Vogt as new directors. John Held appointed Chairman of the Board

“The strength of our leading ecommerce sales continued to offset slower B2B retail sales during the pandemic,” said Deanie Elsner, CEO of Charlotte’s Web. “Within our B2B business, we are seeing signs of improvement with a return to consecutive quarterly revenue growth of +36%, led by the natural channel +20%, and the health care practitioner channel +101% quarter-over-quarter. In addition, we continued to expand our footprint in terms of distribution in Q3 by adding nearly 1000 new doors to our retail footprint, including natural retailers, nearly 300 independent pet stores and approximately 500 new F/D/M retail doors.”

Q3-2020 Financial Review

The following table sets forth selected financial information for the periods indicated.

U.S. \$ millions, except per share data	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Revenue	\$ 25.2	\$ 25.1	\$ 68.3	\$ 71.8
Gross profit before biological assets adjustment	15.2	17.9	41.7	52.2
Net impact, fair value of biological assets	0.5	—	0.4	(0.5)
Gross profit	14.7	17.9	41.3	52.7
Operating expenses	28.3	19.6	81.1	49.1
Change in fair value of warrants and other (income) expense, net	(7.1)	(0.1)	(13.7)	(0.7)
(Loss) income before taxes	(6.5)	(1.6)	(26.1)	4.3
Net (loss) income	\$ (6.6)	\$ (1.3)	\$ (32.5)	\$ 3.2
EPS basic	\$ (0.05)	\$ (0.01)	\$ (0.27)	\$ 0.03
EPS diluted	\$ (0.05)	\$ (0.01)	\$ (0.27)	\$ 0.03
Adjusted EBITDA ¹	\$ (6.7)	\$ 0.8	\$ (18.1)	\$ 8.8

Assets:	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 65.9	\$ 99.8	\$ 53.0	\$ 68.6
Total assets	\$ 330.5	\$ 357.6	\$ 190.2	\$ 222.9
Liabilities:				
Long-term liabilities	\$ 28.7	\$ 40.8	\$ 32.9	\$ 39.8
Total liabilities	\$ 64.0	\$ 86.7	\$ 62.5	\$ 69.2

The following information sets forth selected quarterly revenue information for the Company's recent fiscal quarters.

U.S. \$ millions	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Revenue	\$ 25.2	\$ 21.6	\$ 21.5	\$ 22.8	\$ 25.1	\$ 25.0	\$ 21.7	\$ 21.5

Consolidated third quarter revenue increased to \$25.2 million, as compared to \$25.1 million in 2019. Lower B2B sales were offset by strong DTC sales as B2B sales were 29.2% lower year-over-year, accounting for 33.7% of total revenue in the quarter. DTC net sales grew by 27.5% year-over-year as online traffic and high conversion rates increased through ongoing marketing and social media programs. Year-over-year new consumer acquisitions increased 52% and conversion rates increased 98%. DTC net revenue accounted for 66.3% of total revenue in the third quarter compared to 52.2% for the same period in the prior year.

	Three months ended September 30,		Year-over-year % Increase (Decrease)	Nine months ended September 30,		Year-over-year % Increase (Decrease)
	2020	2019		2020	2019	
Revenue - U.S. \$ millions	\$ 25.2	25.1	0.4 %	\$ 68.3	\$ 71.8	(4.9)%
Direct-to-consumer ("DTC")	\$ 16.7	\$ 13.1	27.5 % ¹	\$ 46.3	\$ 35.6	30.1 % ¹
Business-to-business ("B2B")	\$ 8.5	\$ 12.0	(29.2)% ¹	\$ 22.0	\$ 36.2	(39.2)% ¹

¹Percentages for the three and nine months ended September 30, 2019 were recategorized to conform with 2020 categorization.

Gross margin (prior to biological asset adjustments) was 60.3%, compared to 71.3% last year.

Operating expenses were \$28.3 million, a 44.4% year-over-year increase from \$19.6 million. The increase reflects the Company's investments in capacity expansion and transition to a consumer-packaged goods ("CPG") operating company capable of supporting mass retail channel growth.

Lower than expected revenue due to the pandemic has resulted in an increase in operating expenses as a percent of revenue. In response, management has taken actions to better align operating expenses and initiated an expense optimization program targeting reductions of more than 10% of the consolidated expense run rate by the end of 2020.

Adjusted EBITDA for the quarter was negative \$6.7 million, or (26.6)% of consolidated revenue, compared to positive EBITDA of \$0.8 million, or 3.2% of revenue, for the third quarter of 2019. The Adjusted EBITDA ratio during the third quarter reflects the substantial personnel, R&D and infrastructure investments made to support expected future revenue growth from the F/D/M channel, contrasted with lower sales due to the COVID -19 impact on both bricks & mortar retail traffic and closed health practitioners.

Balance Sheet and Cash Flow

The Company used \$21.5 million of cash in operations during the third quarter of 2020 compared to \$9.6 million of cash used in operations during the third quarter of 2019, primarily due to the increase in changes in working capital. The Company's cash and working capital at September 30, 2020 were \$65.9 million and \$128.6 million, respectively, compared to \$68.6 million and \$116.9 million at December 31, 2019.

	Three months ended			
	September 30			
	2020	2019	\$ Change	% Change
Cash beginning of period	\$ 99.8	\$ 51.4	\$ 48.4	94.2 %
Cash flows from (used in):				
Operating activities	(21.5)	(9.6)	(11.9)	124.0 %
Investing activities	(11.1)	(6.7)	(4.4)	65.7 %
Financing activities	(1.3)	(0.1)	(1.2)	1,200.0 %
Cash, end of period	\$ 65.9	\$ 35.0	\$ 30.9	88.3 %

Consolidated Financial Statements and Management's Discussion and Analysis

The Company's unaudited financial statements and accompanying notes for the periods ended September 30, 2020 and 2019 and related management's discussion and analysis of financial condition and results of operations ("MD&A") are available under the Company's profile on SEDAR at www.sedar.com and on the Investor Relations section of the Company's website at <https://investors.charlottesweb.com>.

Conference Call

Management will host a conference call to discuss the Company's third quarter 2020 results at 8:30a.m. ET on Thursday, November 12, 2020. To participate in the call, please dial 1-647-427-7450 or 1-888-231-8191 approximately 10 minutes before the conference call and provide conference ID 2387838. A recording of the call will be available through November 19, 2020. To listen to the rebroadcast please dial 1-416-849-0833 and provide the same conference ID.

A webcast of the call can be accessed through the [investor relations section](#) of the Charlotte's Web website.

About Charlotte's Web Holdings, Inc.

Charlotte's Web Holdings, Inc., a Certified B Corporation headquartered in Boulder, Colorado, is the market leader in the production and distribution of innovative hemp-derived cannabidiol ("CBD") wellness products under a family of brands which includes Charlotte's Web™, CBD Medic™, CBD Clinic™, and Harmony Hemp. The Company's premium quality products start with proprietary hemp genetics that are 100-percent American farm grown and manufactured into whole-plant hemp extracts containing a full spectrum of naturally occurring phytocannabinoids including CBD, CBC, CBG, terpenes, flavonoids and other beneficial hemp compounds. Charlotte's Web product categories include [CBD oil tinctures](#) (liquid products), [CBD gummies](#) (sleep, stress, inflammation recovery), [CBD capsules](#), [CBD topical creams and lotions](#), as well as [CBD pet products for dogs](#). Charlotte's Web is the number one CBD brand in the USA and distributed through more than 22,000 retail locations, select distributors and online through the Company's website at www.CharlottesWeb.com.

Charlotte's Web was founded by the Stanley Brothers with a mission to unleash the healing powers of botanicals through compassion and science, benefiting the planet and all who live upon it. Charlotte's Web is a socially and environmentally conscious company and is committed to using business as a force for good and a catalyst for innovation. The Company weighs sound business decisions with consideration for how its efforts affect employees, customers, the environment, and diverse communities. The rate the Company pays for agricultural products reflects a fair and sustainable rate driving higher quality yield, encouraging regenerative farming practices, and supporting U.S. farming communities. Management believes that its socially oriented and environmentally responsible actions have a positive impact on its customers, suppliers, employees and stakeholders. Charlotte's Web donates a portion of its pre-tax earnings to charitable organizations.

Shares of Charlotte's Web trade on the Toronto Stock Exchange (TSX) under the symbol "CWEB" and are quoted in U.S. Dollars in the United States on the OTCQX under the symbol "CWBHF". As of November 9, 2020 Charlotte's Web had 104,789,199 Common Shares outstanding and 85,738.44 Proportional Voting Shares convertible at 400:1 into Common Shares, for an effective equivalent of 139,084,575 Common Shares outstanding.

¹Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA) is not a recognized performance measure under International Financial Reporting Standards ("IFRS"). Adjusted EBITDA does not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers. Adjusted EBITDA does not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issues. The term EBITDA consists of net (loss) income and excludes interest ("financing costs"), taxes, depreciation and amortization. Adjusted EBITDA also excludes share-based compensation, impairment of assets, acquisition costs, legal settlement costs, restructuring charges, and adjustments for fair value of biological assets, warrant liabilities, and stock appreciation rights. Adjusted EBITDA is included as a supplemental disclosure because Management believes that such measurement provides a better assessment of the Company's operations on a continuing basis by eliminating certain non-cash charges and charges or gains that are nonrecurring. The most directly comparable measure to Adjusted EBITDA calculated in accordance with IFRS is net (loss) income. See "Adjusted EBITDA" in the MD&A for a reconciliation of Adjusted EBITDA to net (loss) income.

U.S. \$ millions	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Net (loss) income	\$ (6.6)	\$ (1.3)	\$ (32.5)	\$ 3.2
Depreciation of property and equipment	2.8	1.1	6.7	2.5
Financing costs	0.4	0.1	0.9	0.2
Interest income	—	(0.2)	(0.1)	(0.8)
Income taxes	—	(0.3)	6.3	1.1
EBITDA	\$ (3.4)	\$ (0.6)	\$ (18.7)	\$ 6.2
Mark-to-market fair value of warrants and stock appreciation rights	(6.5)	—	(13.4)	—
Fair value changes of biological assets, net	0.5	—	0.4	(0.5)
Share-based compensation	2.0	0.7	4.3	1.3
Impairment of assets	(0.3)	0.6	2.2	1.5
Acquisition costs	0.3	—	3.8	—
Legal settlement	—	—	2.1	—
Restructuring charges	0.7	0.1	1.2	0.3
Adjusted EBITDA ¹	\$ (6.7)	\$ 0.8	\$ (18.1)	\$ 8.8

¹Adjusted EBITDA presented in prior periods has been reclassified to conform with the current period presentation to include Interest income as a reduction of EBITDA and Adjusted EBITDA.

Forward-Looking Information

Certain information in this news release constitutes forward-looking statements and forward-looking information (collectively, "forward-looking information"). In some cases, but not necessarily in all cases, forward looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Examples of forward-looking information include, among others, statements the Company makes regarding guidance relating to fiscal 2020 revenue and adjusted EBITDA; the impact of the acquisition of Abacus on the Company's business and financial condition; customer acceptance of the Company's products; expansion of the Company's products; anticipated product category growth; retail expansion; online sales growth; and the Company's anticipated growth.

Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding the future of our business, future plans, strategies, projections, anticipated events and trends, the economy and other future conditions.

Forward-looking information is necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by the Company as of the date of this news release, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Material assumptions used to develop the forward-looking statements herein include, but are not limited to, the following: (i) the impact of the COVID-19 pandemic

(ii) the regulatory climate in which the Company operates; (iii) the continued sales success of the Company's products; (iv) the continued success of sales and marketing activities; (v) the Company's ability to complete the conversion or buildout of its facilities on time and on budget; (vi) there will be no significant delays in the development and commercialization of the Company's products; (vii) the Company will continue to maintain sufficient and effective production and research and development capabilities to compete on the attributes and cost of its products; (viii) the Company's ability to deal with adverse growing conditions (due to pests, disease, fungus, climate or other factors) in a timely and cost-effective manner; (ix) there will be no significant reduction in the availability of qualified and cost-effective human resources; (x) new products will continue to be added to the Company's portfolio; (xi) demand for hemp-based wellness products will continue to grow in the foreseeable future; (xii) there will be no significant barriers to the acceptance of the Company's products in the market; (xiii) the Company will be able to maintain compliance with applicable contractual and regulatory obligations and requirements; (xiv) there will be adequate liquidity available to the Company to carry out its operations; and (xv) products do not develop that would render the Company's current and future product offerings undesirable and the Company is otherwise able to minimize the impact of competition and keep pace with changing consumer preferences; and (xvi) the Company will be able to successfully manage and integrate acquisitions.

The Company's actual results and financial condition may differ materially from those indicated in the forward-looking information. Therefore, you should not rely on any of the forward-looking information contained in this news release. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking information include, among others, the following: the adverse impact of the COVID-19 pandemic to the Company's operations, supply chain, distribution chain, and to the broader market for and customers of the Company's products; revenue fluctuations; the impact of global conditions and unemployment rates on the Company's stakeholders; nature of government regulations (both domestic and foreign); general economic and financial conditions; loss of key customers or suppliers; retention and availability of executive talent; competing products; common share price volatility; loss of proprietary information; product acceptance; internet and system infrastructure functionality; information technology security; cash available to fund operations; crop risk; availability of capital; international and political considerations; completion of the acquisition of Abacus; the successful integration of acquired businesses; changes in customer demand; and the risk factors described in greater detail in the Company's annual information form dated March 27, 2020, management's discussion and analysis filed in respect to the interim period ending September 30, 2020, and other public documents of the Company available at www.sedar.com. These factors are not intended to represent a complete list of the factors that could affect the Company and the forward-looking information; however, these factors should be considered carefully. There can be no assurance that such expectations, estimates, projections and assumptions will prove to be correct, and the forward-looking information contained in this news release should not be unduly relied upon. The forward-looking statements and information contained in this news release are made as of the date of this news release and speaks only as of the date on which it is made. The Company expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by applicable law.

For further information subscribe to Charlotte's Web news, or contact:

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CHARLOTTE'S WEB HOLDINGS, INC.**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(In thousands of United States dollars)

	September 30, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash	\$ 65,891	\$ 68,553
Trade and other receivables, net	6,523	5,462
Note receivable	1,902	1,421
Inventories	64,715	64,054
Prepaid expenses and other current assets	13,461	3,592
Income taxes receivable	11,397	3,273
	163,889	146,355
Non-current assets:		
Property and equipment, net	58,159	42,949
Intangible assets, net	25,816	1,596
Goodwill	77,454	—
Deferred tax assets	12	30,417
Other long-term assets	5,130	1,625
	\$ 330,460	\$ 222,942
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 5,301	\$ 8,798
Accrued liabilities	13,762	7,323
Deferred revenue	388	550
Current cultivation liabilities	12,654	10,803
Current notes payable	881	9
Current lease obligations	2,304	1,945
	35,290	29,428
Non-current liabilities:		
Long-term cultivation liabilities	5,024	14,289
Long-term notes payable	228	3
Long-term lease obligations	20,939	22,116
Warrant liabilities	2,389	3,408
Stock appreciation rights liabilities	127	—
	63,997	69,244
Shareholders' equity:		
Share capital	277,388	123,927
Contributed surplus	19,285	27,513
(Accumulated deficit) Retained earnings	(30,210)	2,258
	266,463	153,698
	\$ 330,460	\$ 222,942

CHARLOTTE'S WEB HOLDINGS, INC.**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF (LOSS) INCOME AND OTHER COMPREHENSIVE (LOSS) INCOME**

(In thousands of United States dollars, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Revenue	\$ 25,156	\$ 25,045	\$ 68,299	\$ 71,765
Cost of sales	9,898	7,181	26,573	19,612
Gross profit before (gain) loss on fair value of biological assets	15,258	17,864	41,726	52,153
Realized fair value (gain) included in inventory sold	—	(65)	(86)	(561)
Unrealized fair value loss on growth of biological assets	501	48	501	48
Gross profit	14,757	17,881	41,311	52,666
Expenses:				
General and administrative	17,816	13,064	54,955	30,585
Sales and marketing	8,512	6,281	21,879	17,368
Research and development	1,984	255	4,283	1,099
Operating expenses	28,312	19,600	81,117	49,052
Operating (loss) income	(13,555)	(1,719)	(39,806)	3,614
Financing costs	369	107	903	241
Interest income	(24)	(187)	(179)	(853)
Change in fair value of warrants and other (income) expense, net	(7,379)	(66)	(14,387)	(60)
(Loss) income before taxes	(6,521)	(1,573)	(26,143)	4,286
Income tax expense (benefit)	18	(259)	6,325	1,075
Net (loss) income and comprehensive (loss) income	\$ (6,539)	\$ (1,314)	\$ (32,468)	\$ 3,211
Weighted average number of common shares - basic	138,866,673	97,486,347	120,238,141	95,244,686
Weighted average number of common shares - diluted	138,866,673	106,124,170	120,238,141	106,206,202
(Loss) earnings per share - basic	\$ (0.05)	\$ (0.01)	\$ (0.27)	\$ 0.03
(Loss) earnings per share - diluted	\$ (0.05)	\$ (0.01)	\$ (0.27)	\$ 0.03

CHARLOTTE'S WEB HOLDINGS, INC.**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(In thousands of United States dollars)

Nine months ended September 30, 2019	Share capital	Contributed surplus	Retained earnings	Total
Balance - December 31, 2018	\$ 78,316	\$ 25,357	\$ 17,825	\$ 121,498
Exercise of common stock options	963	(268)	—	695
Exercise of broker stock warrants	1,328	(842)	—	486
Accumulated effect of income tax from stock options	—	1,902	—	1,902
Share-based compensation expense	—	1,309	—	1,309
Net income	—	—	3,211	3,211
Balance - September 30, 2019	\$ 80,607	\$ 27,458	\$ 21,036	\$ 129,101
Nine months ended September 30, 2020	Share capital	Contributed surplus	Accumulated deficit	Total
Balance - December 31, 2019	\$ 123,927	\$ 27,513	\$ 2,258	\$ 153,698
Exercise of common stock options	2,140	(599)	—	1,541
Withholding of common stock upon vesting of restricted share	1,269	(1,285)	—	(16)
Accumulated effect of income tax from stock options	—	(16,087)	—	(16,087)
Share-based compensation expense	—	4,336	—	4,336
2020 Share Offering	47,959	—	—	47,959
Share issuance costs	(3,368)	—	—	(3,368)
Abacus acquisition	105,461	5,407	—	110,868
Net loss	—	—	(32,468)	(32,468)
Balance - September 30, 2020	\$ 277,388	\$ 19,285	\$ (30,210)	\$ 266,463

CHARLOTTE'S WEB HOLDINGS, INC.**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands of United States dollars)

	Nine months ended September 30,	
	2020	2019
Cash flows from operating activities:		
Net (loss) income	\$ (32,468)	\$ 3,211
Items not involving cash:		
Depreciation and amortization	6,729	2,516
Change in fair value of biological assets	415	(513)
Change in fair value of warrant liabilities	(13,082)	—
Change in fair value of stock appreciation rights	(275)	—
Expected credit losses	716	212
Inventory provision, net	2,216	1,536
Share-based compensation	4,336	1,309
Loss on disposal of assets	2	8
Deferred income taxes	14,340	(3,619)
Changes in working capital:		
Trade and other receivables, net	2,145	(1,999)
Inventories	2,672	(33,451)
Prepaid expenses and other current assets	(10,286)	(11,420)
Accounts payable	(8,286)	696
Accrued liabilities	2,143	8,560
Income taxes	(8,089)	3,011
Cultivation liabilities	(7,477)	5,209
Other operating assets and liabilities, net	701	(57)
	(43,548)	(24,791)
Cash flows from investing activities:		
Cash acquired in business combinations	11,181	—
Funding of notes receivable	(1,400)	(1,400)
Collections on note receivable	960	—
Purchases of property and equipment and intangible assets	(22,340)	(10,806)
Proceeds from sale of assets	46	53
Proceeds from loans due from related parties	—	21
Other investing activities	(309)	(732)
	(11,862)	(12,864)
Cash flows from financing activities:		
Proceeds from public offering	57,165	—
Proceeds from common stock option exercises	1,541	695
Withholding of common stock upon vesting of restricted share awards	(16)	—
Proceeds from stock warrant exercises	—	486
Payments on notes payable	(473)	(7)
Payments on lease obligations	(2,101)	(1,943)
Share issuance costs	(3,368)	—
	52,748	(769)

(Decrease) increase in cash		(2,662)		(38,424)
Cash, beginning of year		68,553		73,404
Cash, end of period	\$	65,891	\$	34,980

Supplemental disclosures of cash flows from operating activities:

Cash paid for interest	\$	(62)	\$	(39)
Cash paid for interest on lease obligations		(841)		(202)
Cash received from interest		179		853
Cash paid for taxes		(56)		(23)
Non-cash purchases of property and equipment and intangible assets		(2,359)		—