

Charlotte's Web Holdings, Inc. Reports Q2-2021 Results

Return of retail activity supports 11.4% YoY growth with market share gains

DENVER - August 12, 2021 – (TSX: CWEB) (OTCQX: CWBHF), Charlotte's Web Holdings, Inc. ("Charlotte's Web" or the "Company"), the market share leader in full spectrum hemp extract wellness products, today reported financial results for the second quarter ended June 30, 2021. All amounts are expressed in United States' dollars, unless otherwise noted. Certain metrics, including those expressed on an adjusted basis, are non-IFRS measures.

Q2-2021 Financial Highlights

- Revenue increased 11.4% to \$24.2 million vs. \$21.7 million in Q2-2020
- DTC eCommerce revenue increased 1.0% to \$15.7M, contributing 64.9% of Q2 revenue and holding onto the pandemic online shopping boost
- B2B revenue increased 37.7% year-over-year
- Gross profit increased to \$15.8 million, or 65.5% of consolidated revenue
- Operating expense reduced by 15.2% year-over-year
- Adjusted EBITDA of (\$3.9 million), an improvement vs prior year (\$5.7 million) and prior quarter (\$4.7 million)
- \$27.1 million cash (plus \$10.9 million pending IRS tax receivable) and \$90.1 million working capital at June 30, 2021
- \$10 million unused line of credit with JPMorgan; opportunity to extend to \$20 million

Business Highlights

- Grew #1 market share across core retail channels including total US Food/Drug/Mass retail ("F/D/M") and US natural specialty retail
- Secured future optionality to enter the US cannabis wellness category through a purchase option agreement to acquire Stanley Brothers cannabis business pending US federal legalization of cannabis
- Planted first crop of (proprietary) patented hemp cultivars approved by Health Canada in the Okanagan Valley in British Columbia, Canada
- CW Labs announced a scientific collaboration, researching hemp CBD efficacy with Harvard Medical School's Dr. Staci Gruber, Ph.D.
- Invested \$1.6 million capex primarily related to substantially completing phase III expansion of new 137,000 sq. ft. facility with extraction infrastructure and R&D expansion
- Supported federal and state legislative actions to help develop a comprehensive regulatory framework with Federal Bill H.R. 841 and proposed regulations in CA and NY
- Wes Booyesen appointed as Chief Financial Officer, bringing international operating, finance and regulatory experience as former Molson Coors executive
- Tim Saunders, former CFO of Canopy Growth, appointed to board of directors, adding Canadian cannabis and hemp sector governance and finance expertise

“The ongoing economic recovery from the pandemic that began in Q1 strengthened through the second quarter, driving a 38% increase in our retail revenue as many consumers transitioned from online shopping back to brick and mortar retail. This was especially evident within our largest and most established medical and healthcare practitioner channels,” said Deanie Elsner, CEO of Charlotte’s Web. “We believe we are best positioned to take advantage of the return to brick and mortar retail as we hold the number one share position in the food/drug/mass and natural specialty retail channels in the US. Internationally, we recently planted our first hemp crop in Canada and anticipate initial product sales by early 2022.”

Q2-2021 Financial Review

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

| U.S. \$ millions, except per share data | Three months ended June 30, | |
|--|-----------------------------|----------|
| | 2021 | 2020 |
| Revenue | \$ 24.2 | \$ 21.7 |
| Gross profit before biological assets adjustment | 15.8 | 11.5 |
| Net impact, fair value of biological assets | — | — |
| Gross profit | 15.8 | 11.5 |
| Operating expenses | 25.0 | 29.5 |
| Operating loss | (9.2) | (18.0) |
| Change in fair value of financial instruments, net | (4.1) | (3.9) |
| Net loss and comprehensive loss | (5.4) | (14.4) |
| Loss per share - basic | \$(0.04) | \$(0.13) |
| Loss per share - diluted | \$(0.04) | \$(0.13) |
| Adjusted EBITDA¹ | \$(3.9) | \$(5.7) |

| Assets: | June 30, 2021 | December 31, 2020 |
|---------------------------|----------------------|-------------------|
| Cash and cash equivalents | \$ 27.1 | \$ 52.8 |
| Total assets | \$ 285.9 | \$ 310.9 |
| Liabilities: | | |
| Long-term liabilities | \$ 22.6 | \$ 27.7 |
| Total liabilities | \$ 46.8 | \$ 56.7 |

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

| U.S. \$ millions | Q2 2021 | Q1 2021 | Q4 2020 | Q3 2020 | Q2 2020 | Q1 2020 | Q4 2019 | Q3 2019 |
|------------------|---------------|------------|------------|------------|------------|------------|------------|------------|
| Revenue | \$24.2 | \$23.4 | \$26.9 | \$25.2 | \$21.7 | \$21.5 | \$22.8 | \$25.0 |

Consolidated revenue for the three months ended June 30, 2021, increased 11.4% year-over-year to \$24.2 million.

Consolidated business-to-business ("B2B") revenue increased 37.7% year-over-year reflecting consumers returning to brick & mortar retail shopping following the economic reopening from pandemic lockdowns. Similarly, B2B healthcare practitioner ("HCP") and medical channels experienced increased activity and revenue, additionally supported by the Company's acquisition of Abacus Health in June 2020.

Direct-to-consumer ("DTC") ecommerce net sales grew by 1.0% year-over-year, reflecting some consumer transition back to retail shopping. Year-over-year new subscriptions increased 43% and conversion rates increased 27%. DTC accounted for 64.9% of total revenue in the second quarter of 2021 versus 71.6% for the same period in 2020.

Increased retail volumes have resulted in ongoing incremental quarterly gains in retail market share. Charlotte's Web grew its number one market share across its core retail channels, including total US Food/Drug/Mass retail, total US natural specialty retail.

| | Three months ended | | Year-over-year | |
|------------------------------|--------------------|--------|----------------|---|
| | June 30, | | | |
| | 2021 | 2020 | % Increase | |
| Revenue - U.S. \$ millions | \$24.2 | \$21.7 | 11.4 | % |
| Direct-to-consumer ("DTC") | \$15.7 | \$15.5 | 1.0 | % |
| Business-to-business ("B2B") | \$8.5 | \$6.2 | 37.7 | % |

Gross profit of \$15.8 million strengthened to 65.5% of revenue compared to \$11.5 million, or 52.9% of revenue in Q2-2020, which included inventory provisions of \$2.5 million taken in the quarter for expiring product (gross profit before inventory provisions was 64.6%). The Company anticipates gross profit improvements as its new production and fulfillment facility becomes fully operational.

Operating expenses were \$25.0 million, a 15.2% year-over-year improvement from \$29.5 million. In response to lower B2B retail sales during the pandemic, in Q4-2020 management took actions to better align operating expenses through an expense optimization program targeting reductions of more than 10% of the Q3-2020 consolidated expense run rate. Operating expenses reductions for the first half of 2021 were ahead of plan and were achieved despite incurring the additional operating expenses from the CW Labs R&D division as well as the acquisition of Abacus Health, which were not present for the full first six months of 2020.

Adjusted EBITDA for the quarter was negative \$3.9 million, or (16.3)% of consolidated revenue, a 31.1% improvement from negative Adjusted EBITDA of \$5.7 million, or (26.6)% of consolidated revenue, for the second quarter of 2020.

Balance Sheet and Cash Flow

The Company used \$6.5 million of cash in operations during the second quarter of 2021 compared to \$7.1 million of cash used in operations during the second quarter of 2020. The Company's cash and working capital at June 30, 2021 were \$27.1 million and \$90.1 million, respectively, compared to \$52.8 million and \$113.6 million at December 31, 2020. Charlotte's Web has a near-term IRS tax receivable of \$10.9 million and maintains a unused \$10 million line of credit with JPMorgan, with opportunity to extend to \$20 million.

| | Three months ended | | | |
|----------------------------|--------------------|----------------|------------------|-----------------|
| | June 30 | | | |
| U.S. \$ millions | 2021 | 2020 | \$ Change | % Change |
| Cash beginning of period | \$ 35.0 | \$ 53.0 | \$ (18.0) | (34.0) % |
| Cash flows from (used in): | | | | |
| Operating activities | (6.5) | (7.1) | 0.6 | (8.5) % |
| Investing activities | (1.3) | 0.8 | (2.1) | (262.5) % |
| Financing activities | (0.1) | 53.1 | (53.2) | (100.2) % |
| Cash, end of period | \$ 27.1 | \$ 99.8 | \$ (72.7) | (72.8) % |

Consolidated Financial Statements and Management's Discussion and Analysis

The Company's unaudited financial statements and accompanying notes for the periods ended June 30, 2021 and 2020 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 second quarter 2021 results at 8:30a.m. ET on August 12, 2021. To participate in the call, please dial 1-416-764-8659 or 1-888-664-6392 approximately 10 minutes before the conference call. A recording of the call will be available through August 19, 2021. To listen to the rebroadcast please dial 1-416-764-8677 and provide conference ID 506847. 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 Denver, Colorado, is the market leader in innovative hemp extract wellness products under a family of brands which includes Charlotte's Web™, CBD Medic™, CBD Clinic™, and Harmony Hemp™. Charlotte's Web branded premium quality products start with proprietary hemp genetics that are 100-percent American farm grown and manufactured into hemp extracts containing naturally occurring phytocannabinoids including cannabidiol ("CBD"), CBC, CBG, terpenes, flavonoids and other beneficial hemp compounds. The Company's CW Labs R&D science division is located at the University at Buffalo in New York which is part of the State University of New York (SUNY) system of 64 universities. Charlotte's Web product categories include full spectrum hemp extract [oil tinctures](#) (liquid products), [gummies \(sleep, stress, inflammation recovery\)](#), capsules, [CBD topical creams and lotions](#), as well as [products for dogs](#). Charlotte's Web products are distributed to more than 14,000 retail doors and 8,000 health care practitioners, and online through the Company's website at www.CharlottesWeb.com.

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 August 10, 2021, Charlotte's Web had 123,165,213 Common Shares outstanding and 42,931.5675 Proportionate Voting Shares convertible at 400:1 into Common Shares, for an effective equivalent of 140,337,840 Common Shares outstanding.

Non-IFRS Measures

Adjusted 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 therefore may not be comparable to similar measures presented by other issuers. The term EBITDA consists of net loss and excludes interest (“financing costs”), taxes, depreciation and amortization. Adjusted EBITDA also excludes share-based compensation, impairment of assets, transaction costs, legal settlement costs, restructuring charges, and adjustments for fair value. Adjusted EBITDA is included as a supplemental disclosure because Management believes that such measurement provides a more meaningful assessment of the Company’s operations on a continuing basis by eliminating certain non-cash charges and charges or gains that are infrequent. The most directly comparable measure to Adjusted EBITDA calculated in accordance with IFRS is net loss. See “Adjusted EBITDA” in the MD&A for a reconciliation of Adjusted EBITDA to net loss.

| U.S. \$ millions | Three months ended | |
|--|--------------------|-----------|
| | June 30, | |
| | 2021 | 2020 |
| Net loss and comprehensive loss | \$ (5.4) | \$ (14.4) |
| Depreciation of property and equipment and amortization of intangibles | 3.6 | 2.1 |
| Financing costs | 0.3 | 0.3 |
| Interest income | — | — |
| Income tax benefit | — | — |
| EBITDA | \$ (1.5) | \$ (12.0) |
| Mark-to-market financial instruments | (4.0) | (3.9) |
| Net impact, fair value of biological assets | — | — |
| Share-based compensation | 1.5 | 2.0 |
| Impairment of assets | (0.2) | 2.5 |
| Transaction costs | — | 3.1 |
| Legal settlement | — | 2.1 |
| Restructuring charges | 0.3 | 0.5 |
| Adjusted EBITDA | \$ (3.9) | \$ (5.7) |

Forward-Looking Information

In the interest of providing the shareholders and potential investors of Charlotte's Web Holdings, Inc. with information about the Company, certain information provided herein constitutes forward-looking statements or information (collectively, "forward-looking statements"). Forward-looking statements are typically identified by words such as "may", "will", "should", "could", "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Although these forward-looking statements are based on assumptions the Company considers to be reasonable based on the information available on the date such statements are made, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors which may cause actual results, levels of activity, and achievements to differ materially from those expressed or implied by such statements. The forward-looking statements contained in this press release are based on certain assumptions and analysis by management of the Company ("Management") in light of its experience and perception of historical trends, current conditions and expected future development and other factors that it believes are appropriate.

Specifically, this press release contains forward-looking statements relating to, but not limited to: future optionality to enter the US cannabis wellness category; pending US federal legalization of cannabis; potential capacity expansion for production, extraction, R&D and distribution; international expansion activities and strategy; timing of initial product sales in Canada; capacity expansion and transition to a CPG operating company capable of supporting mass retail channel growth; future availability of line of credit and expansion of same; the impact of certain activities on the Company's business and financial condition; suggested regulatory developments; possible equity and debt financing; the Company's anticipated trajectory, long-term growth expectations and shareholder value creation; and product expansion, including into cannabis wellness where federally permissible.

The material factors and 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 currently operates and may in the future operate; (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 the Company's products will 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; (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 and take advantage of synergies from acquisitions.

The Company's forward-looking statements are subject to risks and uncertainties pertaining to, among other things, the adverse impact of the COVID-19 pandemic to the Company's operations, supply chain, distribution chain, and to the broader market for the Company's products, revenue fluctuations, nature of government regulations (both domestic and foreign), economic conditions, loss of key customers, 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, the successful integration of acquired businesses, regulatory changes, and including but not limited to those risks and uncertainties discussed under the heading "Risks and Uncertainties" in MD&A, the Company's most recently filed annual information form, and the Company's other filings with securities regulators available on SEDAR. The impact of any one risk, uncertainty, or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent, and the Company's future course of action depends on Management's assessment of all information available at the relevant time. Except to the extent required by law, the Company assumes no obligation to publicly update or revise any forward-looking statements made, whether as a result of new information, future events, or otherwise. All forward-looking statements, whether written or oral, attributable to the Company or persons acting on the Company's behalf, are expressly qualified in their entirety by these cautionary statements.

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)

| | June 30, 2021 | December 31, 2020 |
|---|---------------|-------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 27,096 | \$ 52,803 |
| Trade and other receivables, net | 4,635 | 6,274 |
| Note receivable | 1,416 | 1,753 |
| Note receivable - related party | 1,020 | 1,004 |
| Inventories | 62,245 | 61,936 |
| Prepaid expenses and other current assets | 7,024 | 7,390 |
| Income taxes receivable | 10,897 | 11,440 |
| | 114,333 | 142,600 |
| Non-current assets: | | |
| Property and equipment, net | 60,343 | 60,269 |
| Intangible assets, net | 24,011 | 25,376 |
| Goodwill | 77,454 | 77,454 |
| SBH Purchase Option | 7,170 | — |
| Deferred tax assets | 4 | 4 |
| Other long-term assets | 2,569 | 5,178 |
| | \$ 285,884 | \$ 310,881 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 6,024 | \$ 4,891 |
| Accrued liabilities | 8,773 | 11,519 |
| Deferred revenue | 568 | 615 |
| Current cultivation liabilities | 6,608 | 9,304 |
| Current notes payable | 312 | 629 |
| Current lease obligations | 1,903 | 2,015 |
| | 24,188 | 28,973 |
| Non-current liabilities: | | |
| Long-term cultivation liabilities | — | 2,513 |
| Long-term notes payable | — | 144 |
| Long-term lease obligations | 19,623 | 20,567 |
| Warrant liabilities | 2,861 | 4,304 |
| Other long-term liabilities | 136 | 151 |
| | 46,808 | 56,652 |
| Shareholders' equity: | | |
| Share capital | 281,437 | 279,308 |
| Contributed surplus | 21,881 | 19,849 |
| Accumulated deficit | (64,242) | (44,928) |
| | 239,076 | 254,229 |
| | \$ 285,884 | \$ 310,881 |

CHARLOTTE'S WEB HOLDINGS, INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND OTHER COMPREHENSIVE LOSS

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

| | Three months ended June 30, | | | |
|--|-----------------------------|-------------|------|-------------|
| | 2021 | | 2020 | |
| Revenue | \$ | 24,152 | \$ | 21,680 |
| Cost of sales | | 8,325 | | 10,209 |
| Gross profit before (gain) loss on fair value of biological assets | | 15,827 | | 11,471 |
| Realized fair value (gain) included in inventory sold | | — | | (4) |
| Unrealized fair value loss on growth of biological assets | | — | | — |
| Gross profit | | 15,827 | | 11,475 |
| Expenses: | | | | |
| General and administrative | | 14,885 | | 21,108 |
| Sales and marketing | | 8,454 | | 6,835 |
| Research and development | | 1,655 | | 1,533 |
| Operating expenses | | 24,994 | | 29,476 |
| Operating loss | | (9,167) | | (18,001) |
| Financing costs | | 324 | | 364 |
| Interest income | | (16) | | (26) |
| Change in fair value of financial instruments, net | | (4,087) | | (3,929) |
| Loss before taxes | | (5,388) | | (14,410) |
| Income tax expense | | — | | 20 |
| Net loss and comprehensive loss | \$ | (5,388) | \$ | (14,430) |
| Weighted average number of common shares - basic | | 139,936,443 | | 114,206,250 |
| Weighted average number of common shares - diluted | | 139,936,443 | | 114,206,250 |
| Loss per share - basic | \$ | (0.04) | \$ | (0.13) |
| Loss per share - diluted | \$ | (0.04) | \$ | (0.13) |

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

(In thousands of United States dollars)

| Six months ended June 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 | 2,006 | (558) | — | 1,448 |
| Accumulated effect of income tax from stock options | — | (16,087) | — | (16,087) |
| Share-based compensation expense | — | 2,310 | — | 2,310 |
| 2020 Share Offering | 47,959 | — | — | 47,959 |
| Share issuance costs | (3,368) | — | — | (3,368) |
| Abacus acquisition | 105,461 | 5,407 | — | 110,868 |
| Net loss and comprehensive loss | — | — | (25,929) | (25,929) |
| Balance - June 30, 2020 | \$ 275,985 | \$ 18,585 | \$ (23,671) | \$ 270,899 |

| Six months ended June 30, 2021 | Share capital | Contributed surplus | Accumulated deficit | Total |
|---|---------------|---------------------|---------------------|------------|
| Balance - December 31, 2020 | \$ 279,308 | \$ 19,849 | \$ (44,928) | \$ 254,229 |
| Exercise of common stock options | 61 | (31) | — | 30 |
| Exercise of common stock warrants | 485 | (45) | — | 440 |
| Withholding of common stock upon vesting of restricted share awards | 744 | (882) | — | (138) |
| Accumulated effect of income tax from stock options | — | — | — | — |
| Share-based compensation expense | — | 2,990 | — | 2,990 |
| ATM Program | 1,282 | — | — | 1,282 |
| Share issuance costs | (443) | — | — | (443) |
| Net loss and comprehensive loss | — | — | (19,314) | (19,314) |
| Balance - June 30, 2021 | \$ 281,437 | \$ 21,881 | \$ (64,242) | \$ 239,076 |

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of United States dollars)

| | Six months ended June 30, | |
|---|---------------------------|-------------|
| | 2021 | 2020 |
| Cash flows from operating activities: | | |
| Net loss | \$ (19,314) | \$ (25,929) |
| Items not involving cash: | | |
| Depreciation | 5,202 | 3,486 |
| Amortization | 1,770 | 445 |
| Change in fair value of biological assets | (41) | (86) |
| Change in fair value of warrant liabilities | (1,443) | (6,705) |
| Change in fair value of SBH Purchase Option | 830 | — |
| Expected credit losses | 515 | (9) |
| Inventory provision, net | 178 | 2,523 |
| Share-based compensation | 2,990 | 2,310 |
| Loss on disposal of assets | 93 | 7 |
| Deferred income taxes | — | 14,330 |
| Changes in working capital: | | |
| Trade and other receivables, net | 1,124 | (3,095) |
| Inventories | (315) | 584 |
| Prepaid expenses and other current assets | 66 | (2,739) |
| Accounts payable | 1,133 | 2,058 |
| Accrued liabilities | (2,911) | 2,288 |
| Income taxes | 543 | (8,034) |
| Cultivation liabilities | (5,243) | (3,596) |
| Other operating assets and liabilities, net | 549 | 184 |
| | (14,274) | (21,978) |
| Cash flows from investing activities: | | |
| Cash acquired in business combinations | — | 11,181 |
| Purchases of property and equipment | (2,927) | (8,930) |
| Purchases of intangible assets | (341) | (1,257) |
| Proceeds from sale of assets | 9 | 41 |
| Funding of notes receivable | — | (936) |
| Collections on note receivable | 363 | — |
| Investment in SBH Purchase Option | (8,000) | — |
| Other investing activities | 507 | (895) |
| | (10,389) | (796) |
| Cash flows from financing activities: | | |
| Proceeds from public offering | 1,282 | 57,165 |
| Proceeds from common stock option exercises | 30 | 1,448 |
| Proceeds from common stock warrant exercises | 440 | — |
| Withholding of common stock upon vesting of restricted share awards | (138) | — |
| Payments on notes payable | (461) | (5) |
| Payments on lease obligations | (1,893) | (1,199) |
| Share issuance costs | (304) | (3,368) |
| | (1,044) | 54,041 |
| (Decrease) increase in cash | (25,707) | 31,267 |
| Cash and cash equivalents, beginning of year | 52,803 | 68,553 |
| Cash and cash equivalents, end of period | \$ 27,096 | \$ 99,820 |

Supplemental disclosures of cash flows from operating activities:

| | | | | |
|--|----|---------|----|---------|
| Cash paid for interest | \$ | (53) | \$ | (48) |
| Cash paid for interest on lease obligations | | (619) | | (486) |
| Cash received from interest | | 35 | | 155 |
| Cash received (paid) for taxes | | 569 | | (42) |
| Non-cash purchases of property and equipment | | (2,364) | | (3,649) |
| Non-cash purchases of intangible assets | | (64) | | — |
