



Charlotte's Web 2019 Q4 and Year-End Results

Boulder, Colorado, March 24, 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 products, today reported financial results for the fourth quarter and year ended December 31, 2019. All amounts are expressed in United States dollars unless otherwise noted. Certain metrics, including those expressed on an adjusted basis, are non-IFRS measures.

Subsequent event:

On March 23, 2020 Charlotte's Web entered into an agreement to acquire Abacus Health ("Abacus") (CSE:ABCS, OTCQB: ABAHF) in an all-stock transaction valued at C\$99M (US\$69M). The transaction is expected to close in Q2 of this year subject to customary closing conditions and approval of the shareholders of Abacus, after which Abacus shareholders would own 15% of Charlotte's Web effective outstanding common shares.

Abacus is a leading provider of over-the-counter ("OTC") topical products for pain relief and skincare containing CBD hemp extracts. Abacus distributes the industry's widest portfolio of topical CBD SKUs through more than 12,000 doors including the three largest U.S. pharmacy chains, and also reaches 16,500 health care practitioners. Combined, the Companies currently represent approximately 35%¹ market share of the food/drug/mass ("F/D/M") retail segment. The acquisition greatly extends Charlotte's Web's product offerings and reach, and solidifies a commanding position in the U.S. hemp CBD topicals category which is forecasted to become fastest growing and largest CBD segment by 2021².

"With our respective market leadership in CBD ingestible and topical products, the acquisition of Abacus positions Charlotte's Web as the most developed CBD company across every channel and segment," said Deanie Elsner, Chief Executive Officer of Charlotte's Web. "As the largest and most established vertically integrated hemp CBD company we aim to lead the evolution of the category."

2019 12-Month Financial Highlights

- Organic revenue growth of 36% year-over-year to \$94.6 million
- DTC eCommerce sales grew 39% contributing 57% of 2019 revenue
- Gross profit (before biological asset adjustments and increases in inventory provision) of \$65.9 million was 70% of consolidated revenue
- Commenced investments into management and infrastructure to expand production, extraction and distribution capacity
- Adjusted EBITDA loss of \$1.7 million
- Non-cash inventory reserve of \$15.5M
- \$68.6 million cash and \$116.9 million working capital at December 31, 2019

2019 Fourth Quarter Financial Highlights

- Organic revenue growth of 6.0% year-over-year to \$22.8 million
- DTC eCommerce sales grew 14%, contributing 65% of fourth quarter revenue
- Gross profit (before biological asset adjustment and inventory provision) of \$12.2M was 54% of consolidated revenue
- Adjusted EBITDA loss of \$10.2 million
- Fourth quarter \$13.9M inventory provision against delay of anticipated adoption of ingestible products by F/D/M channel
- Completed \$49.8 million (C\$66.3M) financing December 2019



2019 Business Highlights

- Developed consumer-packaged good ("CPG") CPG leadership team and commenced capacity expansion for production, distribution, and R&D ahead of anticipated mass retail channel growth
- Jacques Tortoroli joined the Company's Board of Directors. Mr. Tortoroli is former Chief Administration Officer of Bacardi Limited in Bermuda, the largest privately held spirits company in the world
- Surpassed 10,000 retail doors selling Charlotte's Web products
- Increased retail breadth and product depth with new product introductions including 24 new pet product SKUs
- Record 2019 hemp harvest; 245% increase to 2.34 million lbs biomass, 22% potency increase, 10% yield increase/acre. Estimated 36,000 kg CBD with 33% reduced cost/kg, and 52% acres earning organic certification
- Executed actions to support regulatory progress at the federal and state levels
- Integrated financial systems, controls and corporate governance in pursuit of an eventual cross-listing on a major U.S. stock exchange

Highlights Subsequent to December 31, 2019

- Acquisition of Abacus Health, solidifying Charlotte's Web leadership in CBD topical and ingestible product segments
- Launched CW Labs R&D Sciences Division, part of SUNY network of 64 universities and medical centres
- Self-affirmed GRAS status achieved for full spectrum hemp extract
- NASC certification received for Charlotte's Web pet products
- Added to NSF International's dietary supplements Good Manufacturing Practice (GMP) registration
- J.P. Morgan engaged for commercial banking services and \$10 million line of credit (extendable to \$20M)

"In 2019 we began a transition from startup to a standup CPG company capable of servicing the mass retail channels," said Deanie Elsner, Chief Executive Officer of Charlotte's Web. "We assembled highly experienced CPG management, sales, and marketing teams that rapidly captured the broadest retail customer footprint in the category. Management systems and processes were implemented to drive operational excellence, and to support the next phase of mass retail growth we commenced expansion of our cultivation and production capacity. Infrastructure investments will continue throughout 2020 and position the Company to launch into the F/D/M channel once an appropriate regulatory framework is passed. And finally, we are bringing scientific legitimacy to the category with the recent launch of CW Labs which is partnering with leading Universities and medical centers to deliver clinical data and drive innovation within the hemp wellness space."

Regulatory Comments

The hemp CBD industry continues to work with the U.S. Food and Drug Administration (FDA) to develop a regulatory framework. The Company had anticipated more progress by the end of 2019. The delay has stalled broader adoption of CBD dietary supplements within the F/D/M channel. Recent public comments and reports from the FDA have been more encouraging towards establishing regulatory oversight for hemp derived dietary supplements. A definitive timeline has not been provided. However, the enormous hemp CBD wellness market opportunity remains intact and Charlotte's Web believes it is well positioned to dominate the category. The Company's robust 2019 harvest is expected to support demand into 2022, and to ensure product availability, important to those who rely on Charlotte's Web™ products, as well as (F/D/M) partners who require shelf-stocking certainty.

Q4 Business Review

F/D/M retail channel: Q4 sales to F/D/M increased 68% year-over-year as the Company added several new channel partners in 2019 representing more than 5,000 retail locations. Approximately 75% of the F/D/M locations continue to only carry topical products due to an uncertain regulatory environment. Expansion of the F/D/M market slowed in the fourth quarter after anticipated regulatory clarity did not materialize. However, Charlotte's Web has been encouraged by recent public comments from the Agency. Ongoing discussions with channel partners indicate a meaningful increase in additional store locations intend to add Charlotte's Web products to their shelves over the coming months including national pet retailers. Charlotte's Web intends to introduce new topical products in April, 2020, an important focus of the F/D/M channel in particular.



Natural health channel: Q4 sales within the natural channel declined 11% year-over-year and 21% quarter-over-quarter due to competitive crowding and to low barriers to entry, partly due to lack of regulatory oversight. In 2019 thousands of new brands entered the channel, diluting market share and consumer spending. As consumer education increases and regulatory oversight is implemented, the Company expects a competitive culling of brands with unsustainable business models or subpar products. In April, Charlotte's Web will launch competitive new product formats into the channel leveraging its trusted brand name.

Direct-to-consumer (DTC) ecommerce channel: Q4 DTC sales through the Company's online store increased 14% year-over-year. The Company completed a significant upgrade to its ecommerce platform during the fourth quarter adding a more robust technical platform that enables greater segmentation and marketing capability. The enhanced shopping experience has resulted in a significant lift in conversion rates and Charlotte's Web is increasing its investments into this top-performing channel in 2020. Further enhancements are underway to deliver shopping experience optimizations including significant checkout, content and mobile enhancements.

"We actively adapt our strategies with the changing market dynamics within our sales channels," said Ms. Elsner. "In 2020 we are bolstering our ecommerce channel, launching additional topical products into the F/D/M channel, and introducing competitive new products into the natural health retail channel."

Financial Review

Financial summary for the three and twelve months ended December 31, 2019:

U.S. \$ millions, except per share data	Three months ended December 31,		Year ended December 31,	
	2019	2018	2019	2018
Revenue	\$ 22.8	\$ 21.5	\$ 94.6	\$ 69.5
Gross (loss) profit before biological assets adjustment	(1.7)	15.4	50.4	52.5
Net impact, fair value of biological assets	(0.4)	0.8	0.2	(0.2)
Gross (loss) profit	(2.1)	16.3	50.6	52.3
Operating expenses	26.4	13.0	75.4	37.3
Other (income) and expense, net	(2.9)	(0.3)	(3.6)	(0.5)
(Loss) income before taxes	(25.5)	3.6	(21.2)	15.5
Net (loss) income	\$ (18.8)	\$ 3.2	\$ (15.6)	\$ 11.8
EPS basic	\$ (0.19)	\$ 0.03	\$ (0.16)	\$ 0.14
EPS diluted	\$ (0.19)	\$ 0.02	\$ (0.16)	\$ 0.12
Adjusted EBITDA	\$ (10.2)	\$ 3.4	\$ (1.7)	\$ 19.4
Assets:				
	Dec 31, 2019	Dec 31, 2018		
Cash and cash equivalents	\$ 68.6	\$ 73.4		
Total assets	\$ 222.9	\$ 139.1		
Liabilities:				
Long-term liabilities	\$ 39.8	\$ 3.5		
Total liabilities	\$ 69.2	\$ 17.6		



Quarterly revenue growth for the Company's nine most recent fiscal quarters:

U.S. \$ millions	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Total revenue	\$ 22.8	\$ 25.1	\$ 25.0	\$ 21.7	\$ 21.5	\$ 17.7	\$ 17.2	\$ 13.1	\$ 12.5

For the year, DTC sales grew to 57% of total revenues compared to 56% in 2018. B2B sales contributed 43% of total revenue compared to 44% in 2018.

Segmented sales for the three and twelve months ended December 31, 2019:

Channel	2019	2018	% Change	Q4-19	Q4-18	% Change YoY	Q3-19	% Change QoQ
DTC	\$ 53.8	\$ 38.7	39%	\$ 14.8	\$ 13.0	14%	\$ 14.2	4%
B2B	\$ 40.8	\$ 30.8	33%	\$ 8.0	\$ 8.5	(6)%	\$ 10.9	(26)%
Total	\$ 94.6	\$ 69.5	36%	\$ 22.8	\$ 21.5	6%	\$ 25.1	(9)%

Fourth Quarter Financial Review

Revenue for the fourth quarter ended December 31, 2019 increased 6% to \$22.8 million, compared to \$21.5 million for the fourth quarter of 2018. Segmented sales of human ingestible, topical and pet products grew by 26%, 29% and 33%, respectively year-over-year. During the quarter ended December 31, 2019, the Company's human consumables, topicals and pet products accounted for approximately 90%, 6% and 4%, respectively, of total sales.

DTC sales grew by 14% year-over-year and accounted for 65% of total revenue in the fourth quarter as online traffic and conversions increased through ongoing marketing and social media programs. B2B sales decreased by 6% year-over-year and accounted for 35% of total revenue in the quarter as the natural retail channel struggled with overcrowding.

Gross margin (prior to biological asset adjustments and increase in inventory provision) was 54%, compared to 72% for the fourth quarter of 2018. The fourth quarter included an inventory provision of \$13.9 million which is applied to cost of goods sold in the quarter, resulting in negative gross profit (after biological assets adjustments and increase in inventory provision) of (\$2.1) million and a reported and a gross margin of negative 9%.

Fourth quarter operating expenses were \$26.4 million, a 103% year-over-year increase from \$13.0 million. The increase reflects the Company's investments in capacity expansion and transition to a CPG operating company capable of supporting mass retail channel growth. During the year the Company relocated into larger office facilities in Boulder and added senior CPG management to the leadership team along with related personnel. Employee headcount was 302 at December 31, 2019, a 34% increase from 226 at December 31, 2018.

Adjusted EBITDA for the quarter was negative \$10.2 million compared to positive Adjusted EBITDA of \$3.4 million for the fourth quarter of 2018. The negative Adjusted EBITDA reflects a combination of the increased operating expenses against lower than expected sales from the F/D/M and natural retail channels in the fourth quarter. During the year the Company invested in infrastructure to support expected future revenue growth from the F/D/M channel.

After inventory write downs the Company reported a net loss of \$18.8 million, or (\$0.19) per share for the fourth quarter of 2019, compared to net income of \$3.2 million, or \$0.03 per share in the fourth quarter of 2018.



Balance Sheet and Cash Flow

The Company used \$33.4 million of cash in operations during the twelve months of 2019 compared to \$0.9 million of cash used in operations during 2018. Cash used in operations primarily reflects the investment in planting, cultivation and inventory required to supply anticipated retail consumer demand. Net cash of \$17.7 million used in capital investing activities in 2019 was primarily for the purchase of equipment, building and land used in the Company's cultivation and manufacturing operations.

	Year ended December 31,			
U.S. \$ millions	2019	2018	\$ Change	% Change
Cash beginning of period	\$ 73.4	\$ 7.1	\$ 66.3	934%
Cash flows from (used in):				
Operating activities	(33.4)	(0.9)	(32.5)	3611%
Investing activities	(17.7)	(4.7)	(13.0)	277%
Financing activities	46.3	71.9	(25.6)	(36)%
Cash end of period	\$ 68.6	\$ 73.4	\$ (4.8)	(7)%

At December 31, 2019 the Company held cash of \$68.6 million and working capital of \$116.9 million.

The Company believes that it has sufficient working capital to execute on its expansion plans. Establishing alternative capital options provides flexibility while investing in capacity expansion and infrastructure. Accordingly, Charlotte's Web has engaged J.P. Morgan as part of several prudent financial controls and liquidity tools being structured by the management team. This includes a new Asset Backed Line of Credit with J.P. Morgan for \$10 million with an accordion feature to extend the line to \$20 million with a 3 year maturity. In addition, Charlotte's Web has engaged with J.P. Morgan for its commercial banking services including its merchant processing services to support the Company's global growth.

GUIDANCE

"We are optimistic about the strength of our DTC business in 2020," said Ms. Elsner. "However ongoing uncertainties surrounding regulatory progress and timing, as well as growing COVID-19 concerns, tempers our retail growth expectations for 2020. We anticipate Q1-2020 revenue will be in the \$20M range and forecast 10% to 20% topline growth for the full year for the Charlotte's Web business."

Consolidated Financial Statements and Management's Discussion and Analysis

The Company's audited financial statements and accompanying notes for the periods ended December 31, 2019 and 2018 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 fourth quarter 2019 results at 8:30 am ET on Tuesday, March 24, 2020. Charlotte's Web CEO Deanie Elsner, CFO Russ Hammer and Director of Investor Relations Cory Pala, will host the call, followed by a question and answer period. To participate in the call, please dial 1-647-427-7450 or 1-888-231-8191 approximately 10 minutes before the conference call. A recording of the call will be available through March 31, 2020. To listen to a replay of the earnings call please dial 1-416-849-0833 and provide conference ID 3252968. A webcast of the call will also be accessible through the [investor relations section](#) of the Charlotte's Web website.



About Charlotte's Web Holdings, Inc.

Charlotte's Web Holdings, Inc. is the market leader in the production and distribution of innovative hemp-derived cannabidiol ("CBD") wellness products. Founded by the Stanley Brothers, the Company's premium quality products start with proprietary hemp genetics that are responsibly manufactured into hemp-derived CBD extracts naturally containing a full spectrum of phytocannabinoids, including CBD, terpenes, flavonoids and other beneficial hemp compounds. Charlotte's Web product categories include CBD oil tinctures (liquid products), CBD capsules, CBD topicals, as well as CBD pet products. Charlotte's Web hemp-derived CBD extracts are sold through select distributors, brick and mortar retailers, and online through the Company's ADA compliant website at www.CharlottesWeb.com. The rate the Company pays for agricultural products reflects a fair and sustainable rate driving higher quality yield, encouraging good farming practices, and supporting U.S. farming communities.. The rate the Company pays for agricultural products reflects a fair and sustainable rate driving higher quality yield, encouraging good farming practices, and supporting U.S. farming communities.

Charlotte's Web is a socially 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 its employees, customers, the environment, and the communities where its employees live and where it does business, while maximizing profits and strengthening its brands. The Company's management believes that socially oriented actions have a positive impact on the Company, its employees and its shareholders. 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 March 23, 2020, Charlotte's Web had 71,448,314 Common Shares outstanding and 92,455.58 Proportional Voting Shares convertible at 400:1 into Common Shares, for an effective equivalent of 108,430,544 Common Shares outstanding.

- ¹. Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA) is not a recognized performance measure under IFRS. The term EBITDA consists of net (loss) income and excludes interest (financing costs), taxes, depreciation and amortization. Adjusted EBITDA also excludes share-based compensation, and share offering related costs, impairment of assets and adjustments for fair value of both biological assets and warrant liabilities. 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.

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. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

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, including but not limited to the factors described in greater detail in the 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; however, these factors should be considered carefully. There can be no assurance that such expectations, estimates, projections and assumptions will prove to be correct. The forward-looking statements contained in this news release are made as of the date of this news release, and 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 law.

[1] Nielsen AOD HBC and Pet Care CBD: 12 weeks ending February 22nd, 2020.

[2] Brightfield Group (January 2020) U.S. CBD Report: "U.S. CBD Market Size & Forecast".



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CHARLOTTE'S WEB HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In thousands of United States dollars)

	December 31, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash	\$ 68,553	\$ 73,404
Trade and other receivables, net	5,462	4,874
Note receivable	1,421	-
Inventories	64,054	23,969
Prepaid expenses and other current assets	3,592	3,917
Income taxes receivable	3,273	1,787
	146,355	107,951
Non-current assets:		
Property and equipment, net	42,949	6,806
Intangible assets, net	1,596	619
Deferred tax assets	30,417	23,449
Loan due from related parties	-	128
Other long-term assets	1,625	181
	\$ 222,942	\$ 139,134
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 8,798	\$ 3,379
Accrued liabilities	7,323	6,483
Deferred revenue	550	467
Current cultivation liabilities	10,803	3,531
Current note payable	9	9
Current lease obligations	1,945	283
	29,428	14,152
Non-current liabilities:		
Long-term cultivation liabilities	14,289	3,286
Long-term note payable	3	12
Long-term lease obligations	22,116	113
Deferred rent	-	73
Warrant liability	3,408	-
	69,244	17,636
Shareholders' equity:		
Share capital	123,927	78,316
Contributed surplus	27,513	25,357
Retained earnings	2,258	17,825
	153,698	121,498
	\$ 222,942	\$ 139,134



CHARLOTTE'S WEB HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF (LOSS) INCOME AND OTHER COMPREHENSIVE (LOSS) INCOME

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

	Year ended December 31,	
	2019	2018
Revenue	\$ 94,594	\$ 69,501
Cost of sales	44,144	17,010
Gross profit before (gain) loss on fair value of biological assets	50,450	52,491
Realized fair value (gain) included in inventory sold	(994)	(1,133)
Unrealized fair value loss on growth of biological assets	842	1,324
Gross profit	50,602	52,300
Expenses:		
General and administrative	45,546	22,337
Sales and marketing	28,107	12,808
Research and development	1,754	837
Offering related costs	-	1,332
	75,407	37,314
Operating (loss) income	(24,805)	14,986
Financing costs	326	185
Interest income	(994)	(547)
Other income, net	(2,928)	(194)
(Loss) income before taxes	(21,209)	15,542
Income tax (benefit) expense	(5,642)	3,734
Net (loss) income and comprehensive (loss) income	\$ (15,567)	\$ 11,808
Weighted average number of common shares - basic	96,539,194	83,902,648
Weighted average number of common shares - diluted	96,539,194	95,029,844
(Loss) earnings per share - basic	\$ (0.16)	\$ 0.14
(Loss) earnings per share - diluted	\$ (0.16)	\$ 0.12



CHARLOTTE'S WEB HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands of United States dollars)

Year ended December 31, 2018	Share capital	Contributed surplus	Retained earnings	Total
Balance - December 31, 2017	\$ 5,835	\$ 787	\$ 6,017	\$ 12,639
Initial public offering	71,958	-	-	71,958
Private placement	4,256	-	-	4,256
Exercise of common stock options	42	-	-	42
Issuance of broker stock warrants	(845)	845	-	-
Exercise of broker stock warrants	2,128	-	-	2,128
Income tax benefit from stock options	-	22,859	-	22,859
Share-based compensation expense	-	866	-	866
Share issuance costs	(5,058)	-	-	(5,058)
Net income	-	-	11,808	11,808
Balance - December 31, 2018	\$ 78,316	\$ 25,357	\$ 17,825	\$ 121,498
Year ended December 31, 2019	Share capital	Contributed surplus	Retained earnings	Total
Balance - December 31, 2018	\$ 78,316	\$ 25,357	\$ 17,825	\$ 121,498
Share offering, net of warrants	44,295	-	-	44,295
Exercise of common stock options	2,850	(1,264)	-	1,586
Exercise of broker stock warrants	1,328	(842)	-	486
Income tax benefit from stock options	-	1,284	-	1,284
Share-based compensation expense	-	2,978	-	2,978
Share issuance costs	(2,862)	-	-	(2,862)
Net (loss)	-	-	(15,567)	(15,567)
Balance - December 31, 2019	\$ 123,927	\$ 27,513	\$ 2,258	\$ 153,698



CHARLOTTE'S WEB HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of United States dollars)

	Year ended December 31,	
	2019	2018
Cash flows from operating activities:		
Net (loss) income	\$ (15,567)	\$ 11,808
Items not involving cash:		
Depreciation and amortization	3,966	1,501
Change in fair value of biological assets	(152)	191
Accretion on convertible note	-	71
Change in fair value of convertible note	-	(66)
Change in fair value of warrants	(2,107)	-
Expected credit losses	422	43
Inventory reserve	15,474	324
Share-based compensation	2,978	866
(Gain)/Loss on disposal of assets	18	(26)
Deferred income taxes	(5,684)	(40)
Changes in working capital:		
Trade and other receivables, net	(1,010)	(2,809)
Inventories	(53,498)	(19,676)
Prepaid expenses and other current assets	325	(3,481)
Accounts payable	3,460	2,431
Accrued liabilities	840	6,670
Income taxes	(1,486)	(1,944)
Cultivation liabilities	18,275	3,286
Other operating assets and liabilities, net	270	(48)
	(33,476)	(899)
Cash flows from investing activities:		
Funding of note receivable	(1,400)	-
Purchases of property and equipment and intangible assets	(15,053)	(5,564)
Proceeds from sale of assets	54	37
Proceeds from loans due from related parties	128	-
Other investing activities	(1,444)	815
	(17,715)	(4,712)
Cash flows from financing activities:		
Proceeds from public offering	49,810	71,958
Proceeds from private placement	-	4,256
Proceeds from common stock option exercises	1,586	42
Proceeds from stock warrant exercises	486	2,128
Payments on notes payable	(9)	(22)
Payments on lease obligations	(2,671)	(300)
Payments on convertible note	-	(1,000)
Debt settlement	-	(45)
Share issuance costs	(2,862)	(5,058)
	46,340	71,959
(Decrease) increase in cash	(4,851)	66,348
Cash, beginning of year	73,404	7,056
Cash, end of period	\$ 68,553	\$ 73,404
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ (45)	\$ (185)
Cash paid for interest on lease obligations	(281)	-
Cash received from interest	994	547
Cash paid for taxes	(1,765)	(4,850)
Non-cash purchases of property and equipment	(1,932)	-



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