

Digimarc Corporation
Consolidated Cash Flow Information
(in thousands)
(Unaudited)

	Three-Month Information	
	March 31, 2016	March 31, 2015
Cash flows from operating activities:		
Net loss	\$ (5,435)	\$ (4,150)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization and write-off of property and equipment	339	328
Amortization and write-off of intangibles	290	277
Change in allowance for doubtful accounts	-	10
Stock-based compensation	1,283	1,217
Changes in operating assets and liabilities:		
Trade accounts receivable	2,320	915
Other current assets	91	93
Other assets	24	41
Accounts payable and other accrued liabilities	(663)	(99)
Deferred revenue	(457)	(668)
Net cash used in operating activities	<u>(2,208)</u>	<u>(2,036)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(490)	(125)
Capitalized patent costs	(217)	(194)
Maturity of marketable securities	14,277	8,171
Purchase of marketable securities	<u>(6,081)</u>	<u>(7,252)</u>
Net cash provided by investing activities	7,489	600
Cash flows from financing activities:		
Exercise of stock options	145	874
Purchase of common stock	<u>(520)</u>	<u>(496)</u>
Net cash provided by (used in) financing activities	(375)	378
Net increase (decrease) in cash and cash equivalents ⁽²⁾	<u>\$ 4,906</u>	<u>\$ (1,058)</u>
Cash, cash equivalents and marketable securities at beginning of period	39,186	39,072
Cash, cash equivalents and marketable securities at end of period	<u>35,896</u>	<u>37,095</u>
(2) Net decrease in cash, cash equivalents and marketable securities	<u>\$ (3,290)</u>	<u>\$ (1,977)</u>

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