

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

	Six Month Information	
	June 30, 2016	June 30, 2015
Cash flows from operating activities:		
Net loss	\$ (10,718)	\$ (8,162)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization and write-off of property and equipment	688	604
Amortization and write-off of intangibles	639	520
Change in allowance for doubtful accounts	-	16
Stock-based compensation	2,707	2,480
Changes in operating assets and liabilities:		
Trade accounts receivable	2,139	1,509
Other current assets	52	36
Other assets	36	74
Accounts payable and other accrued liabilities	109	(160)
Deferred revenue	(917)	(1,285)
Net cash used in operating activities	(5,265)	(4,368)
Cash flows from investing activities:		
Purchase of property and equipment	(755)	(324)
Capitalized patent costs	(436)	(428)
Maturity of marketable securities	22,467	15,363
Purchase of marketable securities	(8,819)	(12,412)
Net cash provided by investing activities	12,457	2,199
Cash flows from financing activities:		
Exercise of stock options	309	1,129
Purchase of common stock	(1,104)	(1,035)
Net cash provided by (used in) financing activities	(795)	94
Net increase (decrease) in cash and cash equivalents ⁽²⁾	\$ 6,397	\$ (2,075)
Cash, cash equivalents and marketable securities at beginning of period	39,186	39,072
Cash, cash equivalents and marketable securities at end of period	31,935	34,046
(2) Net decrease in cash, cash equivalents and marketable securities	\$ (7,251)	\$ (5,026)

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