

CREE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

<i>(in millions of U.S. Dollars)</i>	Three months ended	
	September 29, 2019	September 23, 2018
Operating activities:		
Net loss from continuing operations	(\$37.8)	(\$0.8)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	28.6	29.5
Amortization of debt issuance costs and discount	5.6	1.8
Stock-based compensation	16.9	10.0
Loss on disposal or impairment of long-lived assets	1.0	0.5
Amortization of premium/discount on investments	—	0.8
(Gain)/loss on equity investment	(3.5)	6.7
Foreign exchange loss on equity investment	0.1	0.6
Deferred income taxes	—	(2.3)
Changes in operating assets and liabilities:		
Accounts receivable, net	(8.8)	(7.4)
Inventories	5.0	(7.9)
Prepaid expenses and other assets	7.9	1.1
Accounts payable, trade	(21.7)	3.4
Accrued salaries and wages and other liabilities	(20.5)	4.2
Accrued contract liabilities	7.2	0.9
Net cash (used in) provided by operating activities of continuing operations	(20.0)	41.1
Net cash provided by operating activities of discontinued operations	—	3.7
Cash (used in) provided by operating activities	(20.0)	44.8
Investing activities:		
Purchases of property and equipment	(42.0)	(31.0)
Purchases of patent and licensing rights	(1.1)	(2.4)
Proceeds from sale of property and equipment	—	0.2
Purchases of short-term investments	(134.0)	(145.8)
Proceeds from maturities of short-term investments	93.0	58.3
Proceeds from sale of short-term investments	31.8	24.8
Net cash used in investing activities of continuing operations	(52.3)	(95.9)
Net cash used in investing activities of discontinued operations	—	(6.4)
Cash used in investing activities	(52.3)	(102.3)
Financing activities:		
Proceeds from long-term debt borrowings	—	95.0
Payments on long-term debt borrowings	—	(387.0)
Proceeds from convertible notes	—	575.0
Payments of debt issuance costs	—	(12.9)
Proceeds from issuance of common stock	18.6	15.5
Tax withholding on vested equity awards	(13.2)	(10.8)
Cash provided by financing activities	5.4	274.8
Effects of foreign exchange changes on cash and cash equivalents	(0.3)	0.1
Net change in cash and cash equivalents	(67.2)	217.4
Cash and cash equivalents, beginning of period	500.5	118.9
Cash and cash equivalents, end of period	\$433.3	\$336.3