

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

<i>(in millions of U.S. Dollars)</i>	Fiscal years ended	
	June 27, 2021	June 28, 2020
Operating activities:		
Net loss	(\$522.5)	(\$190.6)
Net (loss) income from discontinued operations	(181.2)	7.0
Net loss from continuing operations	(341.3)	(197.6)
Adjustments to reconcile net loss from continuing operations to cash used in operating activities:		
Depreciation and amortization	120.9	97.1
Amortization of debt issuance costs and discount, net of capitalized interest	32.8	26.2
Gain on partial extinguishment of debt	—	(11.0)
Stock-based compensation	53.2	47.2
Abandonment of long-lived assets	73.9	—
Loss on disposal or impairment of long-lived assets	5.0	4.5
Amortization of premium/discount on investments	6.9	1.7
Realized gain on sale of investments	(0.4)	(1.5)
Gain on equity investment	(8.3)	(14.2)
Foreign exchange gain on equity investment	(2.2)	(2.2)
Deferred income taxes	0.9	(0.5)
Changes in operating assets and liabilities:		
Accounts receivable, net	(23.5)	(3.2)
Inventories	(44.6)	(8.5)
Prepaid expenses and other assets	(20.0)	(3.0)
Accounts payable, trade	21.7	(7.2)
Accrued salaries and wages and other liabilities	15.3	(24.9)
Accrued contract liabilities	(2.8)	5.5
Net cash used in operating activities of continuing operations	(112.5)	(91.6)
Net cash (used in) provided by operating activities of discontinued operations	(13.0)	62.6
Cash used in operating activities	(125.5)	(29.0)
Investing activities:		
Purchases of property and equipment	(570.5)	(229.9)
Purchases of patent and licensing rights	(5.9)	(4.4)
Proceeds from sale of property and equipment, including insurance proceeds	2.3	2.6
Purchases of short-term investments	(475.0)	(821.4)
Proceeds from maturities of short-term investments	428.3	460.6
Proceeds from sale of short-term investments	51.7	118.0
Reimbursement of property and equipment purchases from long-term incentive agreement	10.7	—
Proceeds from sale of business, net	43.7	—
Proceeds from sale of long-term investment	66.4	—
Net cash used in investing activities of continuing operations	(448.3)	(474.5)
Net cash used in investing activities of discontinued operations	(0.3)	(12.4)
Cash used in investing activities	(448.6)	(486.9)
Financing activities:		
Proceeds from long-term debt borrowings	30.0	—
Payments on long-term debt borrowings, including finance lease obligations	(30.4)	(145.1)
Proceeds from issuance of common stock	539.7	76.4
Tax withholding on vested equity awards	(36.2)	(16.9)
Proceeds from convertible notes	—	575.0
Payments of debt issuance costs	—	(13.6)
Refunds on incentive-related escrow deposits	1.5	—
Incentive-related refundable escrow deposits	—	(11.5)
Commitment fee on long-term incentive agreement	(0.5)	—
Cash provided by financing activities	504.1	464.3
Effects of foreign exchange changes on cash and cash equivalents	0.2	(0.1)
Net change in cash and cash equivalents	(69.8)	(51.7)
Cash and cash equivalents, beginning of period	448.8	500.5
Cash and cash equivalents, end of period	\$379.0	\$448.8