

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

<i>(in millions of U.S. Dollars)</i>	Six months ended	
	December 27, 2020	December 29, 2019
Operating activities:		
Net loss	(\$266.8)	(\$91.8)
Net (loss) income from discontinued operations	(137.2)	5.4
Net loss from continuing operations	(129.6)	(97.2)
Adjustments to reconcile net loss from continuing operations to net cash used in operating activities:		
Depreciation and amortization	56.2	46.2
Amortization of debt issuance costs and discount, net of capitalized interest	18.1	11.4
Stock-based compensation	27.4	27.1
Loss on disposal or impairment of long-lived assets	1.5	1.6
Amortization of premium/discount on investments	3.2	0.2
Realized gain on sale of investments	(0.2)	(0.1)
Gain on equity investment	(7.0)	(9.9)
Foreign exchange gain on equity investment	(3.2)	(1.3)
Deferred income taxes	2.3	(2.4)
Changes in operating assets and liabilities:		
Accounts receivable, net	(9.5)	(11.7)
Inventories	(21.1)	9.8
Prepaid expenses and other assets	(1.8)	7.7
Accounts payable, trade	9.9	(5.0)
Accrued salaries and wages and other liabilities	17.9	(26.0)
Accrued contract liabilities	3.8	10.0
Net cash used in operating activities of continuing operations	(32.1)	(39.6)
Net cash provided by operating activities of discontinued operations	6.2	27.8
Cash used in operating activities	(25.9)	(11.8)
Investing activities:		
Purchases of property and equipment	(257.5)	(100.3)
Purchases of patent and licensing rights	(1.9)	(1.4)
Proceeds from sale of property and equipment	0.1	1.7
Purchases of short-term investments	(85.8)	(295.3)
Proceeds from maturities of short-term investments	268.5	212.6
Proceeds from sale of short-term investments	24.1	61.8
Net cash used in investing activities of continuing operations	(52.5)	(120.9)
Net cash provided by investing activities of discontinued operations	2.7	0.4
Cash used in investing activities	(49.8)	(120.5)
Financing activities:		
Payments on long-term debt borrowings, including finance lease obligations	(0.2)	(0.1)
Proceeds from issuance of common stock	39.2	29.3
Tax withholding on vested equity awards	(24.0)	(14.7)
Commitment fee on long-term incentive agreement	(0.5)	—
Cash provided by financing activities	14.5	14.5
Effects of foreign exchange changes on cash and cash equivalents	0.5	(0.1)
Net change in cash and cash equivalents	(60.7)	(117.9)
Cash and cash equivalents:		
Cash and cash equivalents, beginning of period	448.8	500.5
Cash and cash equivalents, end of period	\$388.1	\$382.6