

**CREE, INC.**  
**CONSOLIDATED CASH FLOWS**  
**(unaudited)**

	<b>Fiscal Years Ended</b>	
	<b>June 30, 2019</b>	<b>June 24, 2018</b>
<i>(in millions of U.S. Dollars)</i>		
Cash flows from operating activities:		
Net loss	(\$375.1)	(\$279.9)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	143.6	153.9
Amortization of debt issuance costs and discount	18.3	—
Stock-based compensation	78.0	43.2
Loss on sale of business	66.2	—
Goodwill impairment charges	90.3	247.5
Impairment of acquisition-related intangibles	107.3	—
Impairment of inventory	12.2	—
Loss on disposal or impairment of long-lived assets	3.2	10.7
Amortization of premium/discount on investments	2.4	4.8
Loss (gain) on equity method investment	16.2	(7.1)
Foreign exchange loss (gain) on equity method investment	1.3	(0.6)
Deferred income taxes	(0.4)	(40.0)
Changes in operating assets and liabilities, net of effect of acquisition:		
Accounts receivable, net	22.3	(4.8)
Inventories	(43.3)	11.0
Prepaid expenses and other assets	3.8	(5.4)
Accounts payable, trade	6.4	14.3
Accrued salaries and wages and other liabilities	28.0	25.9
Accrued contract liabilities	21.6	—
Net cash provided by operating activities	<u>202.3</u>	<u>173.5</u>
Cash flows from investing activities:		
Purchases of property and equipment	(142.4)	(185.7)
Purchases of patent and licensing rights	(10.6)	(10.1)
Proceeds from sale of property and equipment	0.3	0.6
Purchases of short-term investments	(517.2)	(200.7)
Proceeds from maturities of short-term investments	177.4	224.2
Proceeds from sale of short-term investments	46.4	177.0
Purchase of acquired business, net of cash acquired	—	(429.2)
Proceeds from sale of business, net	219.0	—
Net cash used in investing activities	<u>(227.1)</u>	<u>(423.9)</u>
Cash flows from financing activities:		
Proceeds from issuing shares to noncontrolling interest	—	4.9
Payment of acquisition-related contingent consideration	—	(1.8)
Proceeds from long-term debt borrowings	95.0	670.0
Payments on long-term debt borrowings	(387.0)	(523.0)
Proceeds from issuance of common stock	158.0	92.6
Tax withholding on stock option exercises	(21.6)	(6.2)
Proceeds from convertible notes	575.0	—
Payments of debt issuance costs	(12.9)	—
Net cash provided by financing activities	<u>406.5</u>	<u>236.5</u>
Effects of foreign exchange changes on cash and cash equivalents	<u>(0.1)</u>	<u>0.2</u>
Net increase (decrease) in cash and cash equivalents	381.6	(13.7)
Cash and cash equivalents:		
Beginning of period	118.9	132.6
End of period	<u>\$500.5</u>	<u>\$118.9</u>