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Cree | Wolfspeed and STMicroelectronics Expand 150mm Existing Silicon Carbide Wafer Supply Agreement

Durham, N.C. and Geneva, Aug. 17, 2021 — Cree, Inc. (Nasdaq: CREE), the global leader in silicon carbide technology through its Wolfspeed® business, and STMicroelectronics (NYSE: STM), a global semiconductor leader serving customers across the spectrum of electronics applications, announced today the expansion of an existing multi-year, long-term silicon carbide wafer supply agreement. The amended agreement, which calls for Cree to supply ST with 150mm silicon carbide bare and epitaxial wafers over the next several years, is now worth more than \$800 million.

“This latest expansion to our long-term wafer supply agreement with Cree will continue to contribute to the flexibility of our global silicon carbide substrate supply. It will continue to contribute importantly to our global silicon carbide supply, complementing the other external capacity we have secured and the internal capacity we are ramping. The agreement will help meet the high volumes required by our product manufacturing operations in the next years, with a large number of automotive and industrial customer programs in high volumes or ramping up,” said Jean-Marc Chery, President and CEO of STMicroelectronics.

The adoption of silicon carbide-based power solutions is rapidly growing across the automotive market as the industry moves from internal combustion engines to electric vehicles, enabling greater system efficiencies that result in electric cars with longer range and faster charging, while reducing cost, lowering weight and conserving space. In the industrial market, silicon carbide solutions enable smaller, lighter and more cost-effective designs, converting energy more efficiently to unlock new clean energy applications. To better support these growing markets, device manufacturers are interested in securing access to high-quality silicon carbide substrates to support their customers.

“We are very pleased that STMicroelectronics will continue to leverage Wolfspeed silicon carbide materials as part of their supply strategy for the next several years,” said Cree CEO Gregg Lowe. “Our long-term wafer supply agreements with device manufacturers now total more than \$1.3 billion and help support our efforts to drive the industry transition from silicon to silicon carbide. Our partnerships and significant investments in increased production capacity ensure we are well positioned to capitalize on what we believe to be is a multi-decade growth opportunity for silicon carbide-based applications.”

About Cree, Inc.

Cree is an innovator of Wolfspeed® power and radio frequency (RF) semiconductors. Cree’s Wolfspeed product portfolio includes silicon carbide materials, power-switching devices and RF devices targeted for applications such as electric vehicles, fast charging inverters, power supplies, telecom and military and aerospace. For additional product and Company information, please refer to www.cree.com.



About STMicroelectronics

At ST, we are 46,000 creators and makers of semiconductor technologies mastering the semiconductor supply chain with state-of-the-art manufacturing facilities. An independent device manufacturer, we work with more than 100,000 customers and thousands of partners to design and build products, solutions, and ecosystems that address their challenges and opportunities, and the need to support a more sustainable world. Our technologies enable smarter mobility, more efficient power and energy management, and the wide-scale deployment of the Internet of Things and 5G technology. Further information can be found at www.st.com.

Forward Looking Statements:

This press release contains forward-looking statements involving risks and uncertainties, both known and unknown, that may cause actual results to differ materially from those indicated. Actual results may differ materially due to a number of factors, including the risk that we may be unable to manufacture these new products with sufficiently low cost to offer them at competitive prices or with acceptable margins; the risk we may encounter delays or other difficulties in ramping up production of our capacity to supply these products; customer acceptance of our products; the rapid development of new technology and competing products that may impair demand or render Cree's products obsolete; and other factors discussed in Cree's filings with the Securities and Exchange Commission, including its report on Form 10-K for the year ended June 28, 2020, and subsequent filings.

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