

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

LUÍS FERREIRA, Individually and on Behalf
of All Others Similarly Situated

Plaintiff,

v.

WOLFSPEED, INC., GREGG A. LOWE,
and NEILL P. REYNOLDS

Defendants.

Case No. 6:25-CV-0062 (ECC/MJK)

**COMPLAINT FOR VIOLATIONS OF
THE FEDERAL SECURITIES LAWS**

CLASS ACTION

Demand for Jury Trial

Plaintiff Luís Ferreira (“Plaintiff”), individually and on behalf of all other persons similarly situated alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to all other matters, based upon the investigation conducted by and through Plaintiff’s attorneys, which included, among other things, a review of the Defendants’ public documents, conference calls, stock chart, and announcements made by Defendants, United States (“U.S.”) Securities and Exchange Commission (“SEC”) filings, wire and press releases published by and regarding Wolfspeed, Inc. (“Wolfspeed” or the “Company”), analysts’ reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal securities class action on behalf of a class consisting of all persons and entities other than Defendants that purchased or otherwise acquired Wolfspeed securities between August 16, 2023 and November 6, 2024, both dates inclusive (the “Class Period”), seeking to recover damages caused by Defendants’ violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.

2. Wolfspeed is headquartered in Durham, North Carolina. Wolfspeed is a developer and manufacturer of semi-conductors, focusing on silicon carbide materials. Wolfspeed opened a \$1 billion, 200mm silicon carbide fabrication facility at the Marcy Nanocenter, located on the State University of New York Polytechnic Institute campus in Marcy, Oneida County in New York. Wolfspeed referred to this facility as the Mohawk Valley facility.

3. Throughout the Class Period, Defendants made materially false and misleading statements regarding the Company's business, operational, and compliance policies. Specifically, Defendants made false and/or misleading statements and/or failed to disclose: (i) the accurate operational status and profitability of the Mohawk Valley fabrication facility, as they provided the public with revenue projections that depended on the Mohawk Valley fabrication facility ramping its production to meet and/or exceed demand for its 200mm wafer product (ii) that to meet its publicly stated projections, the Company would have to cancel or otherwise indefinitely suspend planned future projects such as the facility in Saarland, Germany, and the Company would have to terminate approximately 20% of its workforce and close the Durham fabrication facility (iii) as a result, the Company's public statements were materially false and misleading at all relevant times.

4. On the evening of August 21, 2024, the Company announced their fourth quarter fiscal year 2024 results and had an associated earnings call (the "Q4 2024 Earnings Call").

5. The Company reported adjusted quarterly losses of 89 cents per share, higher than analyst's expectations, and revenue fell to \$200.7 million for the quarter, lower than analyst's expectations.

6. During the Q4 2024 earnings call, the Company also announced plans to close one of its semi-conductor wafer production facilities in Durham, North Carolina.

7. On this news, the Company's stock price dropped from an opening price of \$13.76 per share on August 22, 2024 to \$12.83 per share to close on August 22, 2024, a decline of around \$0.93 and around 6.76% in the span of one day.

8. As the market continued to process this news, the stock dropped during the period of August 26, 2024 to September 03, 2024. The market opened on August 26, 2024 at a price of

\$13.82 per share, and steadily dropped in the next several days to \$9.11 per share to close on September 3, 2024, a decline of \$4.86 and around 34.78%.

9. On November 6, 2024, Wolfspeed announced its financial results for the first quarter of fiscal year 2025 and released guidance for the second quarter well below expectations. While Defendants had repeatedly claimed that 20% utilization of the Mohawk Valley fabrication facility would result in \$100 million revenue out of the facility, Defendants now released guidance with a range 30% to 50% below that mark. The Company attributed its results and lowered guidance to “demand … ramp[ing] more slowly than we originally anticipated” as “EV customers revise their launch time lines as the market works though this transition period.”

10. On this news, Wolfspeed’s stock price dropped from \$13.71 closing price on November 6, 2024 to a stock price of \$8.33 per share on November 7, 2024, a decline of \$5.38 and around 39.2% in a single day.

Jurisdiction and Venue

11. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

12. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §1331 and § 27 of the Exchange Act, 15 U.S.C. § 78aa and 28 U.S.C. § 1331.

13. In connection with the acts and conduct alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce including, but not limited to, the mails, interstate telephone communications, and the facilities of the national securities exchange. In connection with the acts and omissions at issue in this action, this Court has jurisdiction over each Defendant named herein because each Defendant is an individual or

corporation with sufficient minimum contacts with this District so as to render the exercise of jurisdiction by the District Court permissible under traditional notions of fair play and substantial justice.

14. Venue is proper in this judicial district pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa and 28 U.S.C. § 1931(b). Wolfspeed's Mohawk Valley facility is located on the State University of New York Polytechnic Institute campus in Marcy, Oneida County in New York. This facility's production and profitability is at the center of many of the acts and conduct that constitute the violation of law complained of herein, including dissemination to the public of materially false or misleading information.

PARTIES

15. Plaintiff, as set forth in the attached certification, acquired Wolfspeed securities at artificially inflated prices during the Class Period and was damaged upon the revelation of corrective disclosures.

16. Defendant Wolfspeed Inc. is a North Carolina corporation with its principal executive offices located at 4600 Silicon Drive, Durham, NC 27703. Wolfspeed common stock trades in an efficient market on the New York Stock Exchange (the “NYSE”) under the ticker symbol “WOLF.”

17. Defendant Gregg A. Lowe (“Lowe”) has served as the President, Chief Executive Officer, and Director of Wolfspeed at all relevant times.

18. Defendant Neill P. Reynolds (“Reynolds”) has served as the Executive Vice President and Chief Financial Officer of Wolfspeed at all relevant times.

19. Defendants Reynolds and Lowe are sometimes referred to herein as the “Individual Defendants.” Wolfspeed together with the Individual Defendants are referred to herein as the “Defendants.”

20. The Individual Defendants, because of their positions at the Company, possessed the power and authority to control the content and form of the Company’s annual reports, quarterly reports, press releases, investor presentations, and other materials provided to the SEC, securities analysts, money and portfolio managers, and investors. Each of the Individual Defendants authorized the publication of the documents, presentations, and materials alleged herein to be misleading prior to its issuance and had the ability and opportunity to prevent the issuance of these false statements or to cause them to be corrected. Additionally, the Individual Defendants were responsible for strategic decisions at the Company that resulted in all allegations. Because of their positions with the Company and access to material non-public information available to them, but not to the public, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public and that the positive representations being made were false and misleading.

SUBSTANTIVE ALLEGATIONS

Background

21. Wolfspeed is a developer and manufacturer of semi-conductors, focusing on silicon carbide materials.

22. Wolfspeed’s products largely focus on the electric vehicle and industrial and energy sections through its fabrication facilities in Durham, North Carolina, and Mohawk Valley, New York.

Materially False and Misleading Statements Issued During the Class Period

August 16, 2023

23. The Class Period begins on August 16, 2023, when Defendant conducted an earnings call regarding their fourth quarter fiscal year 2023 results. Defendant Lowe, the CEO of Wolfspeed, discussed the Company's facility in Mohawk Valley, and stated, in relevant part:

Our Mohawk Valley Fab, which is the world's largest fully automated 200-millimeter silicon carbide fab began shipping product and contributing revenue. Last October, we outlined our plans to construct the world's largest state-of-the-art greenfield silicon carbide footprint. Since then, we've secured \$5 billion of the capital necessary to achieve these goals, allowing us to finish out the fit out of Mohawk Valley, expand our materials capacity at Durham, and break ground on the world's largest 200-millimeter silicon carbide materials facility, the JP and Siler City, North Carolina.

...

As it relates to Mohawk Valley and our device business, we have continued our ramp-up efforts and recorded approximately \$1 million in device revenue out of the fab in fiscal Q4. Silicon carbide is a complex technology that's very difficult to master, and I'm proud of how our team has worked tirelessly to get this ramping device production in a brand-new, highly automated fab. We still have some work to do at Mohawk Valley as we scale device production and expect a modest increase in device revenues in the first half of fiscal 2024 with a steeper increase in revenue beginning in the second half of 2024.

...

From a device perspective, we are seeing continued strength across our end markets, and we secured approximately \$1.6 billion in design-ins for fiscal Q4. For fiscal 2023, design-ins totaled approximately \$8.3 billion. And the cumulative total now stands in excess of \$19 billion secured in the last 4 years. Our customer wins to date give us the confidence in the growth of our addressable market and our ability to capture meaningful share of the device market between now and the end of the decade. More than anything, we're proud of our role in building greater awareness for silicon carbide. At the same time, the world is realizing the importance of the global semiconductor industry. The secular trends that are driving the adoption of silicon carbide have started to receive widespread public recognition as a truly game-changing technology in the power semiconductor space. [Emphasis added].

24. Defendant Reynolds, CFO of Wolfspeed, added in relevant part:

As Gregg mentioned, we recognized \$1 million in revenue from Mohawk Valley, while we are still aligned on previous expectations that we will reach 20% utilization out of Mohawk Valley by the end of fiscal 2024, **it is important to note that it will be the second half of the calendar year 2024 before we see \$100 million of quarterly revenue from the fab that the 20% utilization would represent.** This accounts for the time between fab starts and shipments to our customers.

...

As we've said in the past, the main driver of future revenue growth for power devices will be the incremental revenue contribution from Mohawk Valley. [Emphasis added].

25. After the Defendants prepared statements, there was a question-and-answer session in which Defendants again discussed the alleged potential of Mohawk Valley:

<Q: Harsh V. Kumar – Piper Sandler & Co. – MD & Senior Research Analyst>
Greg, I've got 1 for you. It's pretty clear that your future growth of the company lies with Mohawk Valley, so maybe you could talk about what you want to see happen in that fab to ramp that facility, you did \$1 million. I think you were pretty clear in the call, you did \$1 million last quarter, but you're talking about a \$100 million achievement in the second half of 2024. Would that be towards the beginning of second half or towards the end of -- in other words, are we talking March? Or are we talking the June quarter for you to get to \$100 million? And then more importantly, what do you need to see at the fab to get to that kind of a number?

<A: Gregg A. Lowe> Yes. Thanks a lot, Harsh. A couple of things. So first off, in ramping that fab, we obviously have to ramp the materials flowing into that fab. I'll give you a brief update on that. The 200-millimeter crystal growth operation and Building 10 is well on its way in producing excellent quality material, which is translating into very nice -- excellent defect density wafers. Epi, a 200-millimeter is also excellent, and we are ramping that as we speak. And now we're obviously shipping products from the Mohawk Valley fab.

We have 3 products that are currently fully qualified in 200-millimeter for at Mohawk Valley Fab and we have 8 additional products that now pass all reliability testing and are working through the final end of some qualification for that. So that's all in really great shape.

Now as we ramp this up, obviously, the \$1 million of revenue in fab is capable of \$2 billion is kind of early innings of ramping. As we ramp the fab, we'll be dialing in the processes and dialing in the equipment, which will take our yields up to entitlement yield. And as we ramp the fab, that will absolutely may happen. **So what I would say is the fact that we're ramping a new 200-millimeter crystal. The fact that the crystal quality is excellent and the quality of defectivity on the wafer**

is excellent. Combine that with EPIs and really good shape from a process standpoint. And we've got a fab that has 3 qualified devices this early and 8 that have passed reliability gives me great confidence that we're going to be -- that it's fab is going to deliver in the entire supply chain that's going to deliver everything that we expected out of this. In terms of the ramp of the production and the expectation for the amount of revenue. **Our expectation is that we'll be at 20% utilization by the June quarter.** and I'll let Neil translate that into what you can expect out of revenue.

<A: Neill P. Reynolds> Yes. And just remember, Harsh, as you think about utilization, that's the time frame from the time you actually load the fab -- wafers into the fab from a utilization perspective until you freeze the wafers, put them to the back end and finally shipping to the customer. So somewhat of a delay you'd expect from the time to achieve utilization level. **So as we get the 20% towards the end of the year, you wouldn't expect to see the revenue translation of that, as we get a 20% utilization, say, by the June quarter, we wouldn't expect a revenue translation of EPI, the equivalent of \$100 million to be sometime after that sometime in the second half of calendar '24. So first half of calendar fiscal '25 as you think about that time frame.** So the sort of timing of the revenue and of the Fab is we did about \$1 million or so last quarter. We'll see a bit of a tick up here in Q1, a modest pickup, I think, again, in 2Q and then a steeper ramp as you get to the back half of the fiscal year into the March and June quarter, and then we should be on our way from there. [Emphasis added].

January 31, 2024

26. On January 31, 2024, the Defendants conducted an earnings call regarding their second quarter fiscal year 2024 results. During the call, Defendants discussed the advancement of the Mohawk Valley's facility ramp, and its significance to the Company's success, and stated in relevant part:

The Mohawk Valley Fab delivered improved performance and is on track to achieve 20% utilization in the June quarter. From a 200-millimeter substrate perspective, there is now ample runway to not only meet but exceed our original utilization target from Building 10 on the Durham campus as we're consistently producing high-quality, high-yielding 200-millimeter wafers out of this facility. The additional flexibility will be important as we begin producing substrates in the latter half of this year at The JP. Overall, I'm confident about our execution of our near-term operational goals and optimistic around our long-term financial prospects.

Showing our unwavering focus on execution, the second quarter continued the solid momentum from the first quarter. **We've said time and time again that all roads lead to Mohawk Valley**, and this past quarter was no exception. The fab contributed

approximately \$12 million to our quarterly revenue, roughly triple last quarter's levels and at the midpoint of our guidance. I spent a lot of time at Mohawk Valley this past quarter and witnessed the dedication of our team firsthand, who, along with our incredible tool suppliers are working around the clock on tool optimization activities related to this first of its kind grant.

Wolfspeed at its core is an innovative company, full of problem solvers, and I'm very grateful to the entire team that we are head sound and focused on execution at this fab. **To give you a sense for the progress at Mohawk Valley, so far, we've qualified over a dozen customer parts, including 2 of our most complicated automotive devices, as well as the largest device we are currently producing at the facility. This gives us more than enough qualified parts to achieve our 20% utilization goal, and we expect to continue to qualify more parts between now and the end of June, further supporting the Mohawk Valley revenue ramp.**

...

As a reminder, a design-in represents business we've been awarded. And the conversion to design win happens when the customer places production orders for 20% of the first year production volume. In other words, the design-win indicates that the customer is beginning to ramp their production with our devices. We achieved \$2.1 billion in design-ins this quarter, marking our third highest quarter on record, which clearly indicates continuing and growing robust demand for silicon carbide.

More importantly, we posted a record of \$2.9 billion of design-wins, which were heavily weighted towards EVs and included 28 different electric vehicle models. This diverse customer base across the global electric vehicle industry, with multiple OEMs and Tier 1s, gives us confidence to continue with our expansion plan and further illustrates why we believe our supply will be continuing to work to catch up with demand over the next few years. And these design-wins are just the beginning.

Over the next 5 years, based on our current design-ins, the number of EVs leveraging Wolfspeed devices will increase to nearly 120 different models across 30 different OEMs. This represents a significant growth from the small number of vehicles on the road using our silicon carbide devices today, and demonstrates the opportunity ahead for us. As we continue to pioneer 200-millimeter silicon carbide and embark on our unprecedented greenfield capacity expansion plans, we maintain conviction in our strategy. It is exciting to see what is on the horizon, and we look forward to continuing this promising momentum, particularly at Mohawk Valley, throughout the second half of this fiscal year and beyond.

...

During the quarter, we generated record power revenue of \$108 million, driven

largely by the **\$12 million of contribution from Mohawk Valley and strong demand we see for our products**. Looking at the power device revenue performance in more depth, **we saw a sharp increase in EV revenue quarter-overquarter, fueled by the additional EV device products shipping out of Mohawk Valley**. However, this was partially offset by lower demand and persistent weakness in our industrial and energy markets, particularly in China and across Asia.

...

We know from the more than 30 years of experience of working with this material that the significant ramp required to create high-quality materials consistently at scale gives us a competitive advantage today and for the foreseeable future, especially as we begin producing 200-millimeter at The JP. The demand for silicon carbide remains significant, underscored by the 2 recent announced expansions of long-term supply agreements with existing customers. We expect to remain an important partner to other silicon carbide device manufacturers through the end of this decade. And we believe our leadership in materials provides a strong foundation for us to continue to grow our device business.

We are working closely across a diverse set of customers, which gives us good visibility into how the markets are evolving and where we can capitalize on the opportunity. Being the leader in silicon carbide, a truly transformative technology, is no easy task. And we are executing on this opportunity with efficiency, purposefulness and thoughtfulness. We look forward to bringing this vision into reality and generating long-term value for all stakeholders. [Emphasis added].

27. During the question-and-answer section of the call that followed these statements, Defendants spoke confidently about the pace of the facilities in Mohawk Valley, and stated in relevant part:

<Q: Brian K. Lee – Goldman Sachs Group, Inc. – VP & Senior Clean Energy Analyst> I know you get asked this every quarter, but it sounds like the tone, the confidence, some of the data points you're throwing out there, Gregg, are as positive-sounding as we heard about the internal operational [Sic]. So given Building 10, it seems like you're ahead of plan. What is the potential for Mohawk to maybe pull ahead in the ramp to 20%? I know you're super confident in being able to hit it. But how do you potentially see upside to any of these medium-term targets? I think you've talked about \$100 million of revenue from that facility by the December quarter.

So are there still internal bottlenecks operationally keeping you from accelerating? Or are there customer eval issues? Wondering, as you think about the upstream sort of not being as much of a limiting factor, how you could potentially maybe translate

that to moving Mohawk Valley a little bit faster.

<A: Gregg A. Lowe> Thanks a lot, Brian. So first off, the team has done -- the team up in Mohawk Valley combined with several -- the teams from Durham that have gone up to Mohawk Valley, has done an incredible job of relieving bottlenecks and fine-tuning the processes, et cetera. So very pleased with the progress we're making, still have a lot to do. But obviously, tripling the revenue and then doubling it again next quarter is fantastic. **We feel great about where we're at with Building 10, obviously, now having an ability to support a greater ramp of 25% is fantastic as well.**

But as I said in the prepared remarks, we're going to keep the pace of the fab itself at the pace of 20% utilization in the June quarter, \$100 million of revenue in the December quarter. We feel real good about that. But again, from a longer-term perspective, the ability to get more out of the facilities on the Durham campus in terms of supplying Mohawk Valley, it gives us really good confidence in being able to take that number up higher out in time.

...

<Q: Samik Chatterjee – JPMorgan Chase & Co – Analyst> I guess, Gregg, you did mention the design-in pipeline, which continues to remain quite robust on the EV front. I was just wondering, I mean, what are you seeing change in terms of conversion of design-ins to design-wins, obviously, with the design-ins picking up in pace and potentially the launch of these sort of vehicles also coming more closer? Are you seeing a bit of any changes in the conversion rates of these design-ins to design-wins eventually? And just any color there that you can share will be helpful. And I have a quick follow-up after that.

<A: Gregg A. Lowe> Sure. Good question. So this past quarter, we had a record conversion of \$2.9 billion to design-win that represented, as I mentioned, there's 28 different unique electric vehicle models that are in there and a whole bunch of other products as well, including a number of industrial and energy applications. **So we're really happy and very -- quite frankly, the design-win conversion we just had is quite a stunning number of \$2.9 billion. So I feel real good about that conversion.**

And then the \$2.1 billion of design-in gives us confidence that customers are still very excited about our technology and our capability.

...

<Q: Jonathan Dorsheimer – William Blair & Company LLC – Group Head of New Energy and Sustainability Vertical & Equity Research Analyst> Well, congratulations. My follow-up question, so it's similar to what Brian asked you but with a slight nuance. **So if I look at what Building 10 is outputting in terms of wafer starts and what you're pulling down on that in Mohawk Valley, my**

calculation would be that you will have an inventory of wafers over \$200 million by June, assuming that the \$25 million at midpoint and maybe a \$50 million to \$60 million or \$55 million in June, my estimates on that. So my question is, as you look through the rest of the year, clearly, that gives you some guide in terms of Siler City ramp from a buffer perspective. But what are the -- is it missy kind of getting the second of a kind tools? What are the gating factors as you think about moving around that utilization to debottleneck and capture either more or less in the back half of this year and next?

<A: Gregg A. Lowe> Thanks for the question, Jed. And I'll kind of talk first about my perspective on this and then hand it over to Neill. **So you're exactly right that we are shipping out of the Durham facilities up to Mohawk Valley and obviously, we have inventory building up there in anticipation of the ramp. So no question about that as we're trying to get ahead of things. So that's actually good news.** And the way that we have the overhead track system and the storage up there it makes it perfect for that situation, number one.

Probably the more important aspect as it relates to buffering for The JP is the ability to ship up to 25%. Right now, we have very high confidence to 25% utilization out of the Durham campus. So that obviously gives us really good confidence. At this point, in the fab itself, about 75% of the tools have second of a kind tools, and we anticipate that the vast majority of the tools will have second of a kind tools by the June quarter of this year. So that will help debottleneck things because if a tool goes down, it basically stops production if there's not a second of a kind tool. So that's kind of what's happening there. Maybe I'll hand it over to Neill, if you want to add any additional color.

<A: Neill P. Reynolds> Yes. So I think, Jed, what that means that there's no real change to the outlook right now. **The key driver here, as we have talked about, is just ramping the revenue to \$100 million by December quarter coming out of Mohawk Valley.** And clearly, the inventory that we see coming out of Durham and Building 10 gives us good strength and good confidence that we'll have an available number of substrates to go drive that revenue through. So it will really be about how quickly can we get that throughput through the fab and out to customers over that period.

Now one other thing I'll mention is we also mentioned on the call here is we should be able to see Durham go from 20% to 25% equivalent utilization by December or towards the end of the year. So what that means is we'll be able to go above the \$100 million a quarter as you get out into kind of that March, June 2025 time frame. So -- and then when The JP starts making meaningful substrate deliveries to Mohawk Valley, probably in the back half of calendar '25, we should have a nice glide path of substrates to support us out through that period. **So we feel like, obviously, the demand continues to remain strong based on the customers that we have in front of us and it really just be about ramping, delivering substrates to the fab and continuing to drive productivity and output there.**

...

<Q: Samik Chatterjee – JPMorgan Chase & Co – Analyst> I guess my follow-up was more on the industrial weakness that you're seeing and just trying to think about how to sort of extrapolate that to thinking about the June quarter as well. You are indicating you take a step down on power devices revenue related to that industrial weakness that you're seeing. But how are you thinking about how long that continues in terms of weakness? Is there an incremental step down in relation to that weakness you're seeing based on your current visibility? Just trying to get a sense of as Mohawk ramps, how do we think about sort of the offsets to that?

<A: Gregg A. Lowe> So first off, industrial is definitely weak, as we had mentioned last quarter as well. And it is mainly driven by Asia and China, but it's weak across Europe and U.S. as well. And it's hard to tell when things are going to get better. But from a planning perspective, we're not anticipating it getting better this year, this calendar year. So we're just assuming it's going to be where it's at.

Now the industrial business is a really good business for us, and it will come back. And what we're doing in the meantime is we're ramping Mohawk Valley, which is almost targeted right now at automotive customers. So we will be ramping Mohawk Valley and driving that up. We're converting as much as practical out of Durham to supply for the automotive customers as well, but we are limited on the Durham footprint from that perspective.

But the good news is eventually, and we've all seen the movie, the industrial business will pick back up. **And when it does pick back up, we will largely be an automotive output out of Mohawk Valley and giving us room then in the Durham facility to continue ramping when the industrial business picks back up.** And again, we've gotten a lot of design-ins and a lot of design-wins there. It will come back up. That's a great business for us. We love the customers in that space. **And we'll have ability out of the Durham facilities to handle that.** [Emphasis added].

March 4, 2024

28. On March 4, 2024, Defendants presented at Morgan Stanley's Technology, Media & Telecom Conference 2024, and responded to questions, stating:

<Q: Joseph Lawrence Moore – Morgan Stanley – Executive Director> And the bottom line here is you're quite confident hitting the milestones for Mohawk Valley for the rest of the year?

<A: Gregg A. Lowe> **Yes, yes I am.**

<Q: Joseph Lawrence Moore> So maybe if we could talk to the demand side a little

bit. I think you talked about 28 OEM wins. Obviously, you talked about the pipeline numbers. Those are really big numbers. And I guess, how do you think of those in terms of timing that they go to production timing that you can make announcements around those kind of exclusive wins that you have?

<A: Gregg A. Lowe> We sort of have a funnel, so to speak, taking the opportunity that we have, the design ins that we have, the design wins that we have and then what the revenue is going to be. And at each of those stages, we take a pretty decent haircut just anticipating that the customer might not make 1 million cars, maybe it's going to be 500,000, or they're taking a brand from a run rate of 100,000 cars to 500,000 cars, and is that really viable. So we take haircuts on that sort of stuff.

We do the same thing with our China customers. We have great customers in China, where we've got pretty decent exposure to the auto industry there. But it's sort of in the country's interest to try to foster internal capabilities. So we make an assumption that more of that is going to possibly go away. **Despite taking all of those sort of judgments, we still have a demand scenario that is substantially higher than our supply for the foreseeable future.**

I think there's going to be lots of fits and starts. I think you're going to see surprising winners. You're going to see surprising losers. Like if you look at the top 10 automobile companies in the world today, 2 are Chinese despite the fact that China is the world's largest market for cars. And by the way, they occupy #8 and 10. If you look at battery electric vehicles, they're 5 of the top 10, including 1, 3 and 5. So most likely, if you look at the top 10 car companies in 2030 and you compare it back to 2020, I think there's 5 new names. And maybe they're not all Chinese, but probably one of them will be. Probably one of them is going to be Tesla. There's going to be a lot of change in churn in the auto industry. This is the biggest disruption in the history of the car. Brakes and traction control and power steering and all of that has -- was nothing compared to what's happening.

<Q: Joseph Lawrence Moore> Yes. And there's definitely the sense that the momentum on EVs has shifted to China a little bit. And in the U.S. and in Europe, you have a lot of companies that are dedicated to EV, spending a lot on EV, and this is where our auto team gets a little bit cautious of like if they focus on internal combustion, the stocks are materially cheaper, right, because they're not making these big investments and questioning some of those investments. So I guess, how do you think -- and again, that's one view. I'm not saying that's right, but how do you guys think about that? And does it matter if we see programs here and there that sort of shift back towards...

<A: Gregg A. Lowe> **First off, it's not going to matter to us because the supply is not meeting the demand right now, so we'll just be able to shift it. There might be a quarter where we're running with this one part and we need to shift it to a different part. We have a lot of fungibility though, so we probably are not going to see that.** But I would say a couple of things.

First off, you heard me say it earlier. This is the iPhone moment for the Western world. And they're either going to shine or they're going to go away. And I don't think this is a stoppable reversible pattern. Second, most Western car companies got rid of all the people developing anything internal combustion engine technology development wise. So new engine technology, new -- any of this kind of stuff, they stopped developing that 4 or 5 years ago. And it -- you're not going to have the doover moment, I don't think, for this. They may produce those same cars for a little bit longer, but they're not going to meet any of the EPA guidelines or any of that kind of stuff. So there's going to be a lot of issues. And like I said, they stopped development of that technology and I just don't see a do over possible at all.

Yes. It's going to be highly disruptive. Winners, losers. Forecasts are going to be changing. It doesn't really matter to us for the foreseeable future. [Emphasis added].

May 1, 2024

29. On May 1, 2024, Wolfspeed reported its financial results for the third quarter of fiscal year 2024. During the corresponding earnings call, Defendants discussed the progress of the Company and stated in relevant part:

First, **we believe the market is not fairly valuing the company**, consistent with the technology and the business we have built or the strategic potential of the business. The management team and the Board of Directors are focused on this disconnect and routinely consider alternatives to enhance value for shareholders.

Second, driving better financial performance and value for shareholders by delivering on our near-term operational commitments for fiscal 2024 and 2025 is at the core of every decision we make. We are laser-focused on increasing the utilization at Mohawk Valley, and as I'll talk about in a few minutes, we are making solid progress there. We are also focused on bringing The JP online, where we are, likewise, making solid progress on that project.

Third, **our operational road map provides sufficient time to focus all of our efforts by making sure Mohawk Valley and the JP are on track before we move on to new project, which is not only good for investors, but for our customers who are also counting on us to meet our commitments.** At this time, there are not any additional greenfield projects scheduled to launch until we demonstrate further progress on our existing project, and we expect to significantly reduce CapEx for fiscal 2025, ahead of receiving any grants or funding from the U.S. government.

Finally, we are deliberately and effectively allocating capital

...
We made strong progress at Mohawk Valley in the third quarter, more than doubling our revenue and delivering \$28 million of product to customers from this fab. We are on track to achieve 20% wafer start utilization in Mohawk Valley by June of this year. And to give you a sense of the progress we're making as of April, we are already at more than 16% utilization based on wafer starts per week, making us extremely confident on our ability to achieve our target in June of 2024.

...
As we mentioned last quarter, we continue to be a key supplier of silicon carbide substrates to the broader market, as evidenced by the 2 supply extensions that we announced in January. Our LTAs underscore the importance of our role as the leading provider of high-quality 150-millimeter substrates to the market, and we will continue to be an important partner to our customers in the years to come.

...
While Mohawk Valley, which currently services almost entirely EV customers, is something the I&E market or industrial and energy market remains challenged and remains weaker than our original expectations, primarily due to inventory buildups across many end market channels predominantly in the Asian markets.

We are responding by shifting I&E capacity both in Durham and Mohawk Valley towards EV. Our ability to shift our production from I&E to EV speaks to the flexibility that our business model provides us. However, this end market shift and change in product mix will have a short-term headwind on our gross margins, but it will position us well for fiscal 2025, as we could see the start of a recovery for the I&E demand at some point during this period.

Unlike I&E, we continue to see a ramp of EVs that have adopted our silicon carbide devices. While this is a disruptive time in industry, and we continue to see OEMs adjusting and modifying their near-term EV production plans, we remain substantially supply constrained for our silicon carbide devices. As demand remains well above our current supply, we can be nimble and shift much of our supply to other customers to accommodate for these near-term changes.

Underscoring this continued EV demand is our strong design-in and design-win performance this quarter. As a reminder, a design-in represents business we've been awarded which converts to a design-win once we begin ramping into initial production. This quarter, we achieved approximately \$2.8 billion of design-ins, about 80% of which was for EV applications, marking our second highest total on record and totaling over \$7 billion of design-ins for fiscal 2024.

...

We remain confident in our long-range financial targets. As the underlying economics, we are seeing so far for Mohawk Valley and Building 10 demonstrate that our purpose-built, vertically integrated greenfield approach to capacity expansion will generate strong revenue and profitability.

In combination with the JP, Mohawk Valley will be able to produce more than \$2 billion of device revenue, in addition to the \$400 million of device capacity currently installed in our Durham device app. In addition, with the JP online, we have the potential to grow the material substrate business to greater than \$600 million. Lastly, short-term revenue and gross margins are being impacted by slower industrial and energy markets.

In the short term, **we are pivoting our available capacity to EV products, where EV product demand continues to outstrip our available capacity to serve that demand.** The outcome of this will be more muted revenue growth and low gross margin for the next few quarters. As Gregg mentioned earlier, it positions us for any potential recovery in I&E, most importantly, it does not impact our longer-term plans to achieve our revenue and EBITDA targets.

We believe that it will be at least the second half of this calendar year before we see inventory levels return to normal. But as we said last quarter, much of the product we had already produced and slated to ship at the match elsewhere in our pipeline. And we are continuing to work to find the best match for that inventory now. [Emphasis added].

30. On the question-and-answer segment of the earnings call, Defendants answered questions about the electric vehicle landscape and stated:

<Q: Jonathan Dorsheimer – William Blair & Company LLC – Group Head of New Energy and Sustainability Vertical & Equity Research Analyst> Thanks. I just wanted to dig into, Gregg, your comments on demand, which seems strong for you in EV. Just in the materials business, with that business coming down so much. So if I kind of take your guide on a quarterly basis, it's come down about \$40 million per quarter. Why aren't materials ramping complement to that? Because I would assume that, that opens up the 150-millimeter wafers to sell to other customers.

<A: Neill P. Reynolds> Sorry, Jed. So in terms of the -- how we think about that, right now, the end market demand for automotive in terms of EV customers. So there's a lot of changes that Gregg talked about in terms of the OEM landscape. The amount of demand still outstrips our supply. So it's really important for us to continue to take as much capacity as we can serve those customers.

In the meantime, we'll continue to drive our materials business. As you know, we've got a lot of long-term agreements there that underpin our revenue for a long time.

And I think that the \$99 -- \$90 million to \$95 million per quarter will continue to service that market, I think, in terms of how it's kind of laid out today. I think it's very important that we continue to service our automotive customers at this time. And we're going to continue to understand...

<Q: Jonathan Dorsheimer> Neill, maybe I didn't ask the question clearly, but it's \$40 million coming out of Durham on the devices side, where you're supplying the 150-millimeter wafers internally. Why wouldn't you be able to see a \$12 million increase in the materials business?

<A: Gregg A. Lowe> Yes. So maybe I'll take a crack at that. I don't think I understood that could be your question. So a couple of things. **Obviously, we have automotive demand that is higher than our current supply. So transitioning that capability from I&E to automotive is a very important customer satisfaction item that we're focused on.**

The automotive devices are larger than the industrial products. And substantially, most of the industrial products are sold in packaged or module form. And they get the exact opposite for automotive. For automotive substantially, most of the product that we sell is in die form. So we're not adding value, we're adding incremental revenue potential for the same amount of, I'll call it, silicon carbide millimeters [indiscernible].

So it's not a one-to-one trade-off when you move from an industrial part to an automotive part in the fab itself.... [Emphasis added].

June 24, 2024

31. On June 24, 2024, Wolfspeed announced “Mohawk Valley silicon carbide fab has reached 20% wafer start utilization, a critical step in the Company’s efforts to meet the growing demand for silicon carbide power devices.

32. Additionally, the Company announced Wolfspeed’s Building 10 Materials facility [at Durham] has achieved its 200mm wafer production target to support approximately 25% wafer start utilization at the Mohawk Valley fab by the end of calendar year 2024.”

33. Wolfspeed also noted that it “plans to update the market on its next utilization milestone for Mohawk Valley during its fiscal Q4 2024 earnings call in August.”

August 21, 2024

34. On the evening of August 21, 2024, the Company announced their fourth quarter fiscal year 2024 results and had an associated earnings call (the “Q4 2024 Earnings Call”) where they discussed plans to close the Durham fabrication facility, and stated in relevant part:

As we've discussed previously, our 200-millimeter device fab is currently producing solid results at lower costs than our Durham 150-millimeter fab while also presenting significant die cost advantages. **This improved profitability gives us the confidence to accelerate the shift of our device fabrication to Mohawk Valley while we assess the timing of the closure of our 150-millimeter device fab.**

...

Crystal growth and substrate processing out of Building 10 in Durham continues to scale, and **we expect to be able to support a 25% wafer start utilization at Mohawk Valley in the September quarter**, 1 quarter ahead of plan. As a result of continued productivity improvements, **we are also now expecting Building 10 to support 30% wafer start utilization at Mohawk Valley in the March quarter of 2025.**

...

Lastly, as I outlined last quarter, the market is clearly not valuing the company consistent with our technology, the business we've built or the strategic potential of the business. In light of this disconnect, the management team and the Board of Directors routinely consider alternatives to enhance value for shareholders. Having laid out those points, let's move to the specifics of Wolfspeed's fourth quarter performance.

The Mohawk Valley Fab generated \$41 million in revenue for the quarter, on the lower end of our estimated range, which was the result of an EV customer deferring delivery of several million dollars' worth of product. We expect to recognize this revenue in fiscal 2025 and believe we would have landed in line or slightly above the midpoint of our Mohawk Valley revenue guidance excluding this push-out.

We passed internal qualification for nearly all automotive powertrain products in late July and now have only a handful of customer qualifications left to complete, giving us the confidence that those products can be serviced out of Mohawk Valley sooner than we originally anticipated.

While the ramp of EVs is slower than previously projected and many companies in the semiconductor industry are still confronting automotive headwinds, our revenue in the EV market continues to be strong because we are just at the beginning of the ramp of our automotive business across several geographies.

Our EV revenue in the fourth quarter was up more than 100% year-over-year and is expected to be up approximately 300% year-on-year in fiscal Q1. We are in the very early stages of what might be the most significant transition in the history of the auto industry. This will create a very dynamic environment as the OEMs will continue to adjust their ramp programs across their EV product portfolio.

Our EV revenue has grown for 3 consecutive quarters despite a declining auto semiconductor market because some of the EV design-ins we've accumulated over the last 5 to 7 years are just beginning to ramp. We achieved an additional \$2 billion in design-ins in fiscal Q4, bringing our fiscal 2024 total to over \$9 billion of design-ins.

...

We generated \$201 million of revenue for the quarter, slightly above the midpoint of our guidance and flat sequentially. We recognized power revenue of \$105 million, driven largely by the contribution from Mohawk Valley but offset by continued weakness in industrial and energy markets. Mohawk Valley's \$41 million contribution represents growth of 46% quarter-over-quarter and an exponential increase from the \$1 million contribution 1 year ago.

We achieved \$64 million of revenue from our Durham device fab, down approximately 40% year-over-year, driven by continued weakness in industrial and energy markets. We also recognized materials revenue of \$96 million, above our expectations, driven by the continued strong execution of our materials operations team.

...

Moving on to our guidance for the first quarter of fiscal 2025. We target our revenue to be in the range of \$185 million to \$215 million. **We target roughly \$50 million to \$60 million of this revenue to come from Mohawk Valley next quarter**, up more than 34% from the prior quarter and up greater than \$50 million year-over-year at the midpoint of our range versus the \$4 million we achieved last year at this time. [Emphasis added].

35. During the question-and-answer segment of the call, Defendants expanded on their discussion of the closure of the Durham facility, and their reliance on the Mohawk Valley facility, stating in relevant part:

<Q: Joseph Lima Cardoso – JPMorgan Chase & Co – Analyst> This is Joe Cardoso on for Samik Chatterjee. Just curious, like the potential closure of the Durham device fab would be quite a shift in strategy relative to prior closures. I think \$400

million of revenue was coming from that footprint when it's fully loaded. So just curious if you could just dive into that or flesh it out a bit more, what the exact thought process here is to close -- around closing that fab and take it out of the long-term model, and then maybe the second part of that question is, what does that imply for the existing footprint there in Durham?

<A: Gregg A. Lowe> Thanks for the question. **First, it was always the plan to ramp down 150-millimeter and transition to 200-millimeter.** What's really made this decision very straightforward is the progress and productivity we're seeing across the entire 200-millimeter platform: output from Building 10 now able to support 30% wafer start utilization; yields in Mohawk Valley ahead of plan; the economics of Mohawk Valley substantially more compelling than Durham; and finally, we're on schedule to ramp The JP and seeing great results from the initial crystal run.

So combine this with the fact that the industrial and energy business is down, starting this process of transitioning the fab when we're not swimming upstream against the whole bunch of demand from I&E certainly gives us breathing room to make this happen. The key decision though, was all about the progress and productivity that we see across 200-millimeter. We're super excited about that. It's actually quite an amazing accomplishment that the team has been able to do. And Neill, you can get into a little bit of detail, but that progress and productivity also gives us ability to absorb that revenue in our current footprint.

<A: Neill P. Reynolds> So let me just break down a little bit just a bit of the capital efficiency that we're seeing. So one thing I talked about is kind of taking the CapEx level down from \$1.2 billion to \$1.4 billion during fiscal year 2025 and then dropping it down dramatically in fiscal year '26.

So I think as Gregg said, the facility spend being complete, we can really modulate our CapEx for tools going forward. And that facility will be -- the facilities costs will likely be complete by December of this year. So we plan these factories for great economies of scale, building up modularly, and we're starting to see the benefits of that as we start to exit that facility spend.

The second thing is our capital investment model is working as expected. So the good yields and the efficiency across the 200-millimeter supply chain is just resulting in a lower required amount of CapEx for each incremental dollar of revenue. So we're seeing some good performance there. So when you think about what that would mean longer term for the revenue, Joe, as you start to think about moving on beyond the Durham fab one day, that \$200 million to \$600 million of fiscal year 2026 CapEx could support 50% to 60% utilization out of Mohawk Valley.

So I think it's a real testament to the amount of revenue we can absorb through Mohawk Valley when you start making that trade from 150-millimeter to 200-millimeters. So I think here, in the medium term, if we go down that path, I think

Mohawk Valley will have significant capability to absorb a lot of that revenue. And of course, the trade-off from industrial and energy from 150 to 200 is actually a very, very good mix shift from that perspective.

So we believe that the Mohawk Valley fab will really be able to incorporate a lot of that revenue just mentioned, and we'll -- as we tighten up these plans and give more of an update, we'll let you know how that impacts the long-term model, **but we're clearly bullish on the ability of Mohawk Valley to absorb that.**

...

<Q: Joshua Louis Buchalter – TD Cowen – Director> I wanted to ask about the Mohawk Valley ramp and time lines to revenue. Is the right rule of thumb still when you reach those utilization levels, you get revenue, I think it's roughly 2 to 3 quarters later? Because that would imply that you're, in the fiscal third quarter of 2025, a number comfortably above \$100 million out of Mohawk. And then maybe as a follow-on to that question, what's the time line to get to the 30% beyond that? And how does that coincide with The JP layering in as well?

<A: Neill P. Reynolds> Yes. So first of all, thanks for the question. And I think as we've laid out before, there's -- from a utilization perspective, **there is a couple of quarter lag between the time you start a wafer to the time we start to see revenues kind of get processed through the fab and then through the back-end operations as well and then eventually out to customers.** So the time frame you laid out is correct.

The other thing that impacts utilization and translation into revenue is the mix between automotive parts and in industrial and energy parts. The revenue per wafer, so to speak, is just much higher than industrial and energy part generally than an automotive part.

If you look at the Mohawk Valley revenue just for the June quarter, for instance, we were 85% to 90% EV. If you transition that into the September quarter here, we'll be 95% plus EV and we expect it to remain that way as we push more and more of our qualified parts to Mohawk Valley.

On the flip side, we'll just see the Durham Fab consistently see the EV percentage of revenue start to come down over time. So as that translates into revenue, I think we talked about it. With heavier auto, 20% translates closer to \$80 million and close to \$100 million is the kind of the normal mix. So I think that's the way to think about it moving forward.

Now as we think about maybe transitioning to Durham fab, we've put a lot more industrial and energy revenue into Mohawk Valley, which as I said before, will be a good trade for us. **And then we get back to the kind of, I think, normal economics of thinking about a \$2 billion fab and the percentages of supply that are capable**

at various levels of utilization.

...

<Q: Joseph Lawrence Moore – Morgan Stanley – Executive Director> I think you gave an EV number in terms of the percentage growth, but I didn't hear an absolute number. I wonder if you could help us kind of size where you are now with EV and what you're classifying as EV.

<A: Neill P. Reynolds> Yes. So on the EV revenue, as you said, EV revenue was up 2x in the quarter, 3x year-over-year in the outlook for the September quarter. **It's also gone, by the way, from representing about 25% of our power device revenue a year ago to over 50%, even the mid-50% of our power device revenue here in June. And if you look here in the September quarter, more than 60% of our power device outlook. So we expect that to grow even further as the year goes on.**

So while we've seen some moderation, I would say, the overall EV growth rates, this has been well documented and reported and supply and demand are more matched up, we do continue to see some significant growth into the December quarter and into the first half of calendar year 2025. [Emphasis added].

September 4, 2024

36. On September 4, 2024, Wolfspeed presented at Citi's 2024 Global TMT conference. During the question-and-answer session, Defendants addressed the company's stock price underperformance and spoke confidently about Mohawk Valley's purported achievements, stating in relevant part:

<Q: Atif Malik – Citigroup Inc. – Director and Semiconductor Capital Equipment & Specialty Semiconductor Analyst> Gregg, if I can start with the kind of the big question investors have, why do you think your stock price has underperformed by so much this year? What are the investors missing?

<A: Gregg A. Lowe> Well, a couple of things I would say. Obviously, one of the things we've been working on over the last 6 quarters is getting the operations in better shape. That's been a very, very key focus of me. I've been in Mohawk Valley. I've been in our materials factories pretty consistently during this time. And I think one thing that I think is -- not one thing, but several things have happened.

Number one, Mohawk Valley has now turned into a very good asset for us in terms of production quality, yield, et cetera. Feeding Mohawk Valley out of Building 10 has also substantially increased. **We announced that we hit 20% utilization in**

Mohawk Valley and that's because Building 10 was able to deliver the material to them. And we also announced on our last earnings call that Building 10 will actually be able to support a 30% utilization in Mohawk Valley, which is a 50% increase off the same number of growers. So which -- maybe it's not that obvious, but that means our yield out of those growers is 50% better than anticipated. The yields in Mohawk Valley are now ahead of where we intended -- not intended, where we expected them to be at this point, and we still have quite a ways to go to get to what we call entitlement yield.

And then finally, I think something that should not be lost on investors is that our cost out of Mohawk Valley is substantially better than our cost out of Durham. All of this confidence that we have now in our 200-millimeter entire supply chain, Building 10, Mohawk Valley, et cetera, has given us the confidence to announce that we would be shutting down our 150-millimeter line in the Durham facility. We don't have more details right now to give on that. We will give you a detailed plan on that at our next earnings call. But that process is underway, I think.

So I think there's -- for the last 2 years, there's been a question of, can we get 200-millimeter going? And I think that answer has been -- that question has been answered pretty substantially.

...

<Q: Atif Malik> Great. And let's just unpack a little bit. You guys mentioned Mohawk Valley, Durham, CapEx. Let's start with the Mohawk Valley fab. Gregg, you're expecting Mohawk Valley fab to reach 25% utilization in September quarter, which is one quarter ahead of the original plan.

What gives you the confidence that you kind of remain on this trajectory of getting to higher utilizations. If you guys just take us to the ground and talk about what changes and improvements have you made where the yields are tracking better and everything?

<A: There are lots of different angles on this. So -- and I don't have the exact numbers, but the number of tools that have a second tool in the factory is substantially higher than we were certainly a year ago. And I believe we're on track to be fully second of a kind tool by the end of this calendar year. I don't remember where we're at right now, it's pretty high. So that used to be pretty substantially low, like 25%. So anytime one of the tools that only had one-of-a-kind tools went down, it just stopped production.

So we now have multiple tools across the fab, which is good. I think our ability to understand how the tools are going to respond to 200-millimeter silicon carbide has gone substantially up, and that means our maintenance and R&M processes and things like that have gotten a lot better.

Just recall, this is the first 200-millimeter silicon carbide factory. So every single one of those pieces of equipment in this factory saw silicon carbide for the first time, and we had to kind of fine-tune that. And I think that's gone very, very well. **If you look at the yields across the products that are going through Mohawk Valley, we've got a very strong kind of up into the right trajectory. And as I said, we're currently ahead of our planned yield on the device in Mohawk Valley.**

And then the second thing and it's really important is the output out of Building 10. The JP is coming along very well. It's on time, it's on track. But any time you bring on a new facility, there could be some kind of problem. Basically, that hasn't happened. But Building 10 being able to do 30% versus 20% is a huge relief in terms of time that we need to get the JP on board. The JP has initiated first crystal growth. I personally did it on the first machine. The parts are coming out, looking great. They're matching the quality that we're seeing out of Building 10. We fully expected that because the facilities are not too far away from each other, about 45 minutes, plus or minus a little bit.

And so the team that started up Building 10 is the exact same team that started up the JP. And recall that Building 10 was a squash board, a basketball court, office space, and we turned that into a crystal growth factory. We certainly expect a grounds-up purpose-built facility at the JP to be a lot easier to bring up because we're not dealing with what used to be a squash court that's now trying to be a factory. So we feel real good about it. So quite confident in that. And again, the confidence should be heard loud and clear because we are cutting the cord to 150. **And we're very, very confident in the 200-millimeter.**

...

<Q: Unknown Analyst> The first question, I guess, on utilization, you guys are talking about 25% next quarter. And then from your earnings call, you talked about 40% sometime mid next year. The trajectory seems a little slow compared to what we've seen on some other silicon fabs, and I understand silicon carbide. Are you essentially limited by Siler City ramping up or you're doing a slow ramp for some other reason?

<A: Gregg A. Lowe> Well, a couple of things. So first off, we made the announcement that Building 10 can support 30% utilization. And at the same time, we said we're starting to grow crystals in Siler City and that project is on time. So I think those 2 things are actually very positive for our ability to ramp the fab. We've mentioned that our fab yields are ahead of what our plan is, but we still have ways to go from an entitlement perspective.

So having a more modest ramp is going to be helpful in terms of we'll get more out of the chips as our yields continue to improve. And so I think the -- I think we've got a good ramp plan. And I think that plan has been successful over the last 6 quarters where we went from essentially no revenue. I think it was \$1 million a

year ago last quarter to basically \$40-plus million. So I think the ramp has been a very good ramp for us, and I think the plan that we have going forward is good as well.

<Q: Unknown Analyst> Got it. Just a quick follow-up on that. How should investors think about risk on utilization ramp like, for example, going from 0% to 20% versus 20% to, let's say, 60%...

<A: Gregg A. Lowe> Yes. **So in terms of the things you need to deal with, 0% to 20% is a lot harder than 20% to 40%.** There's no question about it, especially if it's never been done before. And that's what we faced. So all of those machines, as I said, we're seeing silicon carbide for the first time. **So we anticipate that it will be a smoother ramp from 20% to 40%. And again, we're in the process of improving yields, improving cycle time. So I think we'll -- I think it will be a good -- I think we've got a good plan.** [Emphasis added].

37. The statements referenced in ¶¶ 23-35 were materially false and misleading because Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operational and compliance policies. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) their reliance on the Mohawk Valley facility to absorb the revenue from the closing the Durham facility was misplaced (ii) the Company had overstated the demand in the electric vehicle market for the Mohawk Valley facility's key products and 200mm wafers (iii) the Company had failed to mention the Mohawk facility's growth had begun to slow before even recognizing the \$100 million revenue per quarter allegedly achievable with only 20% utilization of the fab, not to mention the promised \$2 billion revenue they claimed was realizable by the facility.

The Truth Emerges

August 21, 2024

38. On the evening of August 21, 2024, the Company announced their fourth quarter fiscal year 2024 results and had an associated earnings call (the "Q4 2024 Earnings Call").

39. During the Q4 2024 Earnings Call, the Company reported plans to close one of its semi-conductor wafer production facilities in Durham, as the company tries to cut costs. Defendant Lowe stated in relevant part: “As we've discussed previously, our 200-millimeter device fab is currently producing solid results at lower costs than our Durham 150-millimeter fab while also presenting significant die cost advantages. This improved profitability gives us the confidence to accelerate the shift of our device fabrication to Mohawk Valley while we assess the timing of the closure of our 150-millimeter device fab.”

40. The Company repeated similar language about their plans to “assess the timing of the closure of our 150mm device fab in Durham” in their Form 8-K announcing their fourth quarter fiscal year 2024 results published on August 21, 2024.

41. Market Watch reported on August 21, 2024 that Wolfspeed reported adjusted quarterly losses of 89 cents per share, higher than analyst's expectations, and revenue fell to \$200.7 million for the quarter, lower than analyst's expectations.

42. On August 22, 2024, Deutsche Bank lowered their price target on Wolfspeed from \$17 to \$14 and reduced their forecasts given the Company's announcement of the closure of the Durham facility, and noted they find the closure “surprising.”

43. Similarly, on the same day, J.P. Morgan lowered their price target from \$25 to \$20, and noted that the closure of the Durham facility is an “action that is likely to take investors by surprise.”

44. The Company's stock price opened on August 22, 2024 at a price of \$13.76 per share and dropped to \$12.83 per share to close on August 22, 2024, a decline of around \$0.93 and around 6.76% in the span of one day.

45. As the market continued to process this news, the stock dropped during the period of August 26, 2024 to September 03, 2024. The market opened on August 26, 2024 at a price of \$13.82 per share, and steadily dropped in the next several days to \$9.11 per share to close on September 3, 2024, a decline of \$4.86 and around 34.78%.

November 6, 2024

46. On November 6, 2024, after the market closed, the Company announced their first quarter fiscal year 2025 results, and conducted a corresponding earnings call. Defendant Lowe discussed plans to reduce costs, including suspending construction plans for a facility in Saarland, Germany, and terminating approximately 20% of the Company's workforce, stating in relevant part:

I'll now address how we're simplifying our business and focusing on our 200-millimeter device platform, lowering our cost structure and capital requirements to accelerate the path to profitability. Wolfspeed is the first silicon carbide company in the industry to transition its entire device business to 200-millimeter. This strategic move is driven by superior yields, improved IPOs and overall enhanced economics that we're seeing in our 200-millimeter platform. This will allow us to utilize our capacity more efficiently due to more automated manufacturing at our 200-millimeter Mohawk Valley fab versus our very manual 150-millimeter Durham fab. This will enable us to eliminate redundancies, significantly improving gross margins.

The transition to a fully 200-millimeter device platform also provides opportunities to streamline our organization and lower our operating expenses. **Considering the slower growth of EVs adoption and the continued weakness in industrial and energy, the steps we are taking will rightsize the business and generate additional cash savings.**

These steps include: first, we have begun to execute our plan to close our 150-millimeter device fab on the Durham campus. This closure will be a phased process over the next 9 to 12 months, and we are currently working with customers to finalize the transition time frame.

Second, we are optimizing our capacity footprint by closing our epitaxy facility in Farmers Branch, Texas and indefinitely suspending our construction plans for the next device fab in Saarland, Germany. We expect to ramp down final production in Farmers Branch by the end of this calendar year.

Regarding Saarland, we have spoken with government officials and Zeta and they understand that we would need to see a clear acceleration of our customer demand and additional capacity requirements before we would reconsider construction at the site. While we are indefinitely suspending our activities in Saarland at this time, should we determine to build a fab in the future, the in-store site remains our preferred site in Europe.

Third, we have implemented a workforce reduction in our administrative and other business functions. This reduction, along with the factory closures, will impact approximately 20% of our total employee base. This reduction will better align our business with current market conditions and customer demand. These facility and head count restructuring initiatives are targeted to generate annual cash savings of approximately \$200 million, significantly improving our projected cash flow from operations over time. These actions will foster a stronger, more agile company, ready to seize the opportunities ahead. **Many of these reductions have already occurred, and we expect to complete the majority of the actions by the end of the year.**

And lastly, we are further reducing our fiscal 2025 CapEx guidance range by an additional \$100 million to a new range of \$1.1 billion to \$1.3 billion, excluding federal incentives. This reduction will align the pace of our CapEx spend with the broader shift in EV and I&E market demand that we are currently observing.

...

As we stated in the past, we are in the very early stage of the most significant and disruptive transition in the auto industry. While this creates a potential for significant growth and opportunity in the long term, it will also result in a dynamic environment in the near term. As with any disruptive technology, we are seeing EV customers revise their launch time lines as the market works through this transition period. This push out in anticipated EV demand does not reflect diminished confidence in the long-term demand for the adoption of EVs.

...

Although demand is expected to ramp more slowly than we originally anticipated, we are continuing to win our share in the EVs marketplace.

...

For the industrial and energy sectors, we are seeing continued softness, primarily due to broader macroeconomic pressures, including higher interest rates and the rising cost of capital, which have delayed investment cycles and contributed to a slower recovery for this sector. These conditions also resulted in shorter lead times and limited visibility throughout the broader supply chain. While the industrial and energy end markets have remained challenged with orders remaining weak, we are

seeing an increase in end customer demand as inventory levels in the market are starting to decline. As such, we expect the market will begin to recover in the first half of calendar 2025, and as we see broader market conditions further stabilize and move forward to a recovery, we'll be prepared to support the increased demand.

Now let's take a minute to cover the great progress we've made in building out our 200-millimeter footprint. **For the first time, the revenue from our 200-millimeter fab at Mohawk Valley exceeded the revenue from our legacy Durham fab in Q1. While this revenue was lower than originally anticipated due to market demand and customer pushouts**, we continue to see great performance out of the fab with yield and cycle times ahead of plan, and anticipate future improvements as we ramp the fab. [Emphasis added.]

47. During the question and answer segment of the call, Defendants responded to inquiries about the transition from the Durham facility to the Mohawk Valley facility, and the potential lost revenue from closing the Durham facility, and stated in relevant part:

<Q: Joseph Lima Cardoso – JPMorgan Chase & Co. – Analyst> This is Joe Cardoso on for Samik. I was wondering if you could provide a bit more color on how you guys are envisioning the magnitude and timing relative to the revenue ramp down of the Durham device fab and the impact to your top line through the next year. And as you talk to customers around transitioning the capacity that you're currently running out of Durham to Mohawk, what's your sense on the appetite to transition this capacity versus perhaps customers potentially being more reluctant to do so? Basically, just curious if there's any concerns around not being able to capture all of that as you try to transition it from Durham to Mohawk.

<A: Gregg A. Lowe> Yes, thanks. So I'll kick it off and then maybe Neill can give a little bit more color. **Obviously, anytime you transition from one fab to another, the customers have an input into that, we're engaged with them.** I think the thing that's very different in this particular, situation is that we're moving from a very manual optimized fab to a new, highly automated fab that we believe is going to produce as well, is producing better results and -- out of the fab in North Carolina and also have a higher quality since there will be less manual interventions in that fab.

We're already engaged with customers on that. **We've got a pretty solid plan. I think we're transitioning the vast majority of the revenue up to the factory. There will be some parts that don't transfer, but the vast enough amount of revenue is planning to transfer to Mohawk Valley.** I would note that all of our powertrain customers that we're shipping to, to today currently have already been qualified and the best that is shipping already out of Mohawk Valley. So that transition was well underway.

<A: Neill P. Reynolds> Yes. And just from a revenue perspective coming out of Durham, right now, we are starting to ramp down our automotive products at Durham. That's already well underway. I think from an industrial energy perspective, as Gregg mentioned, we qualified in both auto and nonauto parts, a very significant amount already at Mohawk Valley. So we'll just transition those parts up there.

So as we move into the second half of the year, the fiscal year, we really just think about it from a market perspective, we'll lower revenue, particularly in the Durham fab in this quarter. We'll burn off some inventory. We'll see how that rebound in the second half of the year just driving more towards Mohawk Valley. So we'll see Mohawk Valley revenue continue to increase and Durham kind of come down over the following quarters. At least that's kind of our forecast for today.

What we can tell is some customers may make some end-of-life or later purchases in the fab. We don't have that baked in yet, but we'll wait to see how those kind of play out. **Our expectation is we're going to see a lot more revenue at Mohawk Valley coming forward as Durham starts to come down during the next 9 to 12 months.**

...

<Q: George Gianarikas – Canaccord Genuity Corp – Analyst> On the recent call, you did around the CHIPS Act, you had mentioned some operational milestones that you had to meet in order to qualify for subsequent tranches. Can you just give us a little bit of color on what those milestones are and your confidence in achieving them given the situation that your fundamentals occur?

<A: Gregg A. Lowe> Yes. The near term -- the first tranche, and Neill will go through a little bit of detail in terms of what that first tranche means. We've got pretty good -- **I would say we've got very solid line of sight to hitting the milestones that are going in for the first milestone that we need to hit.**

<A: Neill P. Reynolds> Yes. So I think from an operational perspective, we're in good shape. And as it relates to that first tranche, in addition to the -- as I mentioned earlier on equity convertibles, essentially, what you're talking about is 20% to 25% of that first tranche coming in that would also include the next tranche of the debt financing for another \$250 million. So I think between the capital raise and the refinancing, the direct disbursements related to the debt financing will drive a significant amount of capital in [indiscernible]. **So I think on all fronts, I think we've got a very solid plan here.** [Emphasis added].

48. On this news, the price of Wolfspeed's common stock declined precipitously from a closing market price of \$13.71 per share on November 6, 2024, to \$8.33 per share closing price on November 7, 2024, a decline of about 39.24% in a single day.

49. Many well-known analysts who had been following Wolfspeed lowered their price targets in response to Wolfspeed's disclosures. For example, a William Blair analyst noted that "the outlook once again is well below expectations. . . The lack of operational progress is likely to weigh on the shares, creating a natural overhang in a name where management has lost credibility." The analyst also stated "Mohawk Valley has stalled in the rate of growth; by our estimate Wolfspeed is now over 30 months behind schedule. It is worth noting that Missy Stigall is no longer senior vice president of fab operations . . . Hopefully, this should reaccelerate the ramp of the fab. However, if the headwinds are demand related, how valuable are the design-in and design-wins?"

50. J.P. Morgan also reduced their price target for Wolfspeed by 15% following the Company's disclosures and noted "management's disclosures of a worsening demand backdrop relative to EV and I&E Power Devices as well as Materials is now likely to diminish the confidence around stabilization that was starting to build with investors."

51. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

Loss Causation

52. The fraud described herein was the proximate cause of declines in Wolfspeed's stock price and resulting losses suffered by the Class. Defendants' materially false and misleading statements and omissions of material facts artificially inflated and/or maintained the price of

Wolfspeed's stock. The artificial inflation in Wolfspeed's stock price was removed through a series of partial disclosures concerning the facts concealed and/or misrepresented by the misstatements and omissions. These partial disclosures reduced the amount of inflation in the price of Wolfspeed's publicly traded stock, causing economic injury to Plaintiffs and other members of the Class.

53. Wolfspeed's stock price dropped in response to a partial corrective event on August 21, 2024, as alleged *supra*. On the evening of August 21, 2024, the Company announced their fourth quarter fiscal year 2024 results and had an associated earnings call, with results below analyst's expectations, and announced plans to close one of its semi-conductor wafer production facilities in Durham, North Carolina.

54. Wolfspeed's stock price fell in response to this partial corrective event. The Company's stock price dropped from an opening price of \$13.76 per share on August 22, 2024 to \$12.83 per share to close on August 22, 2024, a decline of around \$0.93 and around 6.76% in the span of one day. As the market continued to process this news, the stock continued to drop during the period of August 26, 2024 to September 03, 2024.

55. Wolfspeed's stock price also decreased in response to a second corrective event on November 6, 2024, as alleged *supra*. On November 6, 2024, Wolfspeed announced its financial results for the first quarter of fiscal year 2025 and released guidance for the second quarter well below expectations. While Defendants had repeatedly claimed that 20% utilization of the Mohawk Valley fabrication facility would result in \$100 million revenue out of the facility, Defendants now released guidance with a range 30% to 50% below that mark.

56. Wolfspeed stock price fell in response to this partial corrective event. Wolfspeed's stock price dropped from \$13.71 closing price on November 6, 2024 to a stock price of \$8.33 per share on November 7, 2024, or about 39.2% in a single day.

Fraud On the Market

57. Plaintiff will rely upon the presumption of reliance established by the fraud-on-the-market doctrine that, among other things;

- a. Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- b. The omissions and misrepresentations were material;
- c. The Company's common stock traded in an efficient market;
- d. The misrepresentations alleged herein would tend to induce a reasonable investor to misjudge the value of the Company's common stock, and;
- e. Plaintiff and other members of the class purchased the Company's common stock between the time Defendants misrepresented or failed to disclose material facts and the time that the true facts were disclosed, without knowledge of the misrepresented or omitted facts.

58. At all relevant times, the market for the Company's stock was efficient for the following reasons, among others: (i) the Company filed periodic public reports with the SEC; (ii) the Company regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the major news wire services and through other wide-ranging public disclosures such as communications with the financial press, securities analysts, and other similar reporting services; and (iii) the Company is regularly followed by stock market analysts who publish information

regarding the Company. Plaintiff and the Class relied on the price of the Company's common stock, which reflected all information in the market, including the misstatements by Defendants.

59. At all relevant times, the market for Wolfspeed's common stock was efficient for the following reasons, among others:

- a. Wolfspeed's stock met the requirements for listing, and was listed and actively traded on the NYSE Stock Market, a highly efficient and automated market;
- b. As a regulated issuer, Wolfspeed filed periodic reports with the SEC and the NYSE Stock Market;
- c. Wolfspeed communicated with public investors via established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and
- d. Wolfspeed was followed by numerous securities analysts employed by major brokerage firms who wrote reports which were distributed to those brokerage firms' sales force and certain customers. Each of these reports was publicly available and entered the public marketplace.

60. As a result of the foregoing, the market for Wolfspeed's common stock reasonably promptly digested current information regarding Wolfspeed from all publicly available sources and reflected such information in the price of Wolfspeed's common stock. All purchasers of Wolfspeed common stock during the Class Period suffered similar injury through their purchase of Wolfspeed common stock at artificially inflated prices, and a presumption of reliance applies.

61. A Class-wide presumption of reliance is also appropriate in this action under the United States Supreme Court holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972), because the claims asserted herein against Defendants are predicated upon omissions of material fact for which there is a duty to disclose.

No Safe Harbor

62. The statutory safe harbor or bespeaks caution doctrine applicable to forward-looking statements under certain circumstances does not apply to any of the false or misleading statements pleaded in this Complaint. None of the statements complained of herein was a forward-looking statement. Rather, the statements were historical statements or statements of purportedly current facts and conditions at the time the statements were made.

63. To the extent that any of the false or misleading statements alleged herein can be construed as forward-looking, those statements were not accompanied by meaningful cautionary language identifying important facts that could cause actual results to differ materially from those in the statements.

64. To the extent that the statutory safe harbor does not apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those statements was made, the particular speaker knew that the particular forward-looking statement was false, and the false forward-looking statement was authorized and approved by an executive officer of Wolfspeed who knew that the statement was false when made.

Class Action Allegations

65. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise

acquired Wolfspeed securities during the Class Period (the “Class”); and were damaged upon the revelation of the alleged corrective disclosures. Excluded from the Class are Defendants herein, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

66. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Wolfspeed securities were actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Wolfspeed or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

67. Plaintiff’s claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants’ wrongful conduct in violation of federal law that is complained of herein.

68. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

69. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- whether the federal securities laws were violated by Defendants’ acts as alleged herein;

- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Wolfspeed;
- whether the Individual Defendants caused Wolfspeed to issue false and misleading financial statements during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- whether the prices of Wolfspeed securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

70. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

COUNT I

Violation of § 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder (Against All Defendants)

71. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

72. This Count is asserted on behalf of all members of the Class against Defendant Wolfspeed and the Individual Defendants for violations of Section 10(b) of the Exchange Act, 15 U.S.C. §78j(b) and Rule 10b-5 promulgated thereunder, 17 C.F.R. §240.10b-5.

73. During the Class Period, Defendants made, disseminated, or approved the false and misleading statements specified above, which they knew were, or deliberately disregarded as, misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

74. Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 in that they: (a) employed devices, schemes and artifices to defraud; (b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or (c) engaged in acts, practices and a course of business that operated as a fraud or deceit upon Plaintiff and other members of the Class in connection with their purchases of Wolfspeed common stock during the Class Period.

75. Defendants, individually and in concert, directly and indirectly, by the use of means or instrumentalities of interstate commerce and/or the mails, engaged and participated in a continuous course of conduct that operated as a fraud and deceit upon Plaintiff and the Class; made various untrue and/or misleading statements of material facts and omitted to state material facts when necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; made the above statements intentionally or with deliberate recklessness; and employed devices and artifices to defraud in connection with the purchase and sale of Wolfspeed common stock which were intended to and did: (i) deceive the investing public, including Plaintiff and the Class, as alleged herein; (ii) artificially inflate and maintain the market price of Wolfspeed common stock; and (iii) cause Plaintiff and other members of the Class to

purchase Wolfspeed common stock at artificially inflated prices and suffer losses when the true facts became known.

76. Defendant Wolfspeed and the Individual Defendants are liable for all the materially false and misleading statements and for omitting to reveal material facts during the Class Period as alleged above.

77. As alleged herein, Defendants acted with scienter throughout the Class Period, in that they acted either with intent to deceive, manipulate or defraud, or with deliberate recklessness. The misrepresentations and omissions of material facts set forth herein, which presented a danger of misleading buyers and sellers of Wolfspeed stock, were either known to the Defendants or so obvious that Defendants should have been aware of them.

78. Plaintiff and the Class have suffered damages in that, in direct reliance on the integrity of the market, they paid artificially inflated prices for Wolfspeed common stock, which inflation was removed from its price when the true facts became known. Plaintiff and the Class would not have purchased Wolfspeed common stock at the prices they paid, or at all, if they had been aware that the market price had been artificially and falsely inflated by Defendants' materially misleading statements.

79. As a direct and proximate result of these Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages attributable to the material misstatements and omissions alleged herein in connection with their purchases of Wolfspeed common stock during the Class Period.

COUNT II

For Violation of § 20(a) of the Exchange Act (Against the Individual Defendants)

80. Plaintiff repeats and re-alleges each and every allegation set forth above as if fully set forth herein.

81. This count is asserted on behalf of all members of the Class against the Individual Defendants for violations of § 20(A) of the Exchange Act, 15 U.S.C. §78t(a).

82. By reason of their high-level positions of control and authority as the Company's most senior officers, the Individual Defendants had the authority to influence and control, and did influence and control, the decision-making and the activities of the Company and its employees, and to cause the Company to engage in the wrongful conduct complained of herein. The Individual Defendants were able to influence and control, and did influence and control, directly and indirectly, the content and dissemination of the public statements made by Wolfspeed during the Class Period, thereby causing the dissemination of the materially false or misleading statements and omissions of material facts as alleged herein. The Individual Defendants were provided with, or had unlimited access to, copies of the Company's press releases, public filings, and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or to cause the statements to be corrected.

83. Each of the Individual Defendants spoke to investors on behalf of the Company during the Class Period. Therefore, each of the Individual Defendants was able to influence and control, and did influence and control, directly and indirectly, the content and dissemination of the public statements made by Wolfspeed during the Class Period, thereby causing the dissemination of the materially false or misleading statements and omissions of material facts as alleged herein.

84. As set forth above, Wolfspeed violated Section 10(b) of the Exchange Act by its acts and omissions as alleged in this Complaint.

85. By virtue of their positions as controlling persons of Wolfspeed and as a result of their own aforementioned conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act, jointly and severally with, and to the same extent as, the Company is liable under Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, to Plaintiff and the other members of the Class who purchased or otherwise acquired Wolfspeed common stock. As detailed above, during the respective times, these Individual Defendants served as officers and/or directors of Wolfspeed.

86. As a direct and proximate result of the Individual Defendants' conduct, Plaintiff and the other members of the Class suffered damages in connection with their purchase or acquisition of Wolfspeed common stock.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgement, as follows:

- (a) Declaring the action to be a proper class action under Rule 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the Class as defined herein;
- (b) Awarding all damages available under the Securities Exchange Act in favor of Plaintiff and the other members of the Class against all Defendants, jointly and severally, in an amount to be proven at trial, including pre-judgment and post-judgment interest thereon;
- (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including attorneys' fees and experts' fees and other costs and disbursements; and
- (d) Awarding such other relief as this Court may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a trial by jury in this action of all issues so triable.

January 13, 2025

Respectfully submitted,

/s/ Sarah E. Delaney

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