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STMicroelectronics announces (i) a US\$1.5 billion dual-tranche offering of New Convertible Bonds and (ii) the early redemption of its 2022 Convertible Bonds

AMSTERDAM, 28 July 2020 -- STMicroelectronics N.V. (the “Company” or “STMicroelectronics”) announces today the launch of a US\$1.5 billion offering of senior unsecured bonds convertible into new or existing ordinary shares of STMicroelectronics (the “Shares”) (the “New Convertible Bonds”) and the early redemption of the outstanding US\$750 million Zero Coupon Convertible Bonds due 2022 (ISIN: XS1638064953, the “2022 Convertible Bonds”).

The New Convertible Bonds will be offered in two tranches (with a minimum size of US\$500 million per tranche) with a maturity of 5 years and 7 years, respectively. The terms of the New Convertible Bonds are expected to contain customary provisions which will allow the Company to satisfy conversion rights on the New Convertible Bonds with a combination of cash and Shares, or cash or Shares only including, unless the Company elects otherwise, by way of net share settlement. The offering proceeds, net of costs, will be used by STMicroelectronics for general corporate purposes, including the early redemption of the 2022 Convertible Bonds.

Offering of New Convertible Bonds

The Company proposes to issue the dual-tranche New Convertible Bonds as follows:

- The 5-year maturity New Convertible Bonds will not bear interest. The New Convertible Bonds will be issued at 104.5% – 107.1% of their principal amount and will be redeemed at 100% of their principal amount on 4 August 2025, unless previously redeemed, converted or purchased and cancelled. This corresponds to an initial gross yield to maturity range between (1.36)% to (0.88)%; and

- The 7-year maturity New Convertible Bonds will not bear interest. The New Convertible Bonds will be issued at 102.7% – 106.3% of their principal amount and will be redeemed at 100% of their principal amount on 4 August 2027, unless previously redeemed, converted or purchased and cancelled. This corresponds to an initial gross yield to maturity range between (0.87)% to (0.38)%.

The initial conversion price for the New Convertible Bonds is expected to be set:

- In relation to the 5-year maturity New Convertible Bonds, at a premium between 45% – 50%; and
- In relation to the 7-year maturity New Convertible Bonds, at a premium between 50% – 55%,

in each case over the volume-weighted average price of a Share between opening of trading today and pricing of the offering on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A., converted into US dollars at the prevailing exchange rate at the time of pricing.

The final terms of the New Convertible Bonds are expected to be determined and announced later today and settlement is expected to take place on or about 4 August 2020.

Application will be made for the New Convertible Bonds to be admitted to trading on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange.

In the context of the offering of the New Convertible Bonds, the Company will commit to a lock-up period from (and including) the pricing date to (and including) 90 days after closing in respect of the Shares and related securities.

BNP Paribas, J.P. Morgan and UniCredit Corporate & Investment Banking are acting as Joint Global Coordinators and Joint Bookrunners and Citigroup Global Markets Limited, IMI – Intesa Sanpaolo, Morgan Stanley & Co. International plc and Natixis are acting as Joint Bookrunners in respect of the offering.

Early redemption of the 2022 Convertible Bonds

The Company will today give notice to the holders of the 2022 Convertible Bonds to redeem all of the 2022 Convertible Bonds on 27 August 2020 at their principal amount in accordance with Condition 7(b)(i) of the Terms and Conditions of the 2022 Convertible Bonds.

Holders of the 2022 Convertible Bonds are entitled to exercise their right to convert their 2022 Convertible Bonds into Shares, cash or a combination of Shares and cash by reference to the prevailing conversion price, currently US\$20.54 per Share, in accordance with Condition 6(a)(i) of the Terms and Conditions of the 2022 Convertible Bonds. If holders of such Bonds exercise their conversion right, the Company intends to settle such exercise through the payment of cash and delivery of Shares pursuant to the Net Share Settlement provisions of Condition 6(a)(ii) of the Terms and Conditions of the 2022 Convertible Bonds.

For such delivery of Shares in connection with the Net Share Settlement, the Company will utilise a certain number of existing Shares ("the Settlement Treasury Shares"), repurchased under the share buy-back programme that was launched on 5 November 2018. The Settlement Treasury Shares were initially repurchased for the purpose of meeting the Company's obligations in relation to its employee stock award plans as set forth by the abovementioned share buy-back programme and therefore, the Settlement Treasury Shares will be reallocated to settle the 2022 Convertible Bonds.

About STMicroelectronics

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

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Inside information

This press release relates to the disclosure of information that qualified, or may have qualified, as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

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IMPORTANT NOTICE IN RELATION TO THE BONDS

NO ACTION HAS BEEN TAKEN BY THE ISSUER, THE JOINT BOOKRUNNERS OR ANY OF THEIR RESPECTIVE AFFILIATES THAT WOULD PERMIT AN OFFERING OF THE BONDS OR POSSESSION OR DISTRIBUTION OF THIS PRESS RELEASE OR ANY OFFERING OR PUBLICITY MATERIAL RELATING TO THE BONDS IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. PERSONS INTO WHOSE POSSESSION THIS PRESS RELEASE COMES ARE REQUIRED BY THE ISSUER AND THE JOINT BOOKRUNNERS TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

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THE OFFERING WHEN MADE, ANY OFFERING DOCUMENTATION RELATING TO THE OFFERING AND THIS PRESS RELEASE ARE ONLY ADDRESSED TO, AND DIRECTED IN THE UNITED KINGDOM (“**UK**”) AND MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (THE “**EEA**”) AT PERSONS WHO ARE “QUALIFIED INVESTORS” WITHIN THE MEANING OF THE PROSPECTUS REGULATION (“**QUALIFIED INVESTORS**”) AND HAVE BEEN PREPARED ON THE BASIS THAT ANY OFFER OF NEW CONVERTIBLE BONDS IN ANY MEMBER STATE OF THE EEA OR THE UK WILL BE MADE PURSUANT TO AN EXEMPTION UNDER THE PROSPECTUS REGULATION FROM THE REQUIREMENT TO PUBLISH A PROSPECTUS FOR OFFERS OF BONDS. THE EXPRESSION “**PROSPECTUS REGULATION**” MEANS REGULATION (EU) 2017/1129 (AS AMENDED OR SUPERSEDED) REFERENCES TO REGULATIONS OR DIRECTIVES INCLUDE, IN RELATION TO THE UK, THOSE REGULATIONS OR DIRECTIVES AS THEY FORM PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 OR HAVE BEEN IMPLEMENTED IN UK DOMESTIC LAW, AS APPROPRIATE.

SOLELY FOR THE PURPOSES OF THE PRODUCT GOVERNANCE REQUIREMENTS CONTAINED WITHIN: (A) EU DIRECTIVE 2014/65/EU ON MARKETS IN FINANCIAL INSTRUMENTS, AS AMENDED (“**MIFID II**”); (B) ARTICLES 9 AND 10 OF COMMISSION DELEGATED DIRECTIVE (EU) 2017/593 SUPPLEMENTING MIFID II; AND (C) LOCAL IMPLEMENTING MEASURES (TOGETHER, THE “**MIFID II PRODUCT GOVERNANCE REQUIREMENTS**”), AND DISCLAIMING ALL AND ANY LIABILITY, WHETHER ARISING IN TORT, CONTRACT OR OTHERWISE, WHICH ANY “MANUFACTURER” (FOR THE PURPOSES OF THE MIFID II PRODUCT GOVERNANCE REQUIREMENTS) MAY OTHERWISE HAVE WITH RESPECT THERETO, THE BONDS HAVE BEEN SUBJECT TO A PRODUCT APPROVAL PROCESS, WHICH HAS DETERMINED THAT: (I) THE TARGET MARKET FOR THE BONDS IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE BONDS TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE AS PERMITTED BY MIFID II (THE “**TARGET**

MARKET ASSESSMENT”). ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE BONDS (A “**DISTRIBUTOR**”) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURERS’ TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE BONDS (BY EITHER ADOPTING OR REFINING THE MANUFACTURERS’ TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

THE TARGET MARKET ASSESSMENT IS WITHOUT PREJUDICE TO THE REQUIREMENTS OF ANY CONTRACTUAL OR LEGAL SELLING RESTRICTIONS IN RELATION TO ANY OFFERING OF THE BONDS.

FOR THE AVOIDANCE OF DOUBT, THE TARGET MARKET ASSESSMENT DOES NOT CONSTITUTE: (A) AN ASSESSMENT OF SUITABILITY OR APPROPRIATENESS FOR THE PURPOSES OF MIFID II; OR (B) A RECOMMENDATION TO ANY INVESTOR OR GROUP OF INVESTORS TO INVEST IN, OR PURCHASE, OR TAKE ANY OTHER ACTION WHATSOEVER WITH RESPECT TO THE BONDS.

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE

TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR THE UNITED KINGDOM. FOR THESE PURPOSES, A RETAIL

INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF MIFID II; OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (AS AMENDED), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE "**PRIIPS REGULATION**") FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA OR THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

IN ADDITION, THIS PRESS RELEASE IS FOR DISTRIBUTION ONLY TO PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED THE "FINANCIAL PROMOTION ORDER"), (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC.") OF THE FINANCIAL PROMOTION ORDER, (III) ARE OUTSIDE THE UNITED KINGDOM, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS PRESS RELEASE IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS PRESS RELEASE RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

THE BONDS MAY BE SOLD ONLY TO PURCHASERS IN CANADA PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPAL THAT ARE ACCREDITED INVESTORS, AS DEFINED IN NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS OR SUBSECTION 73.3(1) OF THE SECURITIES ACT (ONTARIO), AND ARE PERMITTED CLIENTS, AS DEFINED IN NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS. ANY RESALE OF THE BONDS OR SHARES ISSUED ON CONVERSION OF THE BONDS MUST BE MADE IN ACCORDANCE WITH AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE PROSPECTUS REQUIREMENTS OF APPLICABLE SECURITIES LAWS.

ANY DECISION TO PURCHASE ANY OF THE BONDS SHOULD ONLY BE MADE ON THE BASIS OF AN INDEPENDENT REVIEW BY A PROSPECTIVE INVESTOR OF THE ISSUER'S PUBLICLY AVAILABLE INFORMATION. NEITHER THE JOINT BOOKRUNNERS NOR ANY OF THEIR RESPECTIVE AFFILIATES ACCEPT ANY LIABILITY ARISING FROM THE USE OF, OR MAKE ANY REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF, THIS PRESS RELEASE OR THE ISSUER'S PUBLICLY AVAILABLE INFORMATION. THE INFORMATION CONTAINED IN THIS PRESS RELEASE IS SUBJECT TO CHANGE IN ITS ENTIRETY WITHOUT NOTICE UP TO THE SETTLEMENT DATE.

EACH PROSPECTIVE INVESTOR SHOULD PROCEED ON THE ASSUMPTION THAT IT MUST BEAR THE ECONOMIC RISK OF AN INVESTMENT IN THE BONDS OR THE ORDINARY SHARES

TO BE ISSUED OR TRANSFERRED AND DELIVERED UPON CONVERSION OF THE BONDS AND NOTIONALLY UNDERLYING THE BONDS (TOGETHER WITH THE BONDS, THE “**SECURITIES**”). NONE OF THE ISSUER OR THE JOINT BOOKRUNNERS MAKE ANY REPRESENTATION AS TO (I) THE SUITABILITY OF THE SECURITIES FOR ANY PARTICULAR INVESTOR, (II) THE APPROPRIATE ACCOUNTING TREATMENT AND POTENTIAL TAX CONSEQUENCES OF INVESTING IN THE SECURITIES OR (III) THE FUTURE PERFORMANCE OF THE SECURITIES EITHER IN ABSOLUTE TERMS OR RELATIVE TO COMPETING INVESTMENTS.

THE JOINT BOOKRUNNERS ARE ACTING ON BEHALF OF THE ISSUER AND NO ONE ELSE IN CONNECTION WITH THE BONDS AND WILL NOT BE RESPONSIBLE TO ANY OTHER PERSON FOR PROVIDING THE PROTECTIONS AFFORDED TO CLIENTS OF THE JOINT BOOKRUNNERS OR FOR PROVIDING ADVICE IN RELATION TO THE SECURITIES.

EACH OF THE ISSUER, THE JOINT BOOKRUNNERS AND THEIR RESPECTIVE AFFILIATES EXPRESSLY DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO UPDATE, REVIEW OR REVISE ANY STATEMENT CONTAINED IN THIS PRESS RELEASE WHETHER AS A RESULT OF NEW INFORMATION, FUTURE DEVELOPMENTS OR OTHERWISE.