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STMicroelectronics prices a US\$1.5 billion dual-tranche offering of New Convertible Bonds

AMSTERDAM, 28 July 2020 -- STMicroelectronics N.V. (the “Company” or “STMicroelectronics”) announces today the pricing 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”).

The New Convertible Bonds will be issued in two tranches, one of US\$750 million with a maturity of 5 years and one of US\$750 million with a maturity of 7 years. 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 outstanding US\$750 million Zero Coupon Convertible Bonds due 2022 (ISIN: XS1638064953, the “2022 Convertible Bonds”) announced earlier today.

Offering of New Convertible Bonds

The Company will issue the two tranches of New Convertible Bonds as follows:

- The 5-year maturity New Convertible Bonds will not bear interest. The New Convertible Bonds will be issued at 105.8% 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 of (1.12)%; and
- The 7-year maturity New Convertible Bonds will not bear interest. The New Convertible Bonds will be issued at 104.5% 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 of (0.63)%.

The initial conversion price for the New Convertible Bonds has been set:

- In relation to the 5-year maturity New Convertible Bonds, at a premium of 47.5%; and
- In relation to the 7-year maturity New Convertible Bonds, at a premium of 52.5%,

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.

Settlement of the New Convertible Bonds 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 has committed 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, Citigroup Global Markets Limited, IMI – Intesa Sanpaolo, Morgan Stanley & Co. International plc and Natixis are acting as Joint Bookrunners and Crédit Agricole Corporate and Investment Bank, Mediobanca and Société Générale Corporate & Investment Banking are acting as Co-lead Managers in respect of the offering.

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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