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This press release is for information purpose only and does not constitute an offer to sell or a solicitation of an offer to buy any securities and the offer of the Bonds (as defined below) does not constitute a public offering (other than to qualified investors) in any jurisdiction, including France.

The Bonds will be offered only to qualified investors which include, for the purpose of this press release, professional clients and eligible counterparties. The securities may not be offered or sold or otherwise made available to retail investors. No key information document under PRIIPS Regulation has been and will be prepared



SOITEC LAUNCHES AN OFFERING OF BONDS CONVERTIBLE INTO AND/OR EXCHANGEABLE FOR NEW AND/OR EXISTING ORDINARY SHARES (OCEANES) DUE OCTOBER 2025 FOR A NOMINAL AMOUNT OF UP TO APPROXIMATELY €325 MILLION

Bernin (Grenoble), France, on September 28, 2020 – **Soitec** (the “Company”), a world leader in designing and manufacturing innovative semiconductor materials, announces the launch, today, of an offering of bonds convertible into and/or exchangeable for new and/or existing ordinary shares (“*OCEANES*”) due October 1, 2025 (the “Bonds”), by way of a placement to qualified investors as defined in point (e) of article 2 of the Prospectus Regulation (EU) 2017/1129 (as amended) in accordance with article L.411-2 1° of the French monetary and financial Code (*Code monétaire et financier*), for a nominal amount of up to approximately €325 million (the “Offering”).

The net proceeds from the Offering will provide additional flexibility both from an operational and strategic standpoint and to fund potential growth opportunities.

The Bonds will be issued at par on the Issue Date and will bear no coupon. The nominal value per Bond will be set at a premium of 40% to 50% over Soitec's reference share price¹ on the regulated market of Euronext Paris.

The final terms and conditions of the Bonds are expected to be announced later today and the settlement and delivery of the Bonds is expected to take place on October 1, 2020 (the “Issue Date”).

Unless previously converted, exchanged, redeemed or purchased and cancelled, the Bonds will be redeemed at par on October 1, 2025 (or on the following business day if this date is not a business day). Soitec will also have the option to deliver new and/or existing ordinary shares in lieu of cash in accordance with the Share Redemption Option (as further described in the terms and conditions of the Bonds).

The Bonds may be redeemed prior to maturity at the discretion of the Company, subject to certain conditions. In particular, the Bonds may be redeemed early at Soitec's option as from October 2, 2023 if the arithmetic average of daily products of the volume-weighted average price of Soitec's listed share price on the regulated market of Euronext in Paris and the prevailing conversion/exchange ratio, over a 20-consecutive trading day period among 40 consecutive trading days, exceeds 130% of the nominal value of the Bonds.

In the event of a Change of Control of the Issuer, as defined in the terms and conditions of the Bonds, any bondholder may, at its discretion, request the early redemption in cash of all or some only of the Bonds it owns at par.

Application will be made for the listing of the Bonds on the Euronext AccessTM of Euronext Paris to occur within 30 days from the Issue Date.

¹ The reference share price will be equal to the volume-weighted average price (VWAP) of Soitec's shares recorded on the regulated market of Euronext Paris from launch of the Offering on 28 September 2020 until the determination of the final terms (pricing) of the Bonds on the same day.

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BNP Paribas, Crédit Agricole Corporate and Investment Bank and J.P. Morgan Securities plc are acting as joint global coordinators and joint bookrunners of the Offering (the "Joint Global Coordinators").

Conversion Right

Bondholders will be granted a conversion/exchange right of the OCEANE into new and/or existing ordinary shares which they may exercise at any time from the Issue Date (i.e. October 1, 2020) and up to and including the 7th business day preceding the maturity date or the relevant early redemption date, as the case may be.

The conversion/exchange ratio of the Bonds is set at one ordinary share per Bond subject to standard adjustments, including anti-dilution and dividend protections, as described in the terms and conditions of the Bonds. Upon exercise of their conversion/exchange right, bondholders will receive at the option of the Company new and/or existing Company ordinary shares carrying in all cases all rights attached to existing ordinary shares as from the date of delivery.

Lock-up

In the context of the Offering, the Company will agree to a lock-up undertaking for a period starting from the announcement of the final terms and conditions of the Bonds and ending 90 calendar days after the Issue Date, subject to certain customary exceptions or waiver from the Joint Global Coordinators.

Legal framework of the Offering

The Bonds will be offered by way of a placement to qualified investors (within the meaning of article 2(e) of Regulation (EU) 2017/1129 (as amended), the "Prospectus Regulation") only, in compliance with Article L. 411-2 1° of the French monetary and financial code (*Code monétaire et financier*), as per the authorization granted by the Company's extraordinary general meeting held on September 23, 2020 (14th resolution), in France and outside France (excluding in particular the United States of America, Canada, Australia, South Africa or Japan).

Existing shareholders of the Company shall have no preferential subscription rights, and there will be no priority subscription period, in connection with the issuance of the Bonds or the underlying shares of the Company issued upon conversion.

Dilution

For illustrative purposes, based on a €325 million Offering, a €122.60 reference share price² and a 45% conversion premium corresponding to the mid-range of conversion/exchange premium, the potential dilution would represent approximately 5.5% of the outstanding share capital, should the Company decide to exclusively deliver new shares upon full conversion of the Bonds.

Available information

The Offering of the Bonds is not subject to a prospectus approved by the French Financial Market Authority (*Autorité des Marchés Financiers*) (the "AMF"). Detailed information on Soitec, including its business, results, prospects, liquidity position and related risk factors are described in the Company's universal registration document (*Document d'enregistrement universel*) filed with the AMF on September 2nd, 2020 for the financial year ended March 31, 2020, under number D.20-0782 which is available together with all the press releases and other regulated information about the Company, on Soitec website (www.soitec.com).

² i.e. Soitec's share price on Euronext Paris, at close of trading on September 25, 2020.

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Important information

This press release does not constitute or form part of any offer or solicitation to purchase or subscribe for or to sell securities to any person in the United States of America, Australia, Canada, South Africa or Japan or in any jurisdiction to whom or in which such offer is unlawful, and the Offering of the Bonds is not an offer to the public in any jurisdiction, including France.

About Soitec

Soitec (Euronext, Tech 40 Paris) is a world leader in designing and manufacturing innovative semiconductor materials. The company uses its unique technologies and semiconductor expertise to serve the electronics markets. With more than 3,300 patents worldwide, Soitec's strategy is based on disruptive innovation to answer its customers' needs for high performance, energy efficiency and cost competitiveness. Soitec has manufacturing facilities, R&D centers and offices in Europe, the U.S. and Asia.

Soitec and Smart Cut are registered trademarks of Soitec.

For more information, please visit www.soitec.com

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No communication or information relating to the offering of the Bonds may be transmitted to the public in a country where there is a registration obligation or where an approval is required. No action has been or will be taken in any country in which such registration or approval would be required. The issuance or the subscription of the Bonds may be subject to legal and regulatory restrictions in certain jurisdictions; none of Soitec and the Joint Global Coordinators assumes any liability in connection with the breach by any person of such restrictions.

This press release is an advertisement and not a prospectus within the meaning of Prospectus Regulation (EU) 2017/1129 (as amended the "Prospectus Regulation").

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This press release is not an offer to the public, an offer to subscribe or designed to solicit interest for purposes of an offer to the public other than to qualified investors in any jurisdiction, including France.

The Bonds will be offered only by way of a placement in France and outside France (excluding the United States of America, Australia, Canada, South Africa and Japan), solely to qualified investors as defined in point (e) of article 2 of the Prospectus Regulation and pursuant to Article L.411-2 1° of the French monetary and financial code (Code monétaire et financier) and there will be no public offering in any country (including France) in connection with the Bonds, other than to qualified investors. This press release does not constitute a recommendation concerning the issue of the Bonds. The value of the Bonds and the shares can decrease as well as increase. Potential investors should consult a professional adviser as to the suitability of the Bonds for the person concerned.

Prohibition of sales to European Economic Area retail investors in the European Economic Area (which, for these purposes, shall include the United Kingdom)

No action has been undertaken or will be undertaken to make available any Bonds to any retail investor in the European Economic Area (which, for these purposes, shall include the United Kingdom).

For the purposes of this press release,

a) the expression “retail investor” means a person who is one (or more) of the following:

- i. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or*
- ii. a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or*
- iii. a person other than a “qualified investor” as defined in the Prospectus Regulation.*

b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or to subscribe to the Bonds.

Consequently no key information document required by Regulation (EU) 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Bonds or otherwise making them available to retail investors in the European Economic Area (which, for these purposes, shall include the United Kingdom) has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the European Economic Area (which, for these purposes, shall include the United Kingdom) may be unlawful under the PRIIPS Regulation.

France

The Bonds are not and will not be offered or sold or caused to be offered or sold, directly or indirectly, to the public in France other than to qualified investors. Any offer or sale of the Bonds and distribution of any offering material relating to the Bonds is and will be made in France only to qualified investors as defined in point (e) of article 2 of the Prospectus Regulation and in accordance with Article L.411-2(1) of the French monetary and financial Code (Code monétaire et financier).

United Kingdom

This press release is addressed and directed only (i) to persons located outside the United Kingdom, (ii) to investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (iii) to high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2) (a) to (d) of the Order (the persons mentioned in paragraphs (i), (ii) and (iii) all deemed relevant persons (“Relevant Persons”). The Bonds are only available to Relevant Persons, and any invitation, offer or agreement to subscribe, purchase, or otherwise acquire the Bonds may be addressed and/or concluded only with Relevant Persons. All persons other than Relevant Persons must abstain from using or relying on this document and all information contained therein.

This press release is not a prospectus which has been approved by the Financial Conduct Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

United States of America

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Australia, Canada, South Africa and Japan

The Bonds may not and will not be offered, sold or purchased in Australia, Canada, South Africa or Japan. The information contained in this press release does not constitute an offer of securities for sale in Australia, Canada, South Africa or Japan.

The distribution of this press release in certain countries may constitute a breach of applicable law.

MiFID II – Target Market: Professional Investors, Eligible Counterparties and Retail Investors (France only)

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is French retail investors, eligible counterparties and professional clients, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to French retail investors, eligible counterparties and professional clients are appropriate. 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.

However, the Bonds will not be offered or sold to French retail investors for the purpose of this offering.