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The Bonds will be offered only by way of a private placement to institutional investors. The securities may not be offered or sold or otherwise made available to retail investors (as defined hereafter). 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 OR EXISTING ORDINARY SHARES (OCEANE) DUE JUNE 2023 FOR A NOMINAL AMOUNT OF APPROXIMATELY €150 MILLION

Bernin (Grenoble), France, on June 21, 2018 – 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 or existing ordinary shares (“OCEANE”) due June 28, 2023 (the “Bonds”), by way of a private placement to institutional investors, for a nominal amount of approximately €150 million (the “Offering”).

The net proceeds of the Offering will be used for general corporate purposes. At the time of the issuance, the short-term bank loans of the Company in a principal amount of approximately €30 million will be repaid in full together with interest accrued.

The nominal value per Bond will be set at a premium of 35 % to 45 % over Soitec reference share price¹ on the regulated market of Euronext Paris.

The final terms of the Bonds are expected to be announced today and settlement of the Bonds is expected to take place on June 28, 2018 (the “Issue Date”).

The Bonds will be issued at par on the Issue Date and will bear no coupon.

Unless previously converted, exchanged, redeemed or purchased and cancelled, the Bonds will be redeemed at par on June 28, 2023 (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 accordance with the Share Redemption Option (as further described in the Terms and Conditions).

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 June 28, 2021 if the arithmetic average of daily product 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, 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 open market of Euronext in Paris (Euronext Access™) to occur within 30 days from the Issue Date.

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. June 28, 2018) and up to and including the 7th business day preceding the maturity date or the relevant early redemption date, as the case may be.

¹ The reference share price will be equal to the volume-weighted average price of Soitec shares recorded on the regulated market of Euronext Paris from the start of trading on June 21, 2018 until the determination of the final terms of the Bonds on the same day.

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The conversion/exchange ratio of the Bonds is set at one ordinary share per Bond subject to standard adjustments in certain cases. 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 Global Coordinators.

Legal framework of the Offering

The Bonds will be offered in compliance with Article L. 411-2-II 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 July 26, 2017 (14th resolution), by way of a private placement to institutional investors in France and outside France (excluding in particular the United States of America, Canada, Australia or Japan).

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 and related risk factors are described in the Company's registration document (*Document de référence*) filed with the AMF on June 18, 2018, under number D.18-0586 which is available together with all the press releases and other regulated information about the Company, on Soitec website (www.soitec.com).

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 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 3,000 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 and follow us on Twitter: [Soitec_EN](#)

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No communication or information relating to the offering 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 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 Directive 2003/71/EC of the European Parliament and the Council of November 4, 2003 as amended (the "Prospectus Directive").

The Bonds are offered only by way of a private placement in France to persons referred to in Article L.411-2-II of the French monetary and financial code (Code monétaire et financier) and outside France (excluding the United States of America, Australia, Canada and Japan), and there will be no public offering in any country (including France). 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

No action has been undertaken or will be undertaken to make available any Bonds to any retail investor in the European Economic Area. For the purposes of this provision, 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 2002/92/EC (as amended, the "Insurance Mediation Directive"), 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) 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 has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPS Regulation.

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European Economic Area

With respect to the Member States of the European Economic Area (the “Relevant Member States”), no action has been undertaken or will be undertaken to make an offer to the public of the Bonds requiring a publication of a prospectus in any Relevant Member State. As a result, the Bonds may only be offered in Relevant Member States:

- (a) to qualified investors as defined in the Prospectus Directive; or*
- (b) in any other circumstances falling within Article 3(2) of the Prospectus Directive,*

provided that no such offer of Bonds shall result in a requirement for the publication by the Company or any [Global Coordinators] of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this paragraph, the expression “offer to the public of the Bonds” in any Relevant Member State, means any communication, to individuals or legal entities, in any form and by any means, of sufficient information on the terms and conditions of the offering and on the Bonds to be offered, thereby enabling an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that Relevant Member State.

These selling restrictions with respect to Relevant Member States apply in addition to any other selling restrictions which may be applicable in the Relevant Member States who have implemented the Prospectus Directive.

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. 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 (a) persons providing investment services relating to portfolio management for the account of third parties (personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers), and/or (b) qualified investors (investisseurs qualifiés) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D. 411-1 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

This press release may not be released, published or distributed in or into the United States of America (including its territories and dependencies, any State of the United States of America and the District of Columbia). This press release does not constitute or form a part of an offer of securities for sale or of any offer or solicitation to purchase securities in the United States of America. The Bonds and the shares deliverable upon conversion or exchange of the Bonds mentioned herein have not been, and will not be, registered under the Securities Act of 1933, as amended (the “Securities Act”) or the law of any state of the United States of America and may not be offered or sold in the United States of America except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable state securities laws. The Bonds are and will be offered or sold only in “offshore transactions” outside of the United States of America, in accordance with Regulation S of the Securities Act. Soitec does not intend to register any portion of the proposed offering in the United States of America and no public offering will be made in the United States of America.

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Australia, Canada and Japan

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

*Classification of the Bonds for the purposes of MiFID II: professional investors, eligible counterparties and retail investors are targeted (all channels for distribution included). **However, the Bonds will not be offered or sold to Retail Investors for the purpose of this offering.***