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STMicroelectronics to Acquire Majority Stake in Gallium Nitride innovator Exagan

Acquisition will accelerate ST's GaN expertise, roadmap and business for high-frequency, high-power automotive, industrial and consumer applications

Geneva, March 5, 2020 – STMicroelectronics (NYSE: STM), a global semiconductor leader serving customers across the spectrum of electronics applications, today announced it has signed an agreement to acquire a majority stake in French Gallium Nitride (GaN) innovator Exagan. Exagan's expertise in epitaxy, product development and application know-how will broaden and accelerate ST's power GaN roadmap and business for automotive, industrial and consumer applications. Exagan will continue to execute its product roadmap and will be supported by ST in the deployment of its products.

Terms of the transaction were not disclosed and closing of the acquisition remains subject to customary regulatory approvals from French authorities. The signed agreement also provides for the acquisition by ST of the remaining minority stake in Exagan 24 months after the closing of the acquisition of the majority stake. The transaction is funded with available cash.

"ST has built strong momentum in silicon carbide and is now expanding in another very promising compound material, gallium nitride, to drive adoption of the power products based on GaN by customers across the automotive, industrial and consumer markets" said Jean-Marc Chery, President and CEO of STMicroelectronics. "The acquisition of a majority stake in Exagan is another step forward in strengthening our global technology leadership in power semiconductors and our long-term GaN roadmap, ecosystem and business. It comes in addition to ongoing developments with CEA-Leti in Tours, France, and the recently-announced collaboration with TSMC."

Gallium Nitride (GaN) belongs to the family of wide bandgap (WBG) materials which include Silicon Carbide. GaN-based devices represent a major step forward in power electronics providing high-frequency operation, with increased efficiency and higher power density compared to silicon-based transistors, leading to power savings and total system downsizing. GaN products will address a wide variety of applications such as power factor correction and DC/DC converters in servers, telecom and industrial applications, on-board chargers for EV and DC-DC converters for automotive applications, as well personal electronics applications like power adaptors.

Founded in 2014 and headquartered in Grenoble (France), Exagan is dedicated to accelerating the power-electronics industry's transition from silicon-based technology to GaN-on-silicon technology, enabling smaller and more efficient electrical converters. Its GaN power switches are designed for manufacturing in standard 200-mm wafer fabs.

Cautionary Information Regarding Forward-Looking Statements

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995:

Any statements set forth above that are not historical facts are forward-looking statements, including any statements regarding our future results of operations and financial positions, business strategy, plans and objectives for future operations, involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. These statements are only predictions, reflect our current beliefs and expectations with respect to future events, and are based on assumptions, subject to risk and uncertainties, and subject to change at any time. Potential risks and uncertainties include, but are not limited to, such factors as: the possibility that the transaction may not be consummated, including as a result of any of the conditions precedent; the risk that the expected benefits of the acquisition may not be realized; difficulties in retaining Exagan employees following the acquisition; difficulties in expanding facilities and transferring processes and know-how; diversion of our management's attention from the management of our business; and the impact of competition and other risk factors relating to our industry and business as detailed from time to time in our filings with the United States Securities and Exchange Commission.

About STMicroelectronics

ST is a global semiconductor leader delivering intelligent and energy-efficient products and solutions that power the electronics at the heart of everyday life. ST's products are found everywhere today, and together with our customers, we are enabling smarter driving and smarter factories, cities and homes, along with the next generation of mobile and Internet of Things devices.

By getting more from technology to get more from life, ST stands for life.augmented.

In 2019, the Company's net revenues were \$9.56 billion, serving more than 100,000 customers worldwide. Further information can be found at www.st.com.

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