



GlobalFoundries and Biden-Harris Administration Announce CHIPS and Science Act Funding for Essential Chip Manufacturing

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\$1.5 billion potential investment will support the expansion of GlobalFoundries New York facility, including construction of a new state-of-the-art fab, and the modernization of its Vermont facility, adding secure capacity for essential chip manufacturing for automotive and other key markets

Additional \$600 million plus planned in New York State Green CHIPS and other State benefits over the 10-year term of the New York projects

MALTA, N.Y. and ESSEX JUNCTION, Vt., Feb. 19, 2024 (GLOBE NEWSWIRE) -- The U.S. Department of Commerce today announced \$1.5 billion in planned direct funding for GlobalFoundries (Nasdaq: GFS) (GF) as part of the U.S. CHIPS and Science Act. This investment will enable GF to expand and create new manufacturing capacity and capabilities to securely produce more essential chips for automotive, IoT, aerospace, defense, and other vital markets.

New York-headquartered GF, celebrating its 15th year of operations, is the only U.S.-based pure play foundry with a global manufacturing footprint including facilities in the U.S., Europe, and Singapore. GF is the first semiconductor pure play foundry to receive a major award (over \$1.5 billion) from the CHIPS and Science Act, designed to strengthen American semiconductor manufacturing, supply chains and national security. The proposed funding will support three GF projects:

- Expansion of GF's existing Malta, NY, fab by adding critical technologies already in production in GF's Singapore and Germany facilities geared towards enabling the U.S. auto industry. As vehicles transition from mechanical to electronic systems, the number of semiconductor chips in each car or truck continues to soar. This expansion is key to ensuring supply chain resilience for the growing demand and to delivering for GF's automotive customers including [General Motors](#). This will continue to diversify GF's flagship Malta fab into new technologies and end markets.
- Construction of a new state-of-art fab on the Malta campus to meet expected customer demand for U.S.-made essential chips across a broad range of markets and applications including automotive, aerospace, defense and AI. The new fab, which has already been granted some necessary permitting, will leverage the site's existing infrastructure and ecosystem, enabling a fast and efficient path from construction to production. The semiconductor market is expected to double over the next decade, and GF's new fab will be uniquely positioned to capture the feature-rich mature, essential chip segment which is expected to continue to represent more than 60% of the semiconductor market. Construction of this new fab combined with expansion of GF's existing site is expected to triple the existing capacity of the Malta campus over the next 10+ years. These two projects are expected to increase wafer production to 1 million per year once all phases are complete.
- Modernization of GF's longest continuously operated fab and the nation's first and largest Trusted 200mm facility in Essex Junction, Vermont. The project will upgrade existing facilities, expand capacity as well as create the first U.S. facility capable of high-volume manufacturing of next-generation gallium nitride (GaN) semiconductors for use in electric vehicles, power grids, data centers, 5G and 6G smartphones and other critical technologies.

Based on market requirements and demand, GF plans to invest more than \$12 billion over the next 10 plus years across its two U.S. sites through public-private partnerships with support from the federal and state governments as well as from its ecosystem partners, including key strategic customers.

In support of the two Malta, New York projects, Governor Hochul today announced \$575 million in planned direct funding for New York State Green CHIPS. Also announced was \$15 million in planned funding for NYS Workforce Development activities for GlobalFoundries as well as \$30 million in planned funding for NYS Infrastructure upgrades and Energy incentives provided by the New York Power Authority (NYPA).

Combined, these investments are expected to create over 1,500 manufacturing jobs and about 9,000 construction jobs over the life of these projects.

"GF is proud to announce this proposed funding from the Department of Commerce and New York State and appreciates the collaboration of the CHIPS Office and the Empire State Development Corporation throughout this process. These proposed investments, along with the investment tax credit (ITC) for semiconductor manufacturing, are central to the next chapter of the GlobalFoundries story and our industry. They will also play an important role in making the U.S. semiconductor ecosystem more globally competitive and resilient and cements the New York Capital Region as a global semiconductor hub," said **Dr. Thomas Caulfield, president and CEO of GF**. "With new onshore capacity and technology on the horizon, as an industry we now need to turn our attention to increasing the demand for U.S.-made chips, and to growing our talented U.S. semiconductor workforce."

"Semiconductors are in everything from our cellphones, to refrigerators, to cars, and our most advanced weapons systems, and access to them carries important economic and national security implications. It was the shortages of semiconductors during the COVID-19 pandemic that raised prices for consumers and led to the shutdown of automobile manufacturing sites across the country," said **Secretary of Commerce Gina Raimondo**. "Thanks to the CHIPS and Science Act, we're working to onshore these critical technologies in order to bolster the supply of domestic chips that are

essential to manufacturing cars, electronics, and national defense systems in New York, Vermont, and states across the country."

"I have long said my CHIPS & Science Law would deliver big for New York, and I meant big with a capital 'B.' I am proud to announce GlobalFoundries has reached a preliminary agreement for the largest award thus far from the CHIPS program I created for \$1.5 billion in grant funding. This will triple production capacity of GlobalFoundries' already massive campus in Saratoga County, spur billions in public-private investment, and help bring thousands of new good-paying manufacturing and union construction jobs to the Capital Region," **said Senator Schumer**. "When I wrote the CHIPS & Science Law, I made sure there was funding especially for the feature-rich, legacy chips that GlobalFoundries produces in Malta and that are essential for America's auto industry and national defense. We all remember the days of the pandemic when chip shortages sky rocketed car prices and created supply chain issues leading to months-long wait times for cars and electronics, and investments like this are how we can help prevent that from happening again. Ever since GlobalFoundries' first Fab 8 broke ground 15 years ago, I knew how significant the company would be for the Capital Region and Upstate NY. Today, the plans for their second chip facility and thousands of new good-paying jobs move forward thanks to the CHIPS & Science Law I fought hard to create."

"New York State is becoming the best place on earth to build a business," said **Governor Hochul**. "Thanks to our pro-business policies, commitment to innovation and best-in-the-nation workforce, green jobs and high-tech manufacturers are flocking to the Empire State. This \$11 billion investment from GlobalFoundries is a game changer, and with the partnership of the Biden administration, New York's congressional delegation, and all of our local stakeholders, the best is yet to come."

To attract and cultivate a pipeline of semiconductor talent that will be needed in New York and Vermont, GF is creating and investing in numerous initiatives. The company recently announced a new student loan repayment program to help current employees and new recruits pay down student loan debt. The new benefit program is part of the company's multi-million-dollar investment to strengthen the semiconductor talent workforce by helping to ease the financial burden of higher education and training of the company's present and future employees. GF is also partnering with a broad range of universities and community colleges nationwide to help build a diverse workforce and semiconductor talent pipeline. As part of receiving CHIPS and Science Act funding, GF will continue to invest in and develop new workforce development efforts including curriculum development, internship and apprenticeship programs, K-12 STEM outreach as well as additional education and training programs.

All of GF's design and construction plans for its expansions and modernizations in New York and Vermont will reflect GF's ongoing commitment to sustainable operations and comply with the company's sustainability goals.

Customers, government officials and academia celebrate the news from the U.S. Department of Commerce and GF:

"We are pleased that GlobalFoundries will be receiving a \$1.5 billion investment from the U.S. CHIPS and Science Act," said **Dr. Lisa Su, Chair and CEO of AMD**. "GlobalFoundries is a strategic supplier and key enabler of AMD's high-performance computing products. The planned investment demonstrates the commitment of the U.S. government to strengthen the domestic chip supply chain for economic growth and ensure the long-term competitiveness of the U.S. semiconductor ecosystem."

"Semiconductors are critical to today's vehicles," said **General Motors President Mark Reuss**. "GlobalFoundries' investment in New York both ensures a robust supply of semiconductors in the U.S. to help GM meet demand and supports U.S. leadership in automotive innovation."

"Lockheed Martin is proud of our strategic partnership with GlobalFoundries to help increase access to domestically produced microelectronics – a true national security imperative," said **Jim Taiclet, chairman, president and CEO of Lockheed Martin**. "The Department of Commerce's announcement led by Secretary Raimondo will enable GlobalFoundries to continue providing essential technology to further strengthen Lockheed Martin's secure and robust global supply chain. We look forward to the results of this announcement as part of our commitment to delivering cutting-edge 21st Century Security capabilities that advance deterrence and keep our customers ahead of emerging threats."

"Qualcomm welcomes today's announcement from the U.S. Department of Commerce CHIPS office regarding funding for GlobalFoundries expansion of their U.S. chip making operations. GlobalFoundries' commitment to providing additional chip production capacity that allows us to continue pushing the boundaries of the innovation for 5G, Automotive and IoT applications. We are pleased to partner with a company that shares our vision for a more resilient global supply chain for chip production," said **Dr. Roawen Chen, Chief Supply Chain and Operations Officer, Qualcomm Technologies, Inc.**

"GlobalFoundries has been a national leader in semiconductor and chips innovation, putting Vermont at the forefront of this emerging technology. This is a well-deserved recognition of GlobalFoundries' commitment to bolstering the on-shore growth of U.S.-made chips," said **Sen. Peter Welch**. "This investment, made possible by the CHIPS and Science Act and the White House and Secretary Raimondo's commitment to competitiveness and security, will create jobs while making our supply chains more resilient. Even more impressive, this new site will see its commitment to sustainability through with a plan to use carbon-free neutral energy practices — leading in innovation and in action."

"This is huge news for Vermont and the region," said **Governor Phil Scott**. "The CHIPS Act funding will help encourage innovation and expansion of this vital sector in our state and across the country. I'm proud of the work my team has done with GF and others to assist and I want to thank the Biden Administration and our congressional delegation for their continued partnership."

"Today's announcement is nothing short of a gamechanger for Saratoga County and the greater Capital Region. It is proof positive that our Investing in America agenda not only bolsters national security and global economic competitiveness, it can create thousands of good paying jobs right here at home. I look forward to working closely with GlobalFoundries and local, state and federal partners to make these historic plans a reality," said **Congressman Paul Tonko**.

"We extend our congratulations to GlobalFoundries for achieving this important milestone that will ignite regional economic growth while reinforcing the vital collaboration between Hudson Valley Community College and GF. Since 2021, through a first-of-its kind U.S. Registered Apprenticeship program, HVCC has been assisting GF in expanding its technical workforce by providing top-notch education and training to apprentices. Additional funding from CHIPS will enable us to expand our role as a critical partner in developing a highly skilled workforce for the semiconductor industry through our partnership with GlobalFoundries," said **Dr. Roger Ramsammy, president of Hudson Valley Community College**.

"We congratulate GlobalFoundries on this crucial milestone. Federal investment in GF's New York manufacturing capabilities will spur regional economic development and build upon the company's longstanding and highly positive impact on the Capital region, and its investments here. This funding will further strengthen the vital partnership between SUNY and GF, allowing more SUNY students to gain experiential learning through

apprenticeships and internships, and making New York the national model for education and workforce development in the semiconductor industry," said **State University of New York Chancellor John B. King, Jr.**

"The first and largest 200mm semiconductor manufacturing facility of its kind in the U.S., GF's Vermont fab is a cornerstone of the state's economy and a key partner for the University of Vermont's work as a national research university. Through collaborative programs with UVM and other institutions in Vermont, it is a place where so many young people in our region find their future. CHIPS funding will help ensure the commercial viability of this site for years to come and enable GF and UVM to build upon our recent EDA Tech Hub designation to create internships, apprenticeships, workforce development programs, and advanced research initiatives in the Green Mountain State. We applaud this federal investment in GF and the entire Vermont community," said **Kirk Dombrowski, Vice President for Research and Economic Development at UVM.**

About GlobalFoundries

GlobalFoundries (GF) is one of the world's leading semiconductor manufacturers. GF is redefining innovation and semiconductor manufacturing by developing and delivering feature-rich process technology solutions that provide leadership performance in pervasive high growth markets. GF offers a unique mix of design, development, and fabrication services. With a talented and diverse workforce and an at-scale manufacturing footprint spanning the U.S., Europe and Asia, GF is a trusted technology source to its worldwide customers. For more information, visit www.gf.com.

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This press release includes "forward-looking statements" made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements include but are not limited to, statements regarding our financial outlook, future guidance, product development, business strategy and plans, and market trends, opportunities and positioning. These statements are based on current expectations, assumptions, estimates, forecasts, projections and limited information available at the time they are made. Words such as "expect," "anticipate," "should," "believe," "hope," "target," "project," "goals," "estimate," "potential," "predict," "may," "will," "might," "could," "intend," "shall," "outlook," "on track," and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements are subject to a broad variety of risks and uncertainties, both known and unknown. Any inaccuracy in our assumptions and estimates could affect the realization of the expectations or forecasts in these forward-looking statements. For example, our business could be impacted by geopolitical conditions such as the ongoing political and trade tensions with China and the wars in Ukraine and Israel; the market for our products may develop or recover more slowly than expected or than it has in the past; we may fail to achieve the full benefits of our restructuring plan; our operating results may fluctuate more than expected; there may be significant fluctuations in our results of operations and cash flows related to our revenue recognition or otherwise; a network or data security incident that allows unauthorized access to our network or data or our customers' data could result in a system disruption, loss of data or damage our reputation; we could experience interruptions or performance problems associated with our technology, including a service outage; and global economic conditions could deteriorate, including due to increasing interest rates, rising inflation and any potential recession. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results or outcomes to differ materially from those contained in any forward-looking statements we may make. You should not rely upon forward-looking statements as predictions of future events.

Although we believe that the expectations reflected in our statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances described in the forward-looking statements will be achieved or occur. Moreover, neither we, nor any other person, assumes responsibility for the accuracy and completeness of these statements. Except to the extent required by federal securities laws, we undertake no obligation to update any information or any forward-looking statements. Investors are urged to review in detail the risks and uncertainties discussed in our 2022 Annual Report on Form 20-F, current reports on Form 6-K and other reports filed with the Securities and Exchange Commission.

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