GlobalFoundries and U.S. Department of Commerce Announce Award Agreement on CHIPS Act Funding for Essential Chip Manufacturing

November 20, 2024

Up to $1.5 billion from CHIPS and Science Act to support GF's New York expansion plans and Vermont facility modernization

Additional $550 million from New York State confirmed

MALTA, N.Y., Nov. 20, 2024 (GLOBE NEWSWIRE) -- GlobalFoundries (Nasdaq: GFS) (GF) and the U.S. Department of Commerce have announced an award of up to $1.5 billion in direct funding to GF through the CHIPS and Science Act. The award follows the previously signed preliminary memorandum of terms announced in February 2024 and will enable GF to expand its essential chip manufacturing and technology development in the U.S., strengthening supply chains and supporting customers across a range of vital end-markets including automotive, smart mobile devices, IoT, datacenters, and aerospace and defense.

"The idea of strengthening U.S. semiconductor manufacturing has been five-plus years in the making. With bipartisan support, that idea evolved into the CHIPS and Science Act," said Dr. Thomas Caulfield, president and CEO of GF. "GF's essential chips are at the core of U.S. economic, supply chain and national security. We greatly appreciate the support and funding from both the U.S. Government and the states of New York and Vermont, which we will use to ensure our customers have the American-made chips they need to succeed and win."

GF's CHIPS and Science Act award will support three projects:

- Expansion of GF's existing Malta, New York, fab by adding critical technologies already in production at GF's Singapore and Germany facilities, to enable a secure and reliable supply of domestically manufactured essential chips for the U.S. auto industry.
- Modernization and upgrading of GF's existing fab in Essex Junction, Vermont, to expand production capacity and create one of the world's leading facilities capable of high-volume manufacturing of next-generation gallium nitride (GaN) semiconductors for use in electric vehicles, data centers, IoT, smartphones and other critical applications.
- In alignment with market conditions and customer demand, construction of a new state-of-art fab on GF's Malta, New York, campus to meet expected demand for U.S.-made essential chips across a broad range of markets and applications including automotive, AI in the data center and at the edge, as well as aerospace and defense.

The two New York-based projects are expected to triple the existing capacity of GF's Malta campus over the next 10-plus years, in alignment with expected market requirements and customer demand. Construction of the new fab will leverage the GF site's existing infrastructure and ecosystem, enabling a fast and efficient path from construction to production.

In aggregate, these projects represent more than $13 billion of investment over the next 10-plus years across GF's two U.S. sites. This investment includes the $1.5 billion CHIPS and Science Act award, more than $550 million in support from the New York State Green CHIPS Program, as well as funding and support from Vermont, GF ecosystem partners and key strategic customers, and other incentives.

Combined, these investments are expected to create close to 1,000 direct manufacturing jobs and more than 9,000 construction jobs over the life of these projects.

GF's fabs in New York and Vermont are both Trusted Foundry accredited and manufacture secure chips in partnership with the U.S. government.

As part of its CHIPS and Science Act award, to attract and cultivate a pipeline of semiconductor talent in New York and Vermont, 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.

Consistent with GF's longstanding commitment to our communities and the environment, GF's design and construction plans for its expansions and modernizations in New York and Vermont will reflect the company's sustainability goals for future operations.

About GF

GlobalFoundries (GF) is a leading manufacturer of essential semiconductors the world relies on to live, work and connect. We

innovate and partner with customers to deliver more power-efficient, high-performance products for the automotive, smart mobile devices, internet of things, communications infrastructure and other high-growth markets. With our global manufacturing footprint spanning the U.S., Europe, and Asia, GF is a trusted and reliable source for customers around the world. Every day, our talented and diverse team delivers results with an unyielding focus on security, longevity, and sustainability. For more information, visit www.gf.com.

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Forward-looking Information

This press release includes “forward-looking statements” that reflect our current expectations and views of future events. These forward-looking statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995 and 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," “plan” 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; domestic political developments, including with respect to the incoming U.S. presidential administration; 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; global economic conditions could deteriorate, including due to increasing interest rates, rising inflation and any potential recession; and our expected results and planned expansions and operations may not proceed as planned if funding we expect to receive (including the awards under the CHIPS and Science Act and New York State Green CHIPS Program) is delayed or withheld for any reason. 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. Moreover, we operate in a competitive and rapidly changing market, and new risks may emerge from time to time. These statements are based on our historical performance and on our current plans, estimates and projections in light of information currently available to us, and therefore you should not place undue reliance on them.

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 as a result of new information, subsequent events or any other circumstances after the date hereof, or to reflect the occurrence of unanticipated events. Investors are urged to review in detail the risks and uncertainties discussed in our 2023 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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Source: GlobalFoundries Inc.