UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of November 2023

Commission File Number 001-40974

GLOBALFOUNDRIES Inc.

400 Stonebreak Road Extension
Malta, NY 12020
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Attached hereto are the following exhibits.

Exhibit 99.1	Unaudited Interim Condensed Consolidated Financial Statements as of September 30, 2023 and December 31, 2022 and for the three and nine months ended September 30, 2023 and 2022.
Exhibit 99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and nine months ended September 30, 2023 and 2022.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	GLOBALFOUNDRIES Inc.	
Date: November 7, 2023	By:	/s/ Thomas Caulfield
	Name:	Dr. Thomas Caulfield
	Title:	President & Chief Executive Officer

GLOBALFOUNDRIES INC.

TABLE OF CONTENTS

Unaudited Statements	Page
Interim Condensed Consolidated Statements of Financial Position	2
Interim Condensed Consolidated Statements of Operations	3
Interim Condensed Consolidated Statements of Comprehensive Income	4
Interim Condensed Consolidated Statements of Changes in Equity	5
Interim Condensed Consolidated Statements of Cash Flows	6
Notes to Interim Condensed Consolidated Financial Statements	7-16

GLOBALFOUNDRIES INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of September 30, 2023 AND December 31, 2022
(Unaudited)

(in millions except for share amounts)	As of September 30, 2023	As of December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,880	$ 2,352
Marketable securities	1,014	622
Receivables, prepayments and other assets	1,404	1,487
Inventories	1,509	1,339
Total current assets	**5,807**	**5,800**
Noncurrent assets:		
Property, plant and equipment, net	10,594	10,596
Goodwill and intangible assets, net	381	363
Marketable securities	466	372
Other noncurrent financial assets	102	137
Deferred tax assets	251	292
Receivables, prepayments and other assets	243	281
Total noncurrent assets	**12,037**	**12,041**
Total assets	**$ 17,844**	**$ 17,841**
LIABILITIES AND EQUITY		
Current liabilities:		
Trade payables and other current liabilities	$ 2,321	$ 2,849
Provisions	34	102
Current portion of deferred income from government grants	142	110
Current portion of lease obligations	52	75
Current portion of long-term debt	199	223
Total current liabilities	**2,748**	**3,359**
Noncurrent liabilities		
Noncurrent portion of long-term debt	2,181	2,288
Noncurrent portion of deferred income from government grants	285	294
Provisions	199	196
Noncurrent portion of lease obligations	287	270
Other noncurrent liabilities	1,313	1,474
Total noncurrent liabilities	**4,265**	**4,522**
Total liabilities	**$ 7,013**	**$ 7,881**
Equity:		
Share capital		
Ordinary shares, $0.02 par value, 553,199 thousand and 547,755 thousand shares issued and outstanding as of September 30, 2023 and December 31, 2022	$ 11	$ 11
Additional paid-in capital	24,000	23,831
Accumulated deficit	(13,278)	(14,021)
Accumulated other comprehensive income	54	92
Equity attributable to the shareholders of GLOBALFOUNDRIES INC.	**10,787**	**9,913**
Non-controlling interest	44	47
Total equity	**10,831**	**9,960**
Total liabilities and equity	**$ 17,844**	**$ 17,841**

The accompanying notes are an integral part of these interim condensed consolidated financial statements

GLOBALFOUNDRIES INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE Three and Nine Months Ended September 30, 2023 AND 2022
(Unaudited)

(in millions except per share amounts)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net revenue	$ 1,852	$ 2,074	$ 5,538	$ 6,007
Cost of revenue	1,323	1,464	3,962	4,390
Gross profit	**529**	**610**	**1,576**	**1,617**
Research and development expense	108	124	323	372
Selling, general and administrative expense	143	129	386	366
Restructuring expense	17	—	41	—
Operating expense	**268**	**253**	**750**	**738**
Profit from operations	**261**	**357**	**826**	**879**
Finance income (expense) net	3	(11)	4	(58)
Share of profit of joint ventures	—	1	2	3
Other income (expense), net	(21)	8	(47)	32
Profit before income taxes	**243**	**355**	**785**	**856**
Income tax (expense) benefit	6	(19)	(45)	(78)
Net income for the period	**$ 249**	**$ 336**	**$ 740**	**$ 778**
Attributable to:				
Shareholders of GLOBALFOUNDRIES INC.	249	337	743	780
Non-controlling interest	—	(1)	(3)	(2)
Net income for the period	**$ 249**	**$ 336**	**$ 740**	**$ 778**
Net earnings per share attributable to the equity holders of the Company:				
Basic weighted average common shares outstanding	553	543	552	537
Diluted weighted average common shares outstanding	556	553	556	551
Basic earnings per share	$ 0.45	$ 0.62	$ 1.35	$ 1.45
Diluted earnings per share	$ 0.45	$ 0.61	$ 1.34	$ 1.42

The accompanying notes are an integral part of these interim condensed consolidated financial statements

GLOBALFOUNDRIES INC.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE Three and Nine Months Ended September 30, 2023 AND 2022 (Unaudited)

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income for the period				
Attributable to:				
Shareholders of GLOBALFOUNDRIES INC.	$ 249	$ 337	743	780
Non-controlling interest	—	(1)	(3)	(2)
Net income for the period	**$ 249**	**$ 336**	**$ 740**	**$ 778**
Other comprehensive income, net of tax:				
Items that may be reclassified subsequently to profit:				
Share of foreign exchange fluctuation reserve of joint ventures	$ —	$ (8)	(1)	(19)
Effective portion of changes in the fair value of cash flow hedges	(24)	9	(37)	22
Fair value on investments measured at fair value through other comprehensive income	—	(7)	—	(10)
Income tax effect	—	—	—	(2)
Total other comprehensive loss for the period	**$ (24)**	**$ (6)**	**$ (38)**	**$ (9)**
Attributable to:				
Shareholders of GLOBALFOUNDRIES INC.	$ (23)	$ 3	$ (38)	$ 6
Non-controlling interest	(1)	(9)	—	(15)
Total other comprehensive loss for the period	**$ (24)**	**$ (6)**	**$ (38)**	**$ (9)**
Total comprehensive income for the period	**$ 225**	**$ 330**	**$ 702**	**$ 769**
Attributable to:				
Shareholders of GLOBALFOUNDRIES INC.	$ 226	$ 340	705	786
Non-controlling interest	(1)	(10)	(3)	(17)
Total comprehensive income for the period	**$ 225**	**$ 330**	**$ 702**	**$ 769**

The accompanying notes are an integral part of these interim condensed consolidated financial statements

GLOBALFOUNDRIES INC

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Nine Months Ended September 30, 2023 AND 2022
(Unaudited)

	Equity Attributable to Shareholders of GLOBALFOUNDRIES Inc.								
(in millions)	Common Shares		Additional Paid-In Capital	Accumulated Deficit	Hedging Reserve	Foreign Currency Translation and Investments Reserves	Total	Non-Controlling Interest	Total Equity
	Shares	Amount							
December 31, 2021	**532**	**$ 11**	**$ 23,487**	**$ (15,469)**	**$ (57)**	**$ 3**	7,975	**$ 58**	**$ 8,033**
Proceeds from issuance of equity instruments	13	—	142				142	—	142
Share-based compensation	—	—	137	—	—	—	137	—	137
Net income	—	—	—	780	—	—	780	(2)	778
Other comprehensive income	—	—	—	—	20	$ (14)	6	(15)	(9)
September 30, 2022	**545**	**$11**	**$ 23,766**	**$ (14,689)**	**$ (38)**	**$ (11)**	**$ 9,040**	**$ 41**	**$ 9,081**
December 31, 2022	**548**	**$ 11**	**$ 23,831**	**$ (14,021)**	**$ 103**	**$ (11)**	**$ 9,913**	**$ 47**	**$ 9,960**
Proceeds from issuance of equity instruments	5	—	49	—	—	—	49	—	49
Share-based compensation	—	—	120	—	—	—	120	—	120
Net income	—	—	—	743	—	—	743	(3)	740
Other comprehensive income	—	—	—	—	(37)	(1)	(38)	—	(38)
September 30, 2023	**553**	**$ 11**	**$ 24,000**	**$ (13,278)**	**$ 66**	**$ (12)**	**$ 10,787**	**$ 44**	**$ 10,831**

The accompanying notes are an integral part of these interim condensed consolidated financial statements

GLOBALFOUNDRIES INC

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE
Nine Months Ended September 30, 2023 AND 2022
(Unaudited)

(in millions)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 740	$ 778
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	952	1,077
Amortization of intangible assets	97	137
Share-based compensation	120	137
Interest, income taxes paid and finance income (expense), net	—	4
Amortization of deferred income from government grants	(20)	(22)
Deferred income taxes, net	42	52
(Gain) Loss on disposal of property, plant and equipment and other	(7)	(81)
Change in assets and liabilities:		
Receivables, prepayments, other assets and other noncurrent assets	(140)	37
Inventories	(170)	(221)
Trade and other payables	(173)	235
Net cash provided by operating activities	**1,441**	**2,133**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment, net	(1,499)	(2,009)
Purchase of intangible assets	(77)	(59)
Proceeds from the sale of EFK business	238	—
Advances and proceeds from sale of property, plant and equipment and intangible assets	22	39
Purchases of investment in marketable securities	(1,121)	(1,046)
Proceeds from the sale of investment in marketable securities	651	108
Other investing activities	(1)	(40)
Net cash used in investing activities	**(1,787)**	**(3,007)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from borrowings	46	612
Repayments of debt and finance lease obligations	(218)	(286)
Proceeds from issuance of equity instruments and other	47	156
Net cash (used in) provided by financing activities	**(125)**	**482**
Effect of exchange rate changes on cash and cash equivalents	(1)	(6)
Net decrease in cash and cash equivalents	(472)	(398)
Cash and cash equivalents at the beginning of the period	2,352	2,939
Cash and cash equivalents at the end of the period	**$ 1,880**	**$ 2,541**
Noncash investing and financing activities:		
Amounts payable for property, plant and equipment	$ 259	$ 1,032
Property, plant and equipment acquired through lease	$ 62	$ 61
Amounts payable for intangible assets	$ 46	$ 99

The accompanying notes are an integral part of these interim condensed consolidated financial statements

Note 1. Corporate Information

Company Operations

GLOBALFOUNDRIES Inc. ("GLOBALFOUNDRIES") is an exempted company with limited liability incorporated under the laws of the Cayman Islands. The address of GLOBALFOUNDRIES' registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands.

GLOBALFOUNDRIES and its subsidiaries (together referred to as the "Company", "GlobalFoundries", "GF", "we", or "us") is one of the world's leading semiconductor foundries and offers a full range of mainstream wafer fabrication services and technologies. The Company manufactures a broad range of semiconductor devices, including microprocessors, mobile application processors, baseband processors, network processors, radio frequency modems, microcontroller, and power management units.

Note 2. Basis of Presentation and Summary of Significant Accounting Policies

Statement of Compliance — The accompanying interim condensed consolidated financial statements have been prepared by management of the Company in accordance with the rules and regulations of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements prepared in accordance with IFRS as issued by the IASB and should be read in conjunction with the Company's annual consolidated financial statements, included in GLOBALFOUNDRIES' Annual Report on Form 20-F for the year ended December 31, 2022.

The interim condensed consolidated financial statements were authorized by the Audit, Risk and Compliance Committee of GLOBALFOUNDRIES' Board of Directors on November 5, 2023, to be issued and subsequent events have been evaluated for their potential effect on the interim condensed consolidated financial statements through November 7, 2023.

Significant Accounting Judgments, Estimates and Assumptions — The preparation of financial statements in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. In the opinion of management, all adjustments, consisting solely of normal recurring adjustments necessary for a fair presentation of the financial information for the periods indicated, have been included. The results for the three and nine months ended September 30, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023.

Significant Accounting Policies — Except as set forth below, the accounting policies (including accounting judgements, estimates and assumptions) adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual audited consolidated financial statements contained in our Annual Report on Form 20-F for the year ended December 31, 2022.

Property, Plant and Equipment — We periodically assess the estimated useful lives of property, plant and equipment. As a result of a review completed in April 2023, the Company concluded the estimated maximum useful life of certain buildings should be increased from 26 years to 50 years. This change in estimate was applied prospectively, effective beginning in the first quarter of 2023. The impact of the change in estimated useful lives of certain buildings resulted in an increase to net income before income taxes of $28 million and $51 million for the three and nine months ended September 30, 2023.

Note 3. Net Revenue

The following table presents the Company's revenue disaggregated based on revenue source and timing of revenue recognition for the three and nine month periods ended September 30, 2023 and 2022. The Company believes these categories best depict the nature and timing of revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	**2022**	**2023**	**2022**
Type of goods and services:				
Wafer fabrication	$ 1,700	$ 1,958	$ 5,107	$ 5,667
Engineering and other pre-fabrication services	152	116	431	340
	$ 1,852	**$ 2,074**	**$ 5,538**	**$ 6,007**
Timing of revenue recognition:				
Revenue recognized over time	$ 117	$ 111	$ 332	$ 344
Revenue recognized at a point in time	1,735	1,963	5,206	5,663
	$ 1,852	**$ 2,074**	**$ 5,538**	**$ 6,007**

Note 4. Income taxes

For tax reporting purposes, the Company consolidates its entities under GLOBALFOUNDRIES Inc., a Cayman Islands entity. As a Cayman Islands corporation, the Company's domestic statutory income tax rate is 0.0%. The difference between the Company's domestic statutory income tax rate and its effective income tax rate reflected in the income tax benefit or income tax expense is primarily due to the effect of the tax rates and permanent differences in the other jurisdictions in which the Company operates.

The effective tax rate for the nine months ended September 30, 2023 and 2022 was 5.7% and 9.1%, respectively. The decrease for the nine months ended September 30, 2023 compared to the prior year was primarily the result of a $25 million reclassification of withholding tax expense accrued in the United States from income tax expense given that withholding tax expense is not creditable against income taxes.

Note 5. Earnings Per Share

Basic earnings per share ("EPS") is based upon the weighted average number of common shares outstanding during the period. Diluted earnings per share is based upon the weighted average number of common shares outstanding during the period assuming the issuance of common shares for all potentially dilutive common shares outstanding.

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions except per share amounts)	**2023**	**2022**	**2023**	**2022**
Net income attributable to equity shareholders of the Company	$ 249	$ 337	$ 743	$ 780
Weighted average shares outstanding				
Basic	553	543	552	537
Diluted	556	553	556	551
Total basic and diluted EPS attributable to equity shareholders				
Basic	$ 0.45	$ 0.62	$ 1.35	$ 1.45
Diluted	$ 0.45	$ 0.61	$ 1.34	$ 1.42

Note 6. Property, Plant and Equipment

(in millions)	Land and Land Improvements	Building and Leasehold Improvements	Equipment	Computer	Construction in Progress	Total
Cost						
As of December 31, 2022	**$ 122**	**$ 7,867**	**$ 22,569**	**$ 439**	**$ 3,384**	**$ 34,381**
Additions	16	66	4	3	881	970
Transfers from construction in progress		594	957	5	(1,556)	—
Disposals	—	(25)	(225)	(1)	(14)	(265)
Effect of exchange rate changes	—	(2)	(4)	—	—	(6)
As of September 30, 2023	**$ 138**	**$ 8,500**	**$ 23,301**	**$ 446**	**$ 2,695**	**$ 35,080**
Net book value as of September 30, 2023	**$ 95**	**$ 3,737**	**$ 4,033**	**$ 41**	**$ 2,688**	**$ 10,594**
Accumulated Depreciation and Impairment						
As of December 31, 2022	**$ 39**	**$ 4,544**	**$ 18,804**	**$ 391**	**$ 7**	**$ 23,785**
Additions	4	238	695	15	—	952
Disposals	—	(19)	(225)	(1)	—	(245)
Effect of exchange rate changes	—	—	(6)	—	—	(6)
As of September 30, 2023	**$ 43**	**$ 4,763**	**$ 19,268**	**$ 405**	**$ 7**	**$ 24,486**

For the three months ended September 30, 2023 and 2022, the depreciation expense of property, plant and equipment was $333 million and $358 million, respectively. For the nine months ended September 30, 2023 and 2022, the depreciation expense of property, plant and equipment was $952 million and $1 billion, respectively.

Note 7. Restructuring

In the fourth quarter 2022, the Company's management approved and commenced a restructuring plan aimed to realign the Company's business and strategic priorities. This worldwide restructuring plan included a reduction in the number of full-time employees, as well as a reduction in leased workspaces and engagement of consultants for strategic support.

The Company incurred $17 million and $41 million of restructuring costs during the three and nine months ended September 30, 2023, respectively. These costs are included in restructuring expenses in the Company's consolidated statements of operations.

The changes to the restructuring provisions recorded on the consolidated statements of financial position as of September 30, 2023, are summarized as follows:

(in millions)	**2023**
Beginning balance as of December 31, 2022	$ 86
Provision	41
Amounts paid	(107)
Ending balance as of September 30, 2023	$ 20

Note 8. Receivables, Prepayments and Other Assets

(in millions)	**September 30, 2023**	**December 31, 2022**
Current:		
Trade receivables, other than related parties	$ 1,021	$ 824
Other receivables	265	497
Unbilled accounts receivable [(1)]	29	24
Receivables from government grants	51	52
Receivables from related parties	8	11
Other current financial assets	30	79
	$ 1,404	**$ 1,487**
Non-current:		
Advances to suppliers	$ 219	$ 235
Other	24	46
Total	**$ 243**	**$ 281**

[(1)] Unbilled accounts receivable represents amounts recognized on revenue contracts less associated advances and progress billings. These amounts will be billed in accordance with the agreed-upon contractual terms or rendering services.

The following table summarizes the activity in the Company's unbilled accounts receivable as of September 30, 2023 and for the twelve months ended December 31, 2022, respectively:

(in millions)	September 30, 2023	December 31, 2022
Balance, beginning of period	$ 24	$ 43
Revenue recognized during the period	73	87
Amounts invoiced	(68)	(106)
Balance, end of period	**$ 29**	**$ 24**

Note 9. Inventories

The Company records inventories at the lower of cost or net realizable value for finished goods, work-in-progress, raw materials, and supplies. The Company makes inventory write-downs on an item-by-item basis, except where it may be appropriate to group similar or related items.

(in millions)	September 30, 2023	December 31, 2022
Work in progress	$ 976	$ 1,025
Raw materials and supplies	533	314
Total	**$ 1,509**	**$ 1,339**

Note 10. Long Term Debt

The following table outlines the terms and carrying amounts of the Company’s debt:

Description	Currency	Nominal Interest Rate	Year of Maturity	September 30, 2023	December 31, 2022
				(in millions)	
2018 Tool Equipment Purchase and Lease Financing	USD	SOFR + 1.60%	2023	$ —	$ 19
2019 Tool Equipment Purchase and Lease Financing	USD	SOFR+ 1.75%	2024	42	85
2019 USD Dresden Equipment Financing	USD	SOFR + 1.75%	2024	36	36
2020 USD Equipment Financing	USD	SOFR + 1.90%	2025	60	59
2019 EUR Dresden Equipment Financing	EUR	EURIBOR + 1.75%	2026	13	13
USD Term Loan A	USD	SOFR + 2.90%	2025	31	—
EUR Term Loan A	EUR	EURIBOR + 2.60%	2025	4	—
Various	EUR, USD	Various	2024-2026	13	11
Current total				**$ 199**	**$ 223**
2019 Tool Equipment Purchase and Lease Financing	USD	SOFR + 1.75%	2024	—	21
2019 USD Dresden Equipment Financing	USD	SOFR + 2.25%	2026	91	108
2020 USD Equipment Financing	USD	SOFR + 1.90%	2025	49	93
USD Term Loan A	USD	SOFR + 2.90%	2025	618	649
EUR Term Loan A	EUR	EURIBOR + 2.60%	2025	83	89
2019 EUR Dresden Equipment Financing	EUR	EURIBOR + 1.75%	2026	376	387
2021 SGD EDB Loan	SGD	1.40%	2041	950	923
Various	EUR, USD	Various	2024-2027	14	18
Noncurrent total				**$ 2,181**	**$ 2,288**
Total				**$ 2,380**	**$ 2,511**

The following table summarizes unutilized credit facilities available to the Company to maintain liquidity necessary to fund operations:

(in millions)	September 30, 2023	December 31, 2022
Revolving Credit Facility	$ 1,011	$ 1,012
SGD EDB Loan	—	42
Uncommitted Credit Facilities[1]	41	64
Total	**$ 1,052**	**$ 1,118**

[1] Subject to lender approval before draw-down or being usable.

Note 11. Related Party Disclosures

The total amounts of $8 million and $11 million due from related parties as of September 30, 2023 and December 31, 2022, respectively, have been included in receivables, prepayments and other assets (see Note 8). The $17 million and $10 million due to related parties as of September 30, 2023 and December 31, 2022, respectively, have been included in trade and other payables.

Related party balances disclosed in the interim condensed consolidated statements of financial position related to Silicon Manufacturing Partners Pte Ltd. ("SMP"). SMP is a joint venture with LSI Technology (Singapore) Pte. Ltd. The Company holds a 49.0% interest in SMP and manages all aspects of its manufacturing operations.

The following table presents the related party transactions included in the interim condensed consolidated statements of operations:

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Purchases from: *				
SMP	$16	$15	$39	$42
Other transactions with:				
SMP (reimbursement of expenses and contribution of tools)	$23	$16	$46	$37

* Purchases from SMP were primarily comprised of wafer.

Note 12. Commitments and Contingencies

Commitments – The Company’s unconditional purchase commitments are as follows:

(in millions)	September 30, 2023	December 31, 2022
Contracts for capital expenditures	$ 1,572	$ 2,774
Contracts for operating expenditures	3,030	3,587
	$ 4,602	**$ 6,361**
Due within the next 12 months	**$ 1,377**	**$ 2,732**

In addition to the above, the Company obtained letters of credit to primarily guarantee payments for utility suppliers and foreign statutory payroll related charges. The Company has obtained letters of credit of $23 million as of September 30, 2023 and $20 million as of December 31, 2022 and has drawn down bank guarantees of $58 million and $4 million as of September 30, 2023 and December 31, 2022, respectively.

Contingencies — From time to time, the Company is a party to claims that arise in the normal course of business. These claims include allegations of infringement of intellectual property rights of others as well as other claims of liability. In addition, the Company, on a case by case basis, includes intellectual property indemnification provisions in the terms of sale and technology licenses with third parties. The Company is also subject to various taxes in the different jurisdictions in which it operates. These include property, goods and services, and other non-income taxes. The Company accrues costs associated with these matters when they become probable and reasonably estimable. The Company does not believe it is probable that losses associated with these matters beyond those already recognized will be incurred in amounts that would be material to the interim condensed consolidated statements of financial position or interim condensed consolidated statements of operations and comprehensive income (loss).

On April 28, 2021, International Business Machines ("IBM") sent the Company a letter alleging that the Company did not fulfill the Company's obligations under the contracts the Company entered into with IBM in 2014 associated with the Company's acquisition of IBM's Microelectronics business. IBM asserted that the Company engaged in fraudulent misrepresentations during the underlying negotiations, and claimed the Company owed them at least $2.5 billion damages and restitution. On June 7, 2021, the Company filed a complaint with the New York State Supreme Court (the "Court") seeking a declaratory judgment that the Company did not breach the relevant contracts. IBM subsequently filed its complaint with the Court on June 8, 2021. On September 14, 2021, the Court granted the Company's motion to dismiss IBM's claims of fraud, unjust enrichment and breach of the implied covenant of good faith and fair dealing. IBM appealed its fraud claim, and on April 7, 2022, the New York Appellate Division reversed the Court's decision as to these two claims. Fact and expert discovery were complete as of September 30, 2023 and the case will proceed to trial. The Company believes, based on discussions with legal counsel, that it has meritorious defenses against IBM's claims and intends to vigorously defend against them.

Note 13. Fair Value Measurements

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: observable inputs such as quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices in active markets in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for similar assets or liabilities that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability; and
- Level 3: unobservable inputs for which little or no market data exists, therefore requiring management judgment to develop the Company's own models with estimates and assumptions.

Cash Equivalents - Cash equivalents include investments in government obligation-based money market funds, other money market instruments and interest-bearing deposits with initial or remaining terms of three months or less. The fair value of cash equivalents approximates its carrying value due to the short-term nature of these instruments.

Marketable Securities - Marketable securities include U.S. Treasury Securities, U.S. Government Sponsored Enterprises, floating rate securities, money market mutual funds, corporate debt instruments and other notes, bonds or debt securities issued by non-U.S. sovereign or multilateral entities, as these securities all have quoted prices in active markets.

The following table presents the Company’s assets and liabilities measured at fair value on a recurring basis:

(in millions)	Total	Quoted Prices Identical Assets/ Liabilities (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2022				
Assets:				
Cash equivalents[(1)]	$ 961	$ 961	$ —	$ —
Investments in equity instruments[(2)]	$ 15	$ —	$ —	$ 15
Derivatives[(3)]	$ 177	$ —	$ 177	$ —
Investments in marketable securities[(4)]	$ 994	$ 994	$ —	$ —
Liabilities:				
Derivatives[(3)]	$ 66	$ —	$ 66	$ —
September 30, 2023				
Assets:				
Cash equivalents[(1)]	$ 1,368	$ 1,368	$ —	$ —
Investments in equity instruments[(2)]	$ 15	$ —	$ —	$ 15
Derivatives[(3)]	$ 101	$ —	$ 101	$ —
Investments in marketable securities[(4)]	$ 1,480	$ 1,480	$ —	$ —
Liabilities:				
Derivatives[(3)]	$ 84	$ —	$ 84	$ —

(1) Included in cash and cash equivalents on the Company’s interim condensed consolidated statements of financial position.

(2) Included in current and non-current receivables, prepayments and other assets on the Company’s interim condensed consolidated statements of financial position.

(3) Consists of foreign currency forward contracts, interest rate swaps, cross currency swaps and commodity hedge. Included in other current and non-current financial assets on the Company’s interim condensed consolidated statements of financial position.

(4) Included in current and non-current marketable securities on the Company's interim condensed consolidated statements of financial position.

During the nine months ended September 30, 2023 and 2022, there were no transfers between Level 1, Level 2 or Level 3 fair value measurements.

Assets Measured and Recorded at Fair Value on a Non-Recurring Basis

Certain assets and liabilities, such as equity method investments, intangible assets and property, plant and equipment, and other non-financial assets are recorded at fair value only if an impairment or observable price adjustment is recognized in the current period.

Financial Instruments Not Recorded at Fair Value on a Recurring Basis

Financial instruments not recorded at fair value on a recurring basis include grants receivable, loans receivable, lease obligations and the Company’s current and noncurrent portion of long-term debt.

The carrying amounts and fair values of the Company’s financial instruments not recorded at fair value on a recurring basis are presented in the following table:

(in millions)	September 30, 2023		December 31, 2022	
Financial Liabilities	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Other long-term debt	2,380	2,235	2,511	2,414
Total	**$ 2,380**	**$ 2,235**	**$ 2,511**	**$ 2,414**

Estimated fair values of long-term debt are based on quoted prices for similar liabilities for which significant inputs are observable and represents a Level 2 valuation. The fair values are estimated based on the type of debt and their maturities. The Company estimates the fair value using market interest rates of debts with similar maturities.

Note 14. Share-Based Compensation

We measure and recognize compensation expense related to share-based transactions, including employee, consultant, and non-employee director share option awards, in our consolidated financial statements based on fair value. The fair value of each award is estimated on the date of grant using the Black-Scholes option pricing model for options, and the Monte Carlo simulation model for the performance share units and a share price at the grant date for the restricted share units. The Black-Scholes model and Monte Carlo model both require management to make certain assumptions of future expectations based on historical and current data. The assumptions include the expected term of the awards, expected volatility, dividend yield, and risk-free interest rate. The expected term represents the amount of time that awards granted are expected to be outstanding, based on forecasted exercise behavior. The option pricing model requires the input of highly subjective assumptions, including the estimated fair value of the Company’s stock, expected term of the awards, expected volatility of the price of the Company’s shares, risk free interest rate and the expected dividend yield of ordinary shares. The assumptions used to determine the fair value of the option awards represent management’s best estimates. These estimates involve inherent uncertainties and the application of management’s judgment. The Company estimates the expected forfeiture for options utilizing historical data, and only recognizes expense when a defined liquidity event (change in control or IPO) is deemed probable on the number of awards that are expected to vest. After applying a forfeiture estimate during each reporting period for when they are probable of vesting, the Company recognizes expense on a graded attribution basis for each tranche of the award over the period from the grant date to the later of the one-year anniversary of estimated time following a liquidity event or the legal vesting dates.

The Company offers an Employee Stock Purchase Plan which provides eligible employees with an opportunity to purchase our ordinary shares through payroll deductions of up to 10% of their eligible compensation. A participant may purchase a maximum of 2,500 ordinary shares during the purchase period. Amounts deducted and accumulated by the participant are used to purchase ordinary shares at the end of each six-month period, with the Company matching 20% of each employee's contributions on an after-tax basis.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-looking Statements

This document 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," "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 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 current 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 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. Moreover, we operate in a competitive and rapidly changing market, and new risks may emerge from time to time. You should not rely upon forward-looking statements as predictions of future events. 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. Recipients are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date such statements are made and should not be construed as statements of fact. 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. For a discussion of potential risks and uncertainties, please refer to the risk factors and cautionary statements in GLOBALFOUNDRIES' Annual Report on Form 20-F for the year ended December 31, 2022, current reports on Form 6-K and other reports filed with the Securities and Exchange Commission (the “SEC”). Copies of our SEC filings are available on our Investor Relations website, investors.gf.com, or from the SEC website, www.sec.gov.

OPERATING AND FINANCIAL REVIEWS AND PROSPECTS

Overview

GLOBALFOUNDRIES Inc. ("We," "GF," or the "Company") is one of the world's leading semiconductor foundries. We manufacture complex, feature-rich integrated circuits ("ICs") that enable billions of electronic devices that are pervasive throughout nearly every sector of the global economy. With our specialized foundry manufacturing processes, a library consisting of thousands of IP titles, and differentiated transistor and device technology, we serve a broad range of customers, including the global leaders in IC design, and provide optimized solutions for the function, performance and power requirements of critical applications driving key secular growth end markets.

The combination of our highly-differentiated technology and our scaled manufacturing footprint enables us to attract a large share of single-sourced products and long-term supply agreements ("LTAs"), providing a high degree of revenue visibility and significant operating leverage, resulting in improved financial performance and bottom line growth. These agreements include binding, multi-year, reciprocal annual (and, in some cases, quarterly) minimum purchase and supply commitments with wafer pricing and associated mechanics outlined for the contract term. Through an intense focus on collaboration, we have built deep strategic partnerships with a broad base of more than 40 customers with LTAs as of September 30, 2023, many of whom are the global leaders in their field.

The principal source of our revenue is wafer fabrication and sales of finished semiconductor wafers, which accounted for approximately 92% of our net revenue for the three and nine months ended September 30, 2023, respectively. The rest of our net revenue was mainly derived from photomask manufacturing, sourcing services and pre-fab manufacturing services.

The semiconductor industry continues to face uncertain economic conditions that has impacted demand in certain sectors. We remain cautious regarding the sustained macroeconomic headwinds facing our industry. We continue to implement a long-term partnership-driven model with our customers, which is helping to provide improved visibility for our business through this period of uncertainty.

Components of Results of Operations

Net Revenue

We generate the majority of our revenue from sales of finished semiconductor wafers, which are priced on a per-wafer basis for the applicable design. We also generate revenue from pre-fabrication services such as rendering of non-recurring engineering ("NRE") services, mask production and pre-fabrication services such as bump, test, and packaging. Pricing is typically agreed prior to production and then updated based on subsequent period negotiations.

Cost of Revenue

Cost of revenue consists primarily of material expenses, depreciation and amortization, employee-related expenses, facility costs and costs of fixed assets, including maintenance and spare parts. Material expenses primarily include the costs of raw wafers, test wafers, photomasks, resists, process gases, process chemicals, other operating supplies, and external service costs for wafer manufacturing. Costs related to NRE services are also included within the cost of revenue. As it pertains to inflation and inflationary-headwinds we are facing within our business, we have experienced increased costs for materials and energy, and we expect these increases to continue to have an adverse impact on our financial results of operations, while these economic conditions persist.

Depreciation and amortization charges primarily include the depreciation of production equipment. We periodically assess the estimated useful lives of property, plant and equipment. As a result of a review completed in April 2023, the Company concluded the estimated maximum useful life of buildings should be increased from 26 years to 50 years. This change in estimate was applied prospectively, effective beginning in the first quarter of 2023. We depreciate equipment on a straight-line basis over a two-to-ten-year period. Employee-related expenses primarily include employee wages and salaries, social security contributions and benefit costs for operators, maintenance technicians, process engineers, supply chain, IT production, yield improvement and health and safety roles. Facility costs primarily consist of the costs of electricity, water and other utilities and services. We expect cost of revenue to remain relatively flat in absolute terms and as a percentage of revenue in the fourth quarter 2023.

Operating Expenses

Our operating expense consist of research and development (“R&D”), selling, general and administrative expense (“SG&A”), and restructuring expense. Personnel costs are the most significant component of our operating expenses and consist of salaries, benefits, bonuses, share-based compensation, and commissions.

Research and Development

Our R&D efforts are focused on developing highly differentiated process technologies and solutions. Our R&D expense includes personnel costs, material costs, software license and intellectual property expenses, facility costs, supplies, professional and consulting fees, and depreciation on equipment used in R&D activities. Our development roadmap includes new platform investments, platform features and extensions, and investments in emerging technology capabilities and solutions. We expense R&D costs as incurred. We believe that continued investment in our technology portfolio is important for our future growth and acquisition of new customers. We expect our R&D expense to increase modestly in absolute terms and as a percentage of revenue in the fourth quarter 2023.

Selling, General and Administrative

SG&A expense consist primarily of personnel-related costs, including sales commissions to independent sales representatives and professional fees, including the costs of accounting, audit, legal, regulatory and tax compliance. Additionally, costs related to advertising, trade shows, corporate marketing and allocated overhead costs are also included. Beginning in the third quarter of 2023, SG&A expenses also include certain contract cancellation fees and (gain) loss on tool sales previously included in other income (expense).

We incur costs associated with operating as a publicly traded company, including those associated with audit, accounting, legal, information technology, regulatory, compliance, director and officer insurance, and investor and public relations. We expect SG&A expenses to decrease in absolute terms and as a percentage of revenue in the fourth quarter 2023.

Restructuring Expense

Restructuring expense primarily relates to reductions in our global workforce, leased workspace and consultants we engage for strategic support of the restructuring.

Other Operating Charges

Finance Income (Expense), net

Finance income (expense), net consists primarily of interest on borrowings, amortization of debt issuance costs under our term loans, revolving credit facility, finance leases and the other credit facilities we maintain with various financial institutions, net of interest income received on our cash deposits.

Other Income (Expense), net

Other income (expense), net consists of gains and losses and other miscellaneous income and expense items unrelated to our core operations, as well as gains and losses relating to hedging activities.

Income Tax Expense

Income tax expense consists primarily of income taxes in jurisdictions in which we conduct business, which mainly include Germany, Singapore and the United States.

A. Results of Operations

The following table sets forth our unaudited consolidated statements of operations data for the periods indicated:

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net revenue	$ 1,852	$ 2,074	$ 5,538	$ 6,007
Cost of revenue	1,323	1,464	3,962	4,390
Gross profit	**529**	**610**	**1,576**	**1,617**
Gross profit margin	*28.6 %*	*29.4 %*	*28.5 %*	*26.9 %*
Research and development expense	108	124	323	372
Selling, general and administrative expense	143	129	386	366
Restructuring expense	17	—	41	—
Operating expense	**268**	**253**	**750**	**738**
Profit from operations	**261**	**357**	**826**	**879**
Finance income (expense), net	3	(11)	4	(58)
Share of profit of joint ventures	—	1	2	3
Other income (expense), net	(21)	8	(47)	32
Profit before income taxes	**243**	**355**	**785**	**856**
Income tax expense	6	(19)	(45)	(78)
Net income for the period	**$ 249**	**$ 336**	**$ 740**	**$ 778**

Comparison of Three Months Ended September 30, 2023 and 2022 and Nine Months Ended September 30, 2023 and 2022

Net Revenue

(in millions)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
Net revenue	$ 1,852	$ 2,074	$ (222)	(10.7)%	$ 5,538	$ 6,007	$ (469)	(7.8)%

Net revenue decreased by $222 million or 10.7% for the three-months ended September 30, 2023 compared to the three-months ended September 30, 2022. The decrease was driven by lower wafer shipment volume of 575 thousand (300mm equivalent), a 10% decrease from prior period.

Net revenue decreased $469 million, or 7.8%, for the nine-months ended September 30, 2023, compared to the nine-months ended September 30, 2022. The decrease was driven by lower wafer shipment volume of 1.7 million (300mm equivalent), a 12% decrease from the prior year, offset by a 3% increase in average selling price year over year driven by ramping LTAs with better pricing, and continued improvement in product mix and a 27% increase in revenue generated from engineering and other prefabrication services.

Cost of Revenue

(in millions)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
Cost of revenue	1,323	1,464	$ (141)	(9.6)%	3,962	4,390	$ (428)	(9.7)%
Gross margin	28.6 %	29.4 %	$ —	— %	28.5 %	26.9 %	$ —	— %

Cost of revenue decreased by $141 million and $428 million or 9.6% and 9.7%, for the three-and-nine months ended September 30, 2023 compared to the three-and-nine months ended September 30, 2022. The decrease was primarily a result of lower shipments in the period, depreciation and amortization expense reduction, a decrease in employee-related expenses driven by the sale of the East Fishkill business and restructuring activities.

Operating Expenses

Research and Development Expense

(in millions)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
Research and development expense	108	124	$ (16)	(12.9)%	323	372	$ (49)	(13.2)%
As a % of revenue	*5.8 %*	*6.0 %*			*5.8%*	*6.2%*		

Research and development expense decreased by $16 million or 12.9% for the three months ended September 30, 2023 compared to the three months ended September 30, 2022. The decrease was primarily due to lower employee-related expenses of $20 million driven by lower headcount, offset by $7 million of R&D pre-production costs.

Research and development expense decreased by $49 million or 13.2% for the nine-months ended September 30, 2023 compared to the nine months ended September 30, 2022. The decrease was primarily as a result of lower employee-related expenses of $52 million due to lower headcount and decrease in R&D technology portfolio investment of $10 million. This decrease was offset by $13 million of R&D pre-production costs.

Selling, General and Administrative Expense

(in millions)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
Selling, general and administrative expense	143	129	$ 14	10.9 %	386	366	$ 20	5.5 %
As a % of revenue	*7.7 %*	*6.2 %*			*7.0 %*	*6.1 %*		

Selling, general, and administrative expense increased by $14 million, or 10.9% for the three-months ended September 30, 2023, compared to the three-months ended September 30, 2022. The change was primarily a result of $7 million higher professional services spend, associated with strategic initiatives, and $6 million related to software leases and IT related costs.

Selling, general, and administrative expense increased by $20 million, or 5.5% for the nine-months ended September 30, 2023, compared to the nine-months ended September 30, 2022. The change was primarily a result of $15 million higher professional services spend, associated with strategic initiatives, including new executive hires, $13.1 million related to software leases, offset by $3 million lower sales commission and $5 million gain on tool sales. Beginning third quarter 2023, (gain) loss on tool sales are reported as a component of selling, general, administrative expense. Prior period amounts have not been adjusted as they are immaterial.

Restructuring Expense

(in millions)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
Restructuring expense	17	—	$ 17	NA	41	—	$ 41	NA

Restructuring expense were $17 million and $41 million for the three and nine-months ended September 30, 2023, respectively, compared to $0 for the three and nine-months ended September 30, 2022. This change was due to the Company incurring employee-related charges associated with the reduction in our global workforce beginning in the fourth quarter 2022.

Finance income (expense), net

(in millions)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
Finance income (expense), net	3	(11)	$ 14	127.3 %	4	(58)	$ 62	106.9 %

Finance income, net increased by $14 million or 127.3%, for the three-months ended September 30, 2023, compared to the three-months ended September 30, 2022. The increase was primarily a result of $22 million higher interest income generated from money market funds and investments in marketable securities, partially offset by $8 million higher interest expense.

Finance income, net increased by $62 million or 106.9% for the nine-months ended September 30, 2023 compared to the nine-months ended September 30, 2022. The increase was primarily a result of $80 million higher interest income generated from money market funds and increased investment in marketable securities, partially offset by $17 million higher interest expense.

Other income (expense), net

(in millions)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
Other income (expense), net	(21)	8	$ (29)	(362.5)%	(47)	32	$ (79)	(246.9)%

Other income (expense), net decreased by $29 million for the three-months ended September 30, 2023 compared to the three-months ended September 30, 2022. The decrease was primarily driven by $19 million of increased foreign exchange currency losses related to currency hedges and a $13 million higher gain on tool sales in the third quarter 2022, as compared to 2023. Beginning third quarter 2023, (gain) loss on tool sales are reported as a component of selling, general, and administrative expenses. Prior period amounts have not been adjusted as they are immaterial.

Other income (expense), net decreased by $79 million, for the nine-months ended September 30, 2023, compared to the nine-months ended September 30, 2022. The decrease was primarily driven by $58 million of increased foreign exchange currency losses related to currency hedges and the unwinding of certain commodity hedges and decreased gain on tool sales of $27 million. Beginning third quarter 2023, (gain) loss on tool sales are reported as a component of selling, general, and administrative expenses. Prior period amounts have not been adjusted as they are immaterial.

Income Tax Expense

(in millions)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
Income tax (expense) benefit	6	(19)	$ 25	(131.6)%	(45)	(78)	$ 33	42.3 %

Income tax (expense) benefit decreased by $25 million, or 131.6%, for the three-months ended September 30, 2023, compared to the three-months ended September 30, 2022. The decrease in expense was primarily a result of a $25 million reclassification of withholding tax expense accrued in the United States from income tax expense in the third quarter 2023. Withholding tax expense is not creditable against income taxes.

Income tax expense decreased by $33 million, or 42.3%, for the nine-months ended September 30, 2023, compared to the nine-months ended September 30, 2022. The decrease in expense was primarily a result of an improved mix of income in certain jurisdictions and a $25 million reclassification of withholding tax expense accrued in the United States from income tax expense in the third quarter 2023. Withholding tax expense is not creditable against income taxes.

B. Liquidity and Capital Resources

We have financed our operations primarily through cash and cash equivalents, marketable securities, as well as cash generated from our business operations, including customers' prepayments under LTAs. As of September 30, 2023, our cash, cash equivalents and marketable securities balances of $3.4 billion included $1.9 billion of cash and cash equivalents and $1.5 billion of marketable securities.

As of September 30, 2023 and December 31, 2022, we had an undrawn revolving credit facility of $1 billion. In addition to our available revolver, we had $2.4 billion and $2.5 billion of debt outstanding as of September 30, 2023 and December 31, 2022, respectively, which was primarily comprised of multiple term loans in various currencies. Our future capital requirements will depend on many factors, including our revenue growth rate, the timing and the amount we receive from customers, the timing and extent of our fab expansion in new and existing territories, spending to support research and development efforts, the introduction of new and enhanced products and solutions, and the continuing market adoption of our technology offerings. We may from time to time seek to raise additional capital to support our growth. We believe that our existing cash, cash equivalents, investment in marketable securities, credit under our revolving credit facility, and expected cash generated from operations, are sufficient to meet our short and long term capital requirements.

Cash Flows

The following table shows a summary of our cash flows for the periods presented:

	Nine Months Ended September 30,	
	2023	**2022**
Cash provided by operating activities	**$ 1,441**	**$ 2,133**
Cash used in investing activities	**(1,787)**	**(3,007)**
Cash (used in) provided by financing activities	**(125)**	**482**
Effect of exchange rate changes on cash and cash equivalents	(1)	(6)
Net decrease in cash and cash equivalents	$ (472)	$ (398)

Operating Activities

Cash provided by operating activities for the nine-months ended September 30, 2023 of $1,441 million decreased $692 million compared to the $2,133 million provided for the nine-month period ended September 30, 2022. The decrease was primarily attributable to lower net income of $38 million, reduced depreciation and amortization of intangible assets of $165 million, reduced gains on the disposal of property, plant and equipment of $74 million and $17 million of lower share-based compensation expense. Unfavorable changes in working capital of $534 million included a higher cash outflow in trade and other payables of $408 million which was driven by a decrease in advances and deposits. The decrease was also driven by a decrease in receivables, prepayments and other assets of $177 million. This decrease was slightly offset by favorable changes in inventory of $51 million, due to increased raw materials driven by strategic wafer buys, which was offset by a decrease in work in progress related to a decline in sales.

Investing Activities

Cash used in investing activities for the nine-months ended September 30, 2023 of $1,787 million, improved $1,220 million compared to the use of $3,007 million for the nine-month period ended September 30, 2022. The lower outflow was primarily driven by $468 million higher net proceeds from marketable securities and $238 million in proceeds from the sale of the East Fishkill business in the nine-month period ended September 30, 2023, as compared to 2022. Additionally, in the prior year, we incurred higher capital expenditures associated with activities to expand capacity within certain of our fabrication facilities. In the current year, costs associated with those expansion activities have moderated, resulting in a decrease of $493 million from the prior year period.

Financing Activities

Cash used in financing activities for the nine-months ended September 30, 2023 of $125 million decreased $607 million as compared to the cash provided by financing activities of $482 million for the nine-months ended September 30, 2022. The change was primarily attributable to reduced net borrowings of $498 million and lower proceeds from the issuance of equity instruments of $100 million.