

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

For the transition period from to

Commission file number 001-40974

GLOBALFOUNDRIES Inc.

(Exact Name of Registrant as Specified in Its Charter)

N/A

(Translation of Registrant's Name Into English)

Cayman Islands

(Jurisdiction of Incorporation or Organization)

400 Stonebreak

Road Extension

Malta, NY 12020

(518) 305-9013

(Address of Principal Executive Offices)

John Hollister, Chief Financial Officer

400 Stonebreak Road Extension

Malta, NY 12020

(518) 305-9013

E-mail: ir@gf.com

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Ordinary shares, par value US\$0.02 per share	GFS	The NASDAQ Global Select Market

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of December 31, 2024, 552,912,823 ordinary shares, par value US\$0.02 per share, were outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or (15)(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Emerging Growth Company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

†The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this Annual Report on Form 20-F (the "Annual Report") are, or may be deemed to be, "forward-looking statements" within the meaning of U.S. securities laws. These forward-looking statements are based on current expectations, estimates, forecasts, and projections. These forward-looking statements appear in a number of places throughout this Annual Report including, but not limited to "Risk Factors," "Business Overview," and "Results of Operations." Words such as "expect," "anticipate," "should," "believe," "hope," "target," "project," "goals," "estimate," "potential," "predict," "may," "will," "might," "could," "intend," "shall" and variations 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 based on our management's beliefs and assumptions and on information currently available to our management.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and our actual results of operations, financial condition and liquidity, and the development of the industries in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this Annual Report. Important factors that could cause those differences include, but are not limited to:

- general global economic and geopolitical conditions, including impacts and uncertainty from trade disputes and tariffs on goods imported to the United States and goods exported to other countries;
- the cyclical nature, volatility and seasonality of the semiconductor and microelectronics industry;
- our ability to secure and maintain design wins, particularly single-source design wins, and manage our long-term agreements ("LTAs");
- our business and operating strategies and plans for the development of existing and new businesses, ability to implement such strategies and plans and expected time;
- our reliance on a small number of customers;
- our ability to manage reduced demand and average selling prices ("ASPs") in a prolonged inflationary environment;
- our future business development, financial condition, and results of operations;
- expected changes in our revenue, costs or expenditures;
- our assumptions and estimates regarding design wins;
- our expectations regarding demand for and market acceptance of our products and services;
- our expectations regarding our relationships with customers, contract manufacturers, component suppliers, third-party service providers, strategic partners and other stakeholders;
- our expectations regarding our capacity to develop, manufacture and deliver semiconductor products in fulfillment of our contractual commitments;
- our ability to conduct our manufacturing operations without disruptions;
- our ability to manage our capacity and production facilities effectively;
- our ability to develop new technologies successfully and remain a technological leader;
- our ability to maintain control over expansion and facility modifications;
- our ability to generate growth or profitable growth;
- our ability to maintain and protect our intellectual property;
- our ability to hire and maintain qualified personnel;
- our effective tax rate or tax liability;
- our dividend policy;
- our ability to acquire required equipment and supplies necessary to meet customer demand;
- the increased competition from other companies and our ability to retain and increase our market share;
- developments in, or changes to, laws, regulations, governmental policies (including foreign governmental policies in response to changes to the U.S. government's foreign policy positions), incentives and taxation affecting our operations relating to our industry; and
- assumptions underlying or related to any of the foregoing.

We caution you that the foregoing list does not contain all of the forward-looking statements made in this Annual Report.

Forward-looking statements include, but are not limited to, statements regarding our strategy and future plans, future business condition and financial results, our capital expenditure plans, our capacity management plans, expectations as to the commercial production using more advanced technologies, technological upgrades, investment in research and development, future market demand, future regulatory or other developments in our industry, business expansion plans or new investments as well as business acquisitions and financing plans. Please see [“Item 3. Key Information—D. Risk Factors”](#) for a further discussion of certain factors that may cause actual results to differ materially from those indicated by our forward-looking statements. Accordingly, you should not place undue reliance on these forward-looking statements. In any event, these statements speak only as of their dates, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

You should carefully consider the “Risk Factors” and subsequent public statements, or reports filed with or furnished to the SEC, before making any investment decision with respect to our securities. If any of these trends, risks or uncertainties actually occurs or continues, our business, financial condition or operating results could be materially adversely affected, the trading prices of our securities could decline and you could lose all or part of your investment. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.

As used in this Annual Report, all references to “we”, “us”, “our”, the “Company” and “GF” are to GLOBALFOUNDRIES Inc. and its consolidated subsidiaries.

The GF design logo, “GF” and our other registered or common law trademarks, service marks, or trade names appearing in this Annual Report are the property of GLOBALFOUNDRIES Inc. Other trade names, trademarks and service marks used in this Annual Report are the property of their respective owners.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Reserved.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

The following important factors, and those factors described in other reports submitted to, or filed with, the U.S. Securities and Exchange Commission ("SEC"), among other factors, could affect our actual results and could cause our actual results to differ materially from those expressed in any forward-looking statements made by us or on our behalf, and such factors may adversely affect our business and financial status and therefore the value of your investment:

Risk Factors Summary

Risks Related to our Business and Industry

- General global economic and geopolitical conditions could materially and adversely affect our results of operations, financial condition, business and prospects.
- Reductions in demand and ASPs for our customers' end products (e.g., consumer electronics) and prolonged inflationary market environments may decrease demand for our products and services and could materially and adversely affect our results of operations, financial condition, business and prospects.
- The cyclical nature and seasonality of the semiconductor industry and periodic overcapacity make us vulnerable to significant and sometimes prolonged economic downturns.
- Securing and maintaining design wins, in particular single-sourced awards, and managing our LTAs may present challenges to our business in differing demand environments.
- We depend on a small number of customers for a significant portion of our revenue and any loss of these or our other key customers, including potentially through further customer consolidation, could result in significant declines in our revenue.
- We rely on a complex silicon supply chain and breakdowns in that chain could affect our ability to produce our products and could materially and adversely affect our results of operations, financial condition, business and prospects.
- If we are unable to attract customers with our technology, respond to fast-changing semiconductor market dynamics or maintain our leadership in product quality, we will become less competitive.
- Overcapacity in the semiconductor industry, including prolonged periods of overcapacity beyond the periodic cyclical periods of overcapacity, could have a material adverse effect on our revenue, earnings and margins.
- If we are unable to compete effectively with other sophisticated players in the highly competitive foundry segment of the semiconductor industry, we may lose customers and our profit margins and earnings may decrease.
- Our competitors and Integrated Device Manufacturers ("IDMs") have commenced or announced expansions and may continue to expand in the United States, Europe and Singapore, which could materially and adversely affect our competitive position.
- The semiconductor industry is capital-intensive and, if we are unable to invest the necessary capital to operate and grow our business, we may not remain competitive.
- We receive subsidies and grants in certain countries and regions in which we operate, and a reduction in the amount of governmental funding available to us, demands for repayment and/or other contractual restrictions related to government grants could increase our costs, affect our results of operations, and limit our flexibility to pursue changes in business strategy or transactions that may increase shareholder value.

- Strong government support in China for their domestic capacity expansion, combined with strained economic relations with that country, could lead to underutilization or significant ASP erosion for our fabrication facilities (“fabs”).
- We may not be able to implement our planned growth and development or maintain the differentiation of our solutions if we are unable to recruit and retain skilled technical personnel, key executives and managers.
- Sales to government entities and highly regulated organizations are subject to a number of challenges and added risks, and our failure to comply with these heightened compliance requirements, or effectively manage these challenges or risks, could impact our operations and financial results.
- We may not achieve all of the expected benefits of strategic optimization efforts undertaken from time to time, which may have a material adverse effect on our business, operations, financial condition and results of operations.

Risks Related to Manufacturing, Operations and Expansion

- If we are unable to manage our capacity and production facilities effectively, our competitiveness may be weakened.
- Our manufacturing processes are highly complex, costly and potentially vulnerable to impurities and other disruptions and cost increases that can significantly increase our costs and delay product shipments to our customers.
- We are subject to risks associated with the development and implementation of new manufacturing technologies.
- Our profit margin may substantially decline if we are unable to continually improve our manufacturing yields, maintain stable shipment utilization or fail to optimize the process technology mix of our wafer production.
- If we are unable to obtain adequate supplies of raw materials in a timely manner and at commercially reasonable prices, our revenue and profitability may decline.
- Failure to adjust our supply chain volume due to changing market conditions or failure to estimate our customers’ demand could adversely affect our sales and/or our gross margin and could result in additional charges for obsolete or excess inventories or non-cancelable purchase commitments.
- Aging infrastructure and power grids and risks to the supply of natural gas, electricity or fresh water could interrupt production.
- The increasing risk of cyberattacks and other data security breaches requires us to incur significant costs to maintain the security of our networks and data, and, in the event of such breaches, may expose us to liability, adversely affect our operations, damage our reputation, and affect our net revenue and profitability, and our efforts to combat breach and misuse of our systems and unauthorized access to our data may not be successful.
- If we are unable to successfully deploy artificial intelligence and machine learning (“AI/ML”) across our products and services and our business operations and adequately anticipate and account for legal, regulatory and social developments in the AI/ML space, we may become less competitive against our peers and we may incur significant costs that do not provide us with commensurate returns.
- Certain of our debt agreements contain covenants that may constrain the operation of our business, and our failure to comply with these covenants could materially and adversely affect our results of operations, financial condition, business and prospects.

Risks Related to Intellectual Property

- Any failure to obtain, maintain, protect or enforce our intellectual property and proprietary rights could impair our ability to protect our proprietary technology and our brand.
- There is a risk that our trade secrets, know-how and other proprietary information will be stolen, used in an unauthorized manner, or compromised, which could materially and adversely affect our results of operations, financial condition, business and prospects.
- The laws of some foreign countries may not be as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights may be inadequate.
- We have been, and may continue to be, subject to intellectual property disputes, which are costly and may subject us to significant liability and increased costs of doing business.
- Our success depends, in part, on our ability to develop and commercialize our technology without infringing, misappropriating or otherwise violating the intellectual property rights of third parties and we may not be aware of such infringements, misappropriations or violations.
- We may be unable to provide technology to our customers if we lose the support of our technology partners.

Risks Related to Strategic Transactions

- We may make strategic transactions, and such transactions may introduce significant risks and uncertainties, including risks related to integrating the acquired companies, assets or businesses.

Political, Regulatory and Legal Risks

- We are subject to governmental export and customs compliance requirements that could impair our ability to compete in international markets or subject us to liability if we violate the controls.
- We have been, and may in the future be, subject to litigation that could result in substantial costs, divert or continue to divert management's attention and resources, and materially and adversely affect our results of operations, financial condition, business and prospects.

Risks Related to Our Status as a Controlled Company and Foreign Private Issuer

- Our majority shareholder, Mubadala Investment Company PJSC ("Mubadala"), will continue to have substantial control over the Company, which could limit our ability to influence the outcome of key transactions, including a change of control, and otherwise affect the prevailing market price of our ordinary shares.
- We are a foreign private issuer and, as a result, are not subject to U.S. proxy rules but are subject to reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. issuer.

Risks Related to Operating as a Public Company

- Our management has identified material weaknesses in our internal control over financial reporting ("ICFR") and has concluded that our ICFR was not effective as of December 31, 2024, which may have a material adverse effect on our results of operations and financial condition for future periods.

Risk Factors

Risks Related to our Business and Industry

General global economic and geopolitical conditions could materially and adversely affect our results of operations, financial condition, business and prospects.

The semiconductor industry relies on a global supply chain and is considered strategically important by major trading countries, including the United States, China, and countries in the European Union ("EU"). Political, economic and financial crises have in the past negatively affected and in the future could negatively affect the semiconductor industry and its end markets. Our business may also be materially affected by the impact of geopolitical tensions and related actions. Recently, there have been political and trade tensions among and between a number of the world's major economies, most notably in our industry between the United States and China, with Taiwan implicated in the tensions, the possible spillover hostilities between Russia and other nearby member nations of the North Atlantic Treaty Organization and, more recently, the tensions in the Middle East, as well as others. These tensions have resulted in the implementation of trade barriers, including the use of economic sanctions and export control restrictions against certain countries and individual companies. For example, since 2022, the United States has been significantly increasing U.S. export controls on semiconductor manufacturing equipment, artificial intelligence and advanced computing products. In 2023, the United States added to the restrictions in all three areas and also worked with Japan and the Netherlands to align on additional restrictions on semiconductor manufacturing equipment. During this time and continuing throughout 2024, the United States has increasingly added Chinese companies to prohibited/entity lists. In response, China has restricted U.S. access to certain minerals and has blocked certain companies that provide products to Taiwan's military from selling products in China. China has imposed tariffs or scrutiny on the importation of foreign chips, particularly in sensitive sectors like telecommunications and national security. In addition, China banned operators of key domestic infrastructure from purchasing products from U.S. memory chip producer Micron Technology, noting that Micron's chips pose "serious network security risks." China has also announced its intention to phase out use of Intel and AMD processors from Chinese government computers and servers. In addition to these national security related measures, China has implemented measures to promote domestic chip production and reduce reliance on foreign technology, including pursuant to initiatives such as the "Made in China 2025" program, by providing significant support to domestic semiconductor companies, including foundries and IDMs. Failure to clear Chinese regulatory hurdles has also caused a number of merger and acquisition transactions to collapse, including the defunct Intel-Tower Semiconductor transaction.

In January 2025, the Commerce Department Bureau of Industry and Security ("BIS") imposed an interim final rule to control the export of items that exceed a specific Total Process Performance that enables artificial intelligence ("AI") and high-performance computing. This places the burden on us as a Trusted Foundry to ensure physical goods, regardless of the ship to location, are appropriately reported to BIS to track potential diversion of semiconductor chips that enable military and surveillance applications in countries like China.

The United States has also imposed significant tariffs on goods from some of our trading partners, and more significant tariffs continue to be threatened, which could impact the Company's business and financial results. In December 2024, the Office of the U.S. Trade Representative initiated another investigation under Section 301 of the Trade Act of 1974 into "China's Targeting of the Semiconductor Industry for Dominance." Depending on the results of this investigation, it is possible that the United States could impose new, significant tariffs on Chinese origin goods, in addition to existing Section 301 tariffs on Chinese origin goods. On February 1, 2025, President Trump also signed executive orders imposing tariffs on almost all Canadian, Mexican and Chinese-origin goods. As it currently stands, general 10% tariffs on Chinese-origin goods went into effect on February 4, 2025, which were subsequently increased to 20% on March 4, 2025. With existing Section 301 tariffs in effect, current rates of special duties on Chinese-origin goods in addition to general rates of duty are up to 70% for certain products. Separately, 25% tariffs on most Mexican and Canadian origin goods went into effect on March 4, 2025, except for goods qualifying for preferential treatment under the U.S.-Mexico-Canada Agreement ("USMCA") which were delayed until April 2, 2025.

Additionally, on February 10, 2025, President Trump issued proclamations imposing and expanding 25% tariffs under Section 232 of the Trade Expansion Act of 1962 on imported steel and aluminum products, including numerous steel and aluminum derivative items, which took effect on March 12, 2025. The derivative tariffs will only impact the aluminum content of the imported item. The proclamations re-imposed Section 232 steel and aluminum tariffs on all countries that previously received exemptions under the prior Section 232 steel and aluminum proclamations. In addition to the actions already taken, the second Trump administration has expressed a strong desire to impose new tariffs, or further increase other existing tariffs, including the imposition of sweeping "reciprocal" tariffs on all countries that impose duties on U.S.-origin goods. The administration has also alluded to further changes in laws or policies governing the terms of foreign trade, and in particular increased trade restrictions, tariffs or taxes on imports from countries where we manufacture products. Various foreign governments, such as those of Canada and China, have already imposed retaliatory tariffs in response to the new actions of the administration. Both countries have threatened further retaliatory tariffs if the administration continues to impose new tariffs, or fails to rescind those already imposed. The new tariffs already introduced, and any further actions taken by the administration or in response to the administration's imposition of tariffs and trade restrictions, could have a material adverse effect on our business and financial results.

The ultimate impact of the announced tariffs or foreign trade related restrictions and any future tariffs will depend on various factors, including the scope of the actions and any retaliatory actions taken by foreign governments to the tariffs. To date, there have been limited exceptions and exclusions from these tariffs. If we cannot find ways to mitigate the potential impacts from these tariffs successfully or in a timely manner, these additional tariffs and policies could have a significant impact on our business and operating results, specifically due to actions imposed on China and any potential tariffs that may be imposed on Europe, where GF has subsidiaries and significant business activities. Although we have historically relied on the benefits afforded under the Information Technology Agreement ("ITA"), which is enforced by the World Trade Organization and eliminates general tariffs on certain information and communication technology products, there is no guarantee that the ITA can be relied upon to obtain duty-free status for products that are otherwise subject to the additional special tariffs proposed by the new U.S. presidential administration. The exact magnitude of any potential impact remains uncertain, as there may be further changes to tariffs and policies and, consequently, potential increased tension between the United States and targeted countries.

Violations of these economic sanctions and export control restrictions, even if unintentional (e.g., due to inadvertent administrative error), can result in significant civil and criminal penalties. Additionally, certain violations, even if unintentional or not reasonably known to us at the time of the violation, have constituted or could in the future constitute a breach of covenants in our debt agreements that could result in an event of default under such agreements, which could significantly negatively impact our liquidity and ability to fund our operations. For example, in 2024 the BIS imposed a civil penalty against the Company in relation to certain inadvertent shipments of legal, mature node products to a firm on the BIS Entity List without a license, in breach of certain BIS regulations. The inadvertent shipments resulted from a data entry error that prevented our trade compliance software from flagging the prohibited shipments. While the resulting penalty was not material in amount, the breach did result in events of default under certain of our debt agreements. Although our lenders agreed to waive the defaults, there is no guarantee that we will always be able to obtain default waivers, and any inability to obtain such default waivers in the future could materially and adversely affect our results of operations, financial condition, business and prospects.

These trade barriers have had a particular impact on the semiconductor industry and related markets. Prolonged or increased use of trade barriers may result in a decrease in the growth of the global economy and semiconductor industry and could cause turmoil in global markets, which in turn often results in declines in our customers' electronic products sales and could decrease demand for our products and services. Also, any increase in the use of economic sanctions, export control restrictions or retaliatory state actions to target certain countries, industries and/or companies could impact our ability to continue supplying products and services to customers and our customers' demand for our products and services, and could disrupt semiconductor supply chains. The ongoing conflict between Russia and Ukraine has created uncertainty regarding supply of materials needed for our operations (including natural gas), particularly in Europe where we have manufacturing operations in Germany and offices in Bulgaria, as well as our customers' potential sales of electronic products and components to customers in Russia. More recently, the conflict between Israel and Hamas and related conflicts in the region have disrupted shipping through the Red Sea, which could cause shipping delays and increase costs for materials needed for our operations. These conflicts have created uncertainty about broader impacts that economic sanctions, export control restrictions and continued geopolitical uncertainty may have on global supply chains and markets generally.

Any current and future systemic political, economic or financial crisis or market volatility, including interest rate fluctuations, inflation or deflation, recession and changes in economic, trade, fiscal and monetary policies in major economies, could cause revenue or profits for us or the semiconductor industry as a whole to decline dramatically. If the economic conditions in the markets in which our customers operate or the financial condition of our customers were to deteriorate, the demand for our products and services may decrease and impairments, write-downs and other accounting charges may be required, which could reduce our operating income and net income (loss). Further, in times of market instability, sufficient external financing, including equity capital, debt financing, customer prepayments and government subsidies, may not be available to us on a timely basis, on commercially reasonable terms or at all. If sufficient external financing is not available when we need such financing to meet our demand-driven capital requirements, we may be forced to curtail expansion, modify plans and delay the deployment of new or differentiated technologies, products, or services until we obtain such financing. Further escalation of trade tensions, the increased use of economic sanctions or export control restrictions or any future global systemic crisis or economic downturn could materially and adversely affect our results of operations, financial condition, business and prospects.

Reductions in demand and ASPs for our customers' end products (e.g., consumer electronics) and prolonged inflationary market environments may decrease demand for our products and services and could materially and adversely affect our results of operations, financial condition, business and prospects.

The substantial majority of our revenue is derived from customers who use our products in intelligent and highly connected devices in markets such as Smart Mobile Devices, Home and Industrial internet of things ("IoT"), Communications Infrastructure & Datacenter, and Automotive. A deterioration or a slowdown in the growth of such end markets, due to, among other things, a potential recession and/or prolonged inflation, resulting in a substantial decrease in the demand for overall global semiconductor foundry services, including our products and services, could adversely affect our revenue and profit margins. Semiconductor manufacturing facilities require substantial investment to construct and are largely fixed-cost assets once they are in operation. Because we own our manufacturing facilities, a significant portion of our operating costs are fixed. In general, these costs do not decline when customer demand or our shipment utilization rate drops, and thus declines in customer demand, among other factors, may significantly decrease our profit margins. Our costs may also increase as a result of, among other things, inflation, which may have a greater impact on our profit margins than ASPs. In the past, there have been periods of sustained decline in ASPs of our customers' end products and applications, and such periods have sometimes coincided with periods of economic volatility, including recessions. A return to historical trends could place downward pressure on the prices of the components, including our products, that go into such end products and applications. If ASPs decline, potentially due to a recession, and our cost reduction programs and actions do not offset the decrease or our costs increase due to inflation or otherwise and are not offset by an increase in ASPs, our results of operations, financial condition, business and prospects may be materially and adversely affected.

The cyclical nature and seasonality of the semiconductor industry and periodic overcapacity make us vulnerable to significant and sometimes prolonged economic downturns.

The semiconductor industry has exhibited cyclicity in the past and, at various times, has experienced downturns from time to time, as a result of global economic conditions as well as industry-specific factors, including inventory corrections, excess capacity, price volatility in raw materials and other inputs, and changes in end-customer preferences. Fluctuations in our customers' demand drive significant variations in order levels for our products and services and can result in volatility in our revenue and earnings. Also, increases in inflation rates or fluctuations in cross border expenses, in the markets in which we operate, as we have experienced in recent years, may affect our business by increasing costs of our manufacturing inputs and by decreasing demand for our customers' products. Increases in inflation rates in the markets in which we operate may lead us to experience higher costs related to labor, energy, water, transportation, research and development, wafer and other raw materials costs from suppliers. Because our business is, and will continue to be, largely dependent on the requirements of both consumer and industrial high-end technology product suppliers for our services, downturns in this broad industry will likely lead to reduced demand for our products and services.

Demand for our customers' end products is affected by seasonal variations in market conditions that contribute to the fluctuations of demand and prices for semiconductor services and products. The seasonal sales trends for semiconductor services and products closely mirror those for automotive, consumer electronics, communication and computer sales. These seasonal variations, and seasonal variation changes that we cannot anticipate, may result in increased volatility in our results of operation and could materially and adversely affect our results of operations, financial condition, business and prospects.

Securing and maintaining design wins, in particular single-sourced awards, and managing our LTAs may present challenges to our business in differing demand environments.

We endeavor to utilize our existing manufacturing capacity and pursue growth beyond our existing capacity via a design funnel to design award process, with the aim of securing as many single-sourced awards through differentiation as possible. We define single-sourced products as those that we believe can only be manufactured with our technology and cannot be manufactured elsewhere without significant customer redesigns. Given the time and costs associated with moving a single-sourced product to a competitor, clients are more likely to continue awarding us single-source contracts for such products. If we are unable to fill the funnel and convert enough opportunities into design wins and ultimately awards due to differentiation, pricing, competition, or any other reasons, there will be a material adverse impact on our financial performance.

Over the last few years, and especially during peak periods of demand when global supply is tight, we were able to sell reserved production capacity through LTAs as opposed to shorter contracts or via more traditional purchase order based contracts. In light of current demand dynamics, our ability to enter into LTAs has diminished, and the focus of our commercial operations has shifted to building a wider funnel of potential customers across a breadth of end markets, aiming to secure more single-sourced design wins.

Notwithstanding this shift in industry dynamics, we continue to have a significant number of existing LTAs, which continue to be an important part of our strategy, for certain longer term, more durable end markets, such as automotive.

Entering into LTAs to secure supply contractually is subject to certain risks, which can be magnified in the case of unpredictable market demand, including: customers defaulting on their obligations to us, which may include significant payment obligations and customers seeking to renegotiate key terms of their contracts, such as pricing and specified volume commitments, in the event market conditions change during the contract term. Against the current backdrop of macroeconomic and geopolitical uncertainty, some customers under LTAs have requested to adjust their demand outlook downward and have sought renegotiation of their LTAs. We have renegotiated a number of LTAs with certain of our customers, as a result of which some of our LTAs now have longer commitment periods over which the customer may purchase the same volume as originally negotiated, and some of our LTAs have lower pricing or volume commitments than originally negotiated. We expect a more limited number of these discussions to continue into 2025 than in the prior year. We also face the risk that we may be unable to extend contracts when they expire and cannot backfill with additional customer demand. If we are unsuccessful in preserving the economic benefits of our existing LTAs in negotiations with our customers and we are unable to backfill that demand with customers through our design awards process, such re-negotiations could lead to a reduction of our revenue and long-term outlook.

We must maintain sufficient capacity or expand our capacity in a timely manner, as well as manage manufacturing risks detailed elsewhere in these "Risk Factors," to meet anticipated customer demand for our products and capacity reservation commitments we have made to our customers. We have entered into multiple LTAs that provide for significant customer commitments in return for capacity reservation commitments from us. If we're unable to meet the capacity reservation commitments, we face the risk of defaulting on our obligations to our customers, which could result in us owing substantial cash penalties to our customers. Capacity reserved for certain customers could also prevent us from securing potentially more profitable business. If we overestimate customer demand or a customer defaults on its contractual obligations to us, we could experience underutilization of capacity at these facilities without a corresponding reduction in fixed costs. Given the breadth of the end markets we serve, these risks are not mutually exclusive and we may experience demands for additional capacity from some customers at the same time other customers are seeking to renegotiate their LTAs.

Our ability to successfully manage our LTAs depends on a variety of factors, including, among other things, our ability to finance our operations, maintain high-quality and efficient manufacturing operations, respond to competitive and regulatory changes, access semiconductor manufacturing equipment or quality raw materials in a cost-effective and timely manner, and retain and attract highly skilled personnel. As a result, we may not realize the anticipated benefits of these contracts.

We depend on a small number of customers for a significant portion of our revenue and any loss of these or our other key customers, including potentially through further customer consolidation, could result in significant declines in our revenue.

We have been largely dependent on a small number of customers for a substantial portion of our revenue. Our ten largest customers in 2024, 2023 and 2022 accounted for approximately 65%, 72% and 70% of our wafer shipment volume, respectively. We expect that a significant portion of our revenue will continue to come from a relatively limited number of customers. We cannot assure you that our revenue generated from these customers, individually or in the aggregate, will reach or exceed historical levels in any future period. Loss or cancellation of business from, significant changes in scheduled deliveries to, or a decrease of products and services sold to, any of these customers could significantly reduce our revenue.

We rely on a complex silicon supply chain and breakdowns in that chain could affect our ability to produce our products and could materially and adversely affect our results of operations, financial condition, business and prospects.

We rely on a small number of suppliers for wafers, which is a key input into our products. In particular, only a limited number of companies in the world are able to produce silicon-on-insulator (“SOI”) wafers. If there is an insufficient supply of wafers, particularly SOI wafers, to satisfy our requirements, we may need to limit or delay our production, which could materially and adversely affect our results of operations, financial condition, business and prospects. If our limited source suppliers and suppliers for wafer preparation were to experience difficulties that affected their manufacturing yields or the quality of the materials they supply to us, it could materially and adversely affect our results of operations, financial condition, business and prospects. In particular, we depend on Soitec S.A. (“Soitec”), our largest supplier of SOI wafers, for the timely provision of wafers in order to meet our production goals and obligations to customers. Soitec supplied 61% of our SOI wafers in 2024. Our supply agreements with Soitec impose mutual obligations, in the form of capacity requirements, minimum purchase requirements and supply share percentages. We may be subject to penalties if we fail to comply with such obligations. In November 2020, we agreed with Soitec on an addendum to our original materials supply agreement to secure supply for 300 millimeter (“mm”) RF SOI, partially depleted SOI and Silicon Photonics (“SiPh”) wafers, which we extended in subsequent years until 2023. In October 2024, we agreed with Soitec on an addendum to our materials supply agreement to secure supply for 300mm RF SOI and FD Products until 2026 and, subject to certain conditions, until 2030. In order to secure attractive pricing, we have undertaken risk purchases of raw wafers ahead of customer demand, risking the build up of excess inventory. If we are unable to obtain 300mm SOI wafers from Soitec for any reason, we expect that it would take us an extended period to find a replacement supplier on commercially acceptable terms. While we are in the process of developing relationships with alternate suppliers, we do not expect to be able to acquire a significant amount of SOI wafers from those suppliers in the near term, and there is no assurance that we will ever be able to do so.

The ability of our suppliers to meet our requirements could be impaired or interrupted by factors beyond their control, such as earthquakes or other natural phenomena, labor strikes or shortages, or political unrest or failure to obtain materials for their suppliers. For example, Soitec is reliant on third-party providers to obtain raw silicon wafers—difficulties in obtaining raw silicon wafers may result in Soitec’s inability to produce SOI wafers. In the event one of our suppliers is unable to deliver products to us or is unwilling to sell materials or components to us, our operations may be adversely affected. Further, financial or other difficulties faced by our suppliers, or significant changes in demand for the components or materials they use in the products they supply to us, could limit the availability of those products, components, or materials to us. Any breakdown of our wafer supply chain could materially and adversely affect our results of operations, financial condition, business and prospects.

If we are unable to attract customers with our technology, respond to fast-changing semiconductor market dynamics or maintain our leadership in product quality, we will become less competitive.

The semiconductor industry and the technologies it brings to market are constantly being created and evolving. We compete by developing process technologies that incorporate increasingly higher performance and advanced features, offering increasing functionality depending upon the customer’s application requirements. If we do not anticipate these changes in technology requirements and fail to rapidly develop new and innovative solutions to meet these demands, we may not be able to provide foundry services on competitive terms with respect to cost, schedule or volume manufacturing capacity. There is a risk that our competitors may successfully adopt new or more differentiated technology before we do, resulting in us losing design wins (including in cases in which we have expended significant resources to pursue design wins) and market share. If we are unable to continue to offer differentiated services and processes on a competitive and timely basis, we may lose customers to competitors providing similar or better technologies.

Some of our customers may alter their process technology roadmaps and adopt single-digit nanometer manufacturing technologies (e.g., 3nm, 5nm, 7nm) faster than their original plans. Some original equipment manufacturers may develop their own in-house application-specific ICs, cut out the fabless GF customer and adopt a different foundry strategy. If this happens and we are unable to offset with additional revenue from existing and new customers in the technology offerings we do provide, our results of operations, financial condition, business and prospects may be materially and adversely affected.

A key differentiator in the marketplace is to significantly reduce the time in which differentiated technology products or services are launched into the market. If we are unable to meet the shorter time-to-market requirements of our customers or fail to impress them with our newer feature sets or differentiated technology solutions or are unable to allocate or develop new production capacity to meet those customers' demands in a timely manner, we risk losing their business and not generating the market adoption needed to pay for our development efforts. These factors have also been intensified by the shift of the global technology market to consumer-driven products and increasing concentration of customers and competition. Further, the increasing complexity of technology also imposes challenges for achieving expected product quality, cost and time-to-market expectations. If we fail to maintain quality, it may result in loss of revenue and additional cost, as well as loss of business or customer trust. If we are unable to meet the expected production yields of a new technology, we will not be able to meet the expected costs of that technology. In addition, the market prices for technology and services tend to fall over time, except in times of extreme supply shortage. As a result, if we are unable to offer new differentiated services and processes on a competitive and timely basis, we may need to decrease the prices that we set for our existing services and processes. If we are unable to innovate new and differentiated technologies and bring them to a cost-competitive volume manufacturing scale that meets the demand of our customers, we may become less competitive and our revenue and margins may decline significantly.

External risks also exist that can impact our position as a technology leader. Differentiated technology offerings may rely upon unique or specialized materials as compared to our competitors, including specialized wafers upon which some of our technologies are currently manufactured, raw materials for wafer fabrication, and materials used in the packaging of ICs to enable them to be used in the end products. A disruption in the availability or quality of these raw materials, as well as a significant increase in the price of these new or unique materials during technology development can have a variety of negative impacts. These impacts include increased time-to-market, decreased quality of finished goods or increased cost of finished goods in the marketplace. Similarly, our technology roadmap relies on externally sourced design tools and component circuit designs that allow our end customers to more readily realize their products in our technologies, and disruption or delays in our ability to obtain those resources may impair our ability to compete effectively and serve our customers.

The rapidly changing nature of advanced semiconductor technology can also culminate in the emergence of highly disruptive or unconventional technologies and new disruptive solutions using existing technologies, which can create a rapid inflection point leaving those on a conventional technology roadmap path at a significant disadvantage and unprepared to react in a timely manner.

Overcapacity in the semiconductor industry, including prolonged periods of overcapacity beyond the periodic cyclical periods of overcapacity, could have a material adverse effect on our revenue, earnings and margins.

The prices that we can charge our customers for manufacturing services are significantly related to the overall worldwide supply of integrated circuits ("ICs") and semiconductor products. The overall supply of semiconductors is based in part on the capacity of other companies, which is outside of our control. For example, we and some other companies, including IDMs and competitors with access to material government support, have announced plans to increase capacity expenditures. As IDMs expand internal capacity to service internal production needs, the demand from those companies for foundry services from us and other pure-play foundries may be negatively impacted as they service a higher percentage or all of their production requirements. In addition, the increased capacity and internal production, especially for prolonged periods, may allow those IDMs to more effectively compete with pure-play foundry customers in certain markets, including our customers, resulting in lower demand for pure-play foundry services in markets we serve. For example, as an IDM adds internal capacity, if it is successful in securing market share from competitors that utilize pure-play foundry services, the overall market we serve could be negatively impacted, which could result in a material and adverse effect to our results of operations, financial condition, business and prospects.

In addition, in periods of industry overcapacity, the Company may have aged construction in progress due to equipment that may not be installed until customer demand recovers. Accordingly, the Company faces the risk of potential future impairment if demand does not recover in a timely manner. In the fourth quarter 2024, GF recorded a \$935 million impairment charge on the long-lived assets relating to legacy investments in production capacity at its facility in Malta, New York. See also [Note 3. Summary of Material Accounting Policies](#) and [Note 8. Property, Plant and Equipment](#) to our Annual Consolidated Financial Statements.

Additionally, some nations, including China, are investing heavily in developing additional domestic capacity for semiconductor fabrication. Starting in 2022, the U.S. implemented export controls that are intended to, among other things, prevent Chinese expansion with respect to certain semiconductor process technologies (e.g., 14/16nm FinFET and smaller technology nodes). Following the implementation of those controls, the Chinese semiconductor industry, with significant government support, has accelerated building its own foundry capacity, and shifted to focus domestic manufacturing on mature nodes (i.e., 22/28nm and larger technology nodes). China's foundry capacity is expected to grow faster than expected demand at those nodes. This projected oversupply of capacity, if carried out as planned, will increase the industry-wide capacity and could result in long-term overcapacity in the future, including in key end markets in which we operate.

In periods of overcapacity, if we are unable to offset the adverse effects of overcapacity through, among other things, our technology and product mix, we may have to lower the prices we charge our customers for our products and services and/or our average cost per wafer could increase given the high fixed cost nature of our industry. Such actions could reduce our margin and profitability and weaken our financial condition and results of operations. We cannot give any assurance that an increase in the demand for foundry services in the immediate and short-term will not lead to overcapacity in the future, which could materially and adversely affect our results of operations, financial condition, business and prospects.

If we are unable to compete effectively with other sophisticated players in the highly competitive foundry segment of the semiconductor industry, we may lose customers and our profit margins and earnings may decrease.

We believe the foundry market is comprised of five major foundries (including four scaled pure-play foundries) that accounted for the vast majority of worldwide foundry revenue in 2024. We define a scaled pure-play foundry as a company that focuses on producing ICs for other companies, rather than those of its own design, with more than \$3 billion of annual foundry revenue. Taiwan Semiconductor Manufacturing Company, Limited (“TSMC”) at \$90 billion of revenue in 2024 accounted for more than 50% of the total market. Other key competitors include SMIC and United Microelectronics Corporation. We also compete with the foundry operation services of some IDMs, such as Samsung Electronics Co., Ltd. (“Samsung”) and, more recently, Intel. IDMs principally manufacture and sell their own proprietary semiconductor products but may also offer foundry services. Other smaller dedicated foundry competitors include HuaHong Group, X-FAB Silicon Foundries, Tower Semiconductor Ltd., Vanguard International Semiconductor Corporation, and Powerchip Semiconductor Manufacturing Corporation. Some of our competitors may offer more advanced or differentiated technologies than we do and some have greater access to capital and substantially greater production capacity, research and development (“R&D”), marketing and other resources, including access to government subsidies and economic stimulus (including protective demand-side measures), than we do. As a result, these companies may be able to compete more aggressively over a longer period of time than we can.

The principal elements of competition in the wafer foundry market include:

- scale and the ability to access capital, whether public or private, to fund future growth;
- capacity utilization;
- technical competence, including internal and access to external design enablement capabilities;
- technology leadership and differentiation, coupled with a strong patent portfolio;
- price;
- cost management;
- time-to-volume production and cycle time;
- time-to-market;
- investment in R&D and related quality of results;
- manufacturing yields;
- optimization of the technology mix of wafer production at particular process technology nodes;
- design/technology interaction and resulting chip reliability;
- customer service and design support;
- management expertise and core engineering/technical talent;
- the ability to access integration of advanced packaging solutions; and
- strategic alliances in both the private and public sectors and geographic diversification.

We may fail to compete successfully in any one or more of these elements, any or all of which could impair our business performance and our ability to scale our operations in a way that adequately responds to our long-term strategy.

Our ability to compete successfully also depends on factors partially outside of our control, including component supply, intellectual property, including cell libraries that our customers embed in their product designs, and industry and general economic trends.

Our competitors and IDMs have commenced or announced expansions and may continue to expand in the United States, Europe and Singapore, which could materially and adversely affect our competitive position.

TSMC, Samsung, Intel, Texas Instruments, Inc. ("Texas Instruments") and others have commenced construction or initiated plans to develop new fabs and substantially increase their manufacturing capacity in the United States, and other competitors may seek to do likewise. Similarly, our competitors are developing or seeking to develop new fabs in Europe and Singapore (including TSMC and UMC, which have commenced construction in Dresden, Germany, and Singapore, respectively) and substantially increase their manufacturing capacity. Such expansions may increase the attractiveness of our competitors to customers who wish to utilize fabs located in the United States or Europe, use geographically dispersed suppliers or mitigate risks posed by geopolitical tensions and export controls. Further, it may lead to increased competition for funding and talent in those jurisdictions. This increased competition could materially and adversely affect our results of operations, financial condition, business and prospects.

The semiconductor industry is capital-intensive and, if we are unable to invest the necessary capital to operate and grow our business, we may not remain competitive.

To remain competitive and comply with evolving regulatory requirements, we must constantly improve our facilities and process technologies and carry out extensive R&D, each of which requires investment of significant amounts of capital. The costs of manufacturing facilities and semiconductor manufacturing equipment continue to rise and because we operate primarily in countries with higher labor and overhead costs relative to many of our competitors, we are exposed to higher costs than some of our peers. Our actual expenditures may exceed our planned spend due to global economic and industry-wide equipment or material price increases during the long lead time to build capacity. Given the fixed-cost nature of our business, we have in the past incurred, and may in the future incur, operating losses if our revenue and planned cost reductions do not adequately offset the impact of our capital expenditures and the cost of financing these expenditures.

We invest significantly in R&D, and to the extent our R&D efforts are unsuccessful, our competitive position may be harmed and we may not be able to realize a return on our investments. To compete successfully, we must maintain a successful R&D effort, develop new product technologies, features and manufacturing processes, and improve our existing products and services, technologies and processes. Our R&D efforts may not deliver the benefits we anticipate. To the extent we do not timely introduce new technologies and features relative to competitors, we could face cost, product performance, and time-to-market disadvantages, which could materially and adversely affect our results of operations, financial condition, business and prospects.

Financing, including equity capital, debt financing, customer co-investments and government subsidies, may not be available on commercially acceptable terms or at all. Any additional debt financing we may undertake could require debt service and financial and operational requirements that could adversely affect our business. If we are unable to generate sufficient cash or raise sufficient capital to meet both our debt service and capital investment requirements, or if we are unable to raise required capital on favorable terms when needed, we may be forced to curtail revenue expansion plans or delay capital investment, which could materially and adversely affect our results of operations, financial condition, business and prospects.

Subject to market requirements and customer demand as well as receipt of expected government funding, among other factors, GF plans to invest more than \$12 billion over the next 10 or more years across our Fab 8 facility and our Fab 9 facility. While GF intends to begin work as soon as reasonably possible, there is no guarantee at this time as to when GF will be able to start work and how (or to what degree) the total \$12 billion investment will be allocated to each year over the next 10 or more years (or that the total amount actually invested will be \$12 billion or more). GF intends to execute such investments through public-private partnerships with support from the federal and state governments as well as from its ecosystem partners, including anticipated key strategic customers, but such plans are subject to GF receiving such support in the manner and on the timelines expected, and may be subject to change. There can be no assurance these projects will not be delayed or otherwise impacted if we are unable to secure the funding we expect. In the event we have invested a substantial portion of our expected \$12 billion into these projects and we are not able to receive the governmental funding described above (or if they seek to recover any subsidies or grants from us), these projects may be indefinitely delayed until we can secure sufficient funding to complete them, and we may not see returns on our \$12 billion investment until we do. See the following Risk Factor for more details.

We receive subsidies and grants in certain countries and regions in which we operate, and a reduction in the amount of governmental funding available to us, demands for repayment and/or other contractual restrictions related to government grants could increase our costs, affect our results of operations, and limit our flexibility to pursue changes in business strategy or transactions that may increase shareholder value.

As is the case with other large semiconductor companies, we receive subsidies and grants from governments in certain countries and regions in which we operate. In response to increased geopolitical tensions, national security and supply chain concerns, the United States and the European Union have implemented new semiconductor industry incentive programs. For example, the United States enacted the Creating Helpful Incentives to Produce Semiconductors for America and Science Act of 2022 (the “CHIPS and Science Act”) and the European Union approved the European Chips Act in 2023 (see also [Note 3. Summary of Material Accounting Policies](#) to our Annual Consolidated Financial Statements). These programs represent potentially significant new sources of government funding for capital and R&D investment for our industry, that we and various participants in our industry hope to benefit from. The CHIPS and Science Act provided for a 25% investment tax refund and appropriated \$52 billion in grants to support the domestic semiconductor industry, of which \$39 billion was earmarked for manufacturing capacity expansion. The EU has enacted the European Chips Act, which is intended to provide, through its member states, significant funding to strengthen the EU’s semiconductor industry. Historically, we have benefited from these kinds of government programs (albeit to a lesser extent than others in our industry), and we intend to continue to benefit from government programs to help fund our expansion efforts.

Starting in 2023, GF began benefiting from the CHIPS and Science Act, and has sought a refund for the advanced manufacturing investment tax credit under Internal Revenue Code Section 48D on its 2023 U.S. federal income tax return, and GF anticipates continuing to benefit from this law going forward, which should help subsidize 25% of all capital investment made by us in the U.S., at our Fab 8 and Fab 9 facilities, in the States of New York and Vermont, respectively.

In November 2024, the Company entered into a direct funding agreement (the “Direct Funding Agreement”) with the U.S. Department of Commerce for up to \$1.5 billion in planned direct funding of Company projects in Malta, New York, and Burlington, Vermont, under the CHIPS and Science Act. These projects will enable us to expand and create new manufacturing capacity and capabilities to securely produce more essential chips for automotive, IoT, aerospace, defense, and other vital markets. The proposed funding will support three GF projects: expansion of our existing Fab 8 facility, construction of a new state-of-art fab on the Fab 8 campus, and modernization of our Fab 9 facility in Burlington, Vermont. The Direct Funding Agreement contains detailed milestones we must achieve in order to receive funds, including with respect to, among others, capital expenditures, process technology development or process transfer and facility completion. It also contains restrictions with respect to certain “change of control” transactions, expansion of manufacturing capacity in certain countries, joint research or technology licensing in certain countries, as well as dividends and share repurchases. In support of the two Fab 8 projects, the State of New York also announced that it intends to provide \$575 million in planned direct funding.

In January 2025, an additional \$75 million was added to the Direct Funding Agreement to support GF’s plans to create a new center for advanced packaging and testing of essential chips in Malta, New York. The State of New York intends to provide up to \$20 million in new support for the new center.

We may be unable to secure this or other government funding at the levels we expect or at all, and the availability of government funding is outside our control. Moreover, should we terminate or fail to commence any activities or operations, fail to comply with contractual restrictions, or fail to achieve milestones related to government funds that we receive or upon which government funds have been conditioned, or should the government’s objectives with respect to government funding of semiconductor manufacturing change, we may face adverse consequences. In particular, government agencies could seek to recover subsidies or grants from us, seek repayment of loans or grants, could cancel, reduce or deny our requests for future subsidies or grants, or otherwise seek to modify the conditions for our receipt of anticipated subsidies or grants. This could materially and adversely affect our results of operations, financial condition, business and prospects, limit our flexibility to pursue changes in business strategy or enter into certain transactions favorable to our shareholders.

Strong government support in China for their domestic capacity expansion, combined with strained economic relations with that country, could lead to underutilization or significant ASP erosion for our fabs.

The Chinese government has invested heavily in its indigenous semiconductor manufacturing, and has continued to promote the expansion of fabrication capacity for semiconductors. This has contributed to and may continue to lead to overcapacity and increased competition, in particular in the current and legacy node market. China's decision to build capacity for China, to be sourced primarily from indigenous suppliers, will likely have the dual effect of limiting the Chinese market for other global suppliers like us and significantly increasing the competition we face globally. We have a material amount of direct business in China, and if we cannot adequately compete with Chinese semiconductor manufacturers, our market share in China could be impacted, which could result in a material impact to our business and financial performance. The United States has implemented export controls that are intended to, among other things, prevent Chinese expansion with respect to certain semiconductor process technologies (i.e., 16nm/14nm FinFET and smaller technology nodes). Following the implementation of those controls, the Chinese semiconductor industry, with significant government support, has accelerated building its own foundry capacity, and shifted to focus domestic manufacturing on mature nodes (i.e., 28nm and larger technology nodes), and China's foundry capacity is expected to grow faster than expected demand at those nodes. This projected oversupply of capacity, if carried out as planned, will increase the industry-wide capacity and could result in overcapacity in the future and our business performance and financial results may be materially impacted. Further, the business we do around the world outside of China, in markets in which Chinese semiconductor manufacturers are our direct competitors, also represents a significant portion of our business. If we are unable to keep up with competition from such Chinese manufacturers, our market share in jurisdictions outside of China could also be impacted as they work to saturate the market, which could materially impact our business and financial performance.

Further, there can be no assurance that the tightening of export controls and other countermeasures (e.g., tariffs) established by the U.S. government and other governments will meaningfully limit China's semiconductor manufacturing supply to current or mature nodes in the long term. To the extent any such measures are put in place, not only may they be ineffective, but may also heighten the potential risk to our business of retaliatory measures. See "[Item 3. Key Information](#)—D. Risk Factors—Risk Factors—Risks Related to our Business and Industry—Global economic and geopolitical conditions could materially and adversely affect our results of operations, financial condition, business and prospects." Any changes or further developments (many of which would be outside our control and ability to adequately predict with any certainty) may make it more difficult for us to retain existing and obtain new customers, may result in material reductions in ASPs, and may have material impacts on our business operations, financial performance, and strategy.

We may not be able to implement our planned growth and development or maintain the differentiation of our solutions if we are unable to recruit and retain skilled technical personnel, key executives and managers.

We rely on the continued services and contributions of our skilled technical and professional personnel and management team as we continually update and advance our technologies offerings to attract additional business from new and existing customers. In this industry, the competitive pressures to find and retain the most talented personnel are intense and constant. The sources for highly skilled talent in the industry are often well-known and pursued by competitors for talent, including IDMs. With the rapid pace of technological and business change, we must have the right mix of skilled workers at all times, which requires constant attention to our employees' skill-set and providing adequate training and other educational opportunities to both allow for growth and advancement of our highly educated workforce. Our business could suffer if we are unable to fulfill and sustain resource requirements with qualified individuals in required positions globally. Fulfilling new resource needs on a timely basis continues to be a challenge in this highly competitive market for semiconductor talent. Competition for talent is particularly high both in locations where we and our competitors have operations and in locations where our competition is hiring in anticipation of planned expansion. Competition for talent exists in all of our operating regions, at all levels, emphasizing the importance of strong employee retention, and if we fail to attract and retain highly skilled talent or provide adequate opportunities for further training and professional development, our business and results of operations could be materially adversely impacted.

Sales to government entities and highly regulated organizations are subject to a number of challenges and added risks, and our failure to comply with these heightened compliance requirements, or effectively manage these challenges or risks, could impact our operations and financial results.

We currently sell to the U.S. federal government and to customers in highly regulated industries, and may sell to state and local governments and to foreign governmental agency customers in the future. Sales to such entities are subject to a number of compliance challenges and risks, including regarding access to and required protection of classified information. Failure to comply with our Foreign Ownership, Control or Influence agreements could lead to a loss of our security clearance and, therefore, certain government business and reputational harm. Selling to governmental and highly regulated entities can be highly competitive, expensive and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. Government contracting requirements may change and in doing so restrict our ability to sell into the government sector until we have attained any revised necessary certification or authorization. Government demand and payment for our products and services are affected by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for our products and services. Such sales are made more difficult by the fact that many of our product design and life cycles are very long, compared to public fiscal budget calendars.

Further, governmental and highly regulated entities may demand contract terms that differ from our standard commercial arrangements, and those contract terms may be in some respects less favorable than terms agreed to by private sector customers. Governments routinely retain certain rights to IP developed in connection with government contracts. Such entities may have statutory, contractual or other legal rights to terminate contracts with us or our partners for convenience or for other reasons that are out of our control or influence. Any such terminations, or other adverse actions, may materially adversely affect our ability to contract with other government customers, as well as our reputation, results of operations, financial condition, business and prospects. In addition, our U.S. government contracts obligate us to comply with various cybersecurity requirements. These requirements include ongoing investment in systems, policies and personnel, and we expect these requirements to continue to impact our business in the future by increasing our legal, operational and compliance costs.

Certain of our government contracts require us to notify the applicable governmental agency and discuss options with the governmental agency before making certain potential transfers of intellectual property developed under those contracts, and certain of our government contracts impose specific limitations on our use and licensing of certain of our intellectual property. Additionally, production of sensitive, export-controlled products for governmental and highly regulated entities requires adherence to strict export and security controls. In the event of a breach or other security event involving one of these products, which may be unintentional, we have been and may in the future be subject to investigations to determine the extent and impact to such products, regulatory proceedings, litigation, mitigation and other actions, as well as penalties, fines, increased insurance premiums, indemnification expenditures and administrative, civil and criminal liabilities, breach of covenants under our existing debt agreements, and reputational harm, each of which could negatively impact operations for multiple products and future business, cause production and sales delays and materially and adversely affect our results of operations, financial condition, business and prospects.

Additionally, recently proposed policy changes due to the change in the U.S. presidential administration could shift the requirements of government procurement policies. The increase of trade restrictions as well as concerns related to the implementation of tariffs may negatively impact sourcing decisions or customer demand, which could significantly impact our financial performance.

We may not achieve all of the expected benefits of strategic optimization efforts undertaken from time to time, which may have a material adverse effect on our business, operations, financial condition and results of operations.

In order to achieve maximum efficiency in our business processes, we are continually realigning our business and strategic priorities and from time to time we engage in strategic optimization efforts. These global efforts may include, but are not limited to, driving a high-performance culture through vigorous performance management, reevaluating partnerships and resources such as leased workspaces and engagement of consultants for strategic support, and dynamic analysis of organizational structure, labor costs, and the number of full-time employees.

During the ongoing implementation of our strategic optimization efforts, it is possible that we may not be able to maintain all the cost savings and benefits that are anticipated in connection with such efforts, and they may present a number of significant risks, including:

- actual or perceived disruption of our manufacturing and/or delivery processes;
- inadvertent triggering of mass layoff obligations, such as under federal or state Worker Adjustment and Retraining Notification (“WARN”) provisions;
- failure to meet terms and conditions of government grants or funding, such as net jobs creation targets;
- potential adverse effects on our internal control environment and inability to preserve adequate internal controls relating to our general and administrative functions in connection with the decision to outsource certain business service activities;
- actual or perceived disruption to distribution networks and other important operational relationships and the inability to resolve potential conflicts in a timely manner;
- potential difficulty in or failure of meeting our financial or production targets;
- diversion of management attention from ongoing business activities and strategic objectives; and
- failure to maintain employee morale and retain key employees.

Because of these and other factors, we may not fully realize the purpose and anticipated operational benefits or cost savings of any productivity actions and, if we do not, it may have a material adverse effect on our business, operations, financial condition and results of operations.

We may be exposed to liabilities if it is determined that our compensation arrangements do not comply with, or are not exempt from, Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

Section 409A ("Section 409A") of the Code, sets forth the rules governing non-qualified deferred compensation arrangements. Section 409A contains many technical, complicated and ambiguous rules and regulations, including proposed but not yet finalized regulations that do not currently have the force of law, making compliance with Section 409A difficult to assess and to ensure. While we have attempted to structure our compensation arrangements (including our equity incentive awards) so that they either comply with, or are exempt from, Section 409A, it is possible that some of these compensation arrangements are not so exempt or compliant. In some instances, we have determined that amendments to certain of our compensation arrangements were advisable in order to mitigate or eliminate potential Section 409A non-compliance risk, though there can be no assurance that such amendments will mitigate or eliminate any such risk. If it is determined that any of our compensation arrangements are neither compliant with, nor exempt from, Section 409A, we may be subject to significant liabilities and costs, including penalties for failing to properly report deferred compensation arrangements under Section 409A and to withhold taxes payable by our service providers, including our employees, and we may be required to pay to the applicable governmental authorities the amount of taxes we should have withheld and related interest and penalties. In addition, those of our service providers, including our employees, participating in such arrangements may experience significant adverse tax consequences under Section 409A, including a 20% federal penalty tax imposed on the amount of compensation involved (and, as applicable, similar excise taxes under state law or foreign law). These liabilities may be significant and the imposition of such liabilities may materially affect our employee relations. In addition, in the event any such liabilities were imposed on our service providers, including our employees, we could decide to take remedial action, including making cash payments to adversely affected service providers, including our employees. Any amounts so paid by us could materially and adversely affect our results of operations, financial condition, business and prospects.

Improper disclosure of confidential information could negatively impact our business.

In the ordinary course of our business, we maintain sensitive data on our networks, including our and our customers' intellectual property and proprietary or confidential business information relating to our business and that of our customers and business partners. In addition, we regularly enter into confidentiality obligations with our customers, suppliers and parties that we license intellectual property to or from. The secure maintenance of this information is critical to our business and reputation. We have put in place policies, procedures and technological safeguards designed to protect the security of this information. However, we cannot guarantee that this information will not be improperly disclosed or accessed. Disclosure of this information could harm our reputation, subject us to liability under our contracts and harm our relationships with key counterparties, including our customers, which could materially and adversely affect our results of operations, financial condition, business and prospects.

Any outbreak of contagious disease could materially and adversely affect our results of operations, financial condition, business and prospects.

Any outbreak of contagious disease may disrupt our ability to adequately staff our business and may generally disrupt our operations and cause significant fluctuations in demand for our products and services, which could in turn cause uncertainty for our capacity planning, production delays and reduced workforce availability. Generalized outbreaks of contagious diseases may slow economic growth, including in regions of the world where we, our customers and suppliers operate, and can negatively impact the global supply chain, market and economies. We have significant operations in the United States, Europe, and Singapore, including supply chain and manufacturing facilities and sales and marketing channels and information technology ("IT") design and other support services in these regions as well as in other countries, including Japan, India, Taiwan and China.

Risks Related to Manufacturing, Operations and Expansion

If we are unable to manage our capacity and production facilities effectively, our competitiveness may be weakened.

We perform long-term market demand forecasts for our products to manage, and plan for, our overall capacity. Because market conditions are dynamic, our market demand forecasts may change significantly, or prove to be inaccurate, at any time. During periods of decreased demand, certain manufacturing lines or tools in some of our manufacturing facilities may be idled or shut down temporarily, to save costs while preserving capacity. However, if subsequent demand increases rapidly, we may not be able to restore the capacity in a timely manner to take advantage of the upturn. In light of long-term market demand forecasts, we have been adding capacity to meet market needs for our products. In order to respond to expected orders, or to assure sufficient line loading for planned process or yield learning, we may initiate "risk starts" in anticipation of actual orders. This could result in periodically increased inventory costs and/or obsolescence costs if those expected orders do not materialize.

In some instances, we may increase or otherwise manage capacity by transferring technologies from one location to another. Expansion of our capacity will increase our costs. For example, we will need to purchase additional equipment, and hire and train additional personnel to operate the new equipment. In case of a technology transfer, we may also need to source new tooling and materials, train personnel to learn and stabilize new processes and, depending on the technology, obtain government approval for such transfer. If demand does not increase as planned, expansion is delayed or we fail to successfully transfer a technology as planned, we may not increase our net revenue accordingly, which could materially and adversely affect our results of operations, financial condition, business and prospects.

Because we own and operate high-tech manufacturing facilities, our operations have high costs that are fixed or difficult to reduce in the short term, including our costs related to utilization of existing facilities, facility construction and equipment, R&D, and the employment and training of a highly skilled workforce. Additionally, in the past we concentrated and, in the future may concentrate, some of our fabs on certain technologies and/or products. However, this strategy exposes us to the risk that our operations, including our utilization rate for entire fabs, may be severely impacted if there is a sudden or prolonged downturn in demand for those technologies and/or products, particularly if we are unable to predict such downturn sufficiently in advance to pivot our operations. See [Notes 3. Summary of Material Accounting Policies](#) and [8. Property, Plant and Equipment](#) to our Annual Consolidated Financial Statements. Additionally, we may struggle to diversify the technologies and/or products of some of our fabs in a cost-effective and timely manner. To the extent demand decreases, capacity does not increase in time to meet demand or we fail to forecast demand accurately, we could be required to write off inventory or record underutilization charges, which would lower our gross margin. To the extent any demand decrease is prolonged, our manufacturing capacity could be underutilized, and we may be required to write down our long-lived assets, which would increase our expenses. In addition, deployment of capital for new capacity projects occurs prior to full factory utilization. Consequently, increases in depreciation could be misaligned with planned revenue growth until the factory achieves full utilization, which could materially and adversely affect our operations and financial results. We may also be required to shorten the useful life of under-used facilities and equipment and accelerate depreciation.

Our manufacturing processes are highly complex, costly and potentially vulnerable to impurities and other disruptions and cost increases that can significantly increase our costs and delay product shipments to our customers.

Our semiconductor manufacturing processes are highly complex, require advanced and costly equipment, are difficult to transfer and are continuously being modified to improve manufacturing yields and product performance intended to improve or protect our ability to achieve our revenue and profit plan. Disruptions in manufacturing operations could be caused by numerous issues including impurities in our raw materials (such as chemicals, gases and wafers), supply chain changes to support expansion plans, facilities issues (such as electrical power and water outages), equipment failures (such as performance issues or defects) or IT issues (such as down computer systems and viruses). Any of these issues, and others, could lower production yields or interrupt manufacturing, which could result in the loss of products in process that could cause delivery delays, reduced revenue, increased cost or reduced quality delivered to our customers. These factors could significantly affect our financial results as well as our ability to attract new and retain existing customers.

In the past, we have encountered, among other issues:

- capacity constraints due to changes in product mix or the delayed delivery of equipment critical to our production;
- construction delays during expansions of our clean rooms and other facilities;
- difficulties in upgrading or expanding existing facilities;
- failure of Manufacturing Execution Systems or automatic transportation systems;
- unexpected breakdowns in manufacturing equipment and/or related facilities;
- disruptions in connection with changing, transferring or upgrading our process technologies;
- electrical power outages and disruptions;
- raw materials shortages and impurities; and
- delays in delivery or shortages of spare parts used in the maintenance of our equipment.

If the above issues recur or we face similar challenges in the future, we may suffer delays in our ability to deliver our products, which could have a material and adverse effect on our results of operations, financial condition, business and prospects. In addition, we cannot guarantee that we will be able to increase our manufacturing capacity and efficiency in the future to the same extent as in the past. If the above issues recur or we face similar challenges in the future, our ability to expand or ramp production as planned may be delayed. Additionally, if we are unable to offset increases in the costs of key inputs to fabs (including raw materials, electric power and water) through cost reduction programs, the cost increases could materially and adversely affect our results of operations, financial condition, business and prospects.

We are subject to risks associated with the development and implementation of new manufacturing technologies.

Production of ICs is a complex process. We are continually engaged in the development of new manufacturing process technologies and features. Forecasting our progress and schedule for developing new process technologies and features is challenging, and at times we encounter unexpected delays due to the complexity of interactions among steps in the manufacturing process, challenges in using new materials, and other issues. We may expend substantial resources on developing new technologies that are ultimately not successful, or on existing technologies that are then determined to no longer be in line with our long-term business strategy, which may result in our recognizing significant impairment charges. Diagnosing defects in our manufacturing processes often takes a long time, as manufacturing throughput times can delay our receipt of data about defects and the effectiveness of fixes. We are not always successful or efficient in developing or implementing new technologies and manufacturing processes.

Our profit margin may substantially decline if we are unable to continually improve our manufacturing yields, maintain stable shipment utilization or fail to optimize the process technology mix of our wafer production.

Our ability to maintain our profit margin depends, in part, on our ability to:

- maintain stable shipment utilization;
- maintain or improve our production yields; and
- optimize the technology mix of our production by increasing the number of wafers manufactured by utilizing different processing technologies.

Our shipment utilization affects our operating results because a large percentage of our operating costs is fixed. Our manufacturing yields directly affect our ability to attract and retain customers, as well as the prices of our services. Different technologies load the available capacity differently, and an increase of lower margin product demand could lower the financial performance of a factory while still fully utilizing the available capacity. If we are unable to continuously maintain high capacity utilization, improve our manufacturing yields or optimize the technology mix of our wafer production, our profit margin may substantially decline.

Our manufacturing processes are highly complex, require advanced and costly equipment and are continuously being modified in an effort to improve yields, product performance or productivity. Minute impurities or other difficulties in the manufacturing process can lower yields. Further, at the beginning of each semiconductor technological upgrade, the manufacturing yield utilizing the new technology may be lower than the yield under current technology. Our manufacturing efficiency is an important factor in our profitability, and there can be no assurance that we will be able to maintain our manufacturing efficiency or increase manufacturing efficiency to the same extent as our competitors.

We may experience manufacturing problems in achieving acceptable yields or experience product delivery delays in the future as a result of, among other things, capacity constraints, upgrading or expanding our existing facilities, transferring technologies between our sites or introducing new manufacturing materials (e.g., Gallium Nitride ("GaN")).

If we are unable to obtain adequate supplies of raw materials in a timely manner and at commercially reasonable prices, our revenue and profitability may decline.

Our production operations require that we obtain adequate supplies of raw materials, such as silicon wafers, gases, chemicals and photoresist, on a timely basis and at commercially reasonable prices, many of which are not commodities easily replaced with substitutions. In the past, shortages in the supply of some materials, whether by specific vendors or by the industry generally, have resulted in occasional industry-wide price adjustments and delivery delays. Moreover, major natural disasters, trade barriers and political or economic turmoil occurring within the country of origin of such raw materials may also significantly disrupt the availability of such raw materials or increase their prices. Further, since we procure some of our raw materials from sole-sourced suppliers, including raw materials that are significant to our production operations, there is a risk that our need for such raw materials may not be met or that back-up supplies may not be readily available. In addition, escalating trade tensions between the United States and China, as well as the conflict in Ukraine, have resulted in, and could further exacerbate, substantial price volatility and reduced availability of raw materials, including rare earth metals and natural gas used in our products or in our production operations. Similar price volatility risks may be presented by the conflict in Israel and its potential expansion. Tariffs, including those imposed by the new U.S. presidential administration on imports from China, Mexico and Canada, the global 25% tariff on steel and aluminum imports and the retaliatory tariffs imposed by other countries, sanctions, export controls, other non-tariff barriers, and other measures undertaken by state actors due to global or local economic conditions could also affect material cost and availability. If the availability of such raw materials is disrupted, manufacturing lines may be stopped or significantly disrupted, impacting our supply chain, which could materially and adversely affect our results of operations. From time to time, including recently, we are advised of shortages of raw materials that could impact our operations. We currently are seeking, and in the future will continue to seek, alternative suppliers and substitute materials and work closely with our existing vendors to support their efforts to provide us with uninterrupted supply. Failure to obtain adequate supplies could result in our being unable to meet commitments under our contracts with customers, which could expose us to substantial liquidated damages and other claims, which could materially and adversely affect our results of operations, financial condition, business and prospects. Further, in order to assure supply and control costs, GF may enter into long-term supply agreements that cause us to rely on customer demand meeting expectations in order for us to meet our contractual commitments and achieve expected financial results.

For some supplies and raw materials, we have, and may in the future, enter into long-term agreements with minimum purchase agreements. Due to the perishable nature of some of these supplies and materials, and the possibility of delayed customer orders, we may negatively impact our costs in a given period or increase our obsolescence charges, impacting our profitability.

If we are unable to obtain adequate supplies of energy at commercially reasonable prices our profitability may decline.

Certain energy products (e.g., electricity, natural gas, petroleum) and water, necessary for our production operations, have recently experienced and may continue to experience substantial price volatility, including related to shortages or political or economic instability, in regions where we operate our fabs. We have recently experienced and may continue to experience increases in electricity costs, particularly in Dresden, Germany and Singapore. Electricity costs may fluctuate as a result of various factors. For example, climate change is increasing governmental regulation, which could impact costs. In Vermont, all industries are now required to seek renewable sources of energy, which may result in increased costs to secure supply suitable for the sensitive equipment our production facilities require. Additionally, the conflict in Israel, especially if it expands throughout the Middle East, may result in substantial volatility of oil prices, which could impact all our sites worldwide. Hedging transactions for many of these materials and other inputs are not always available to us, or are not always available on terms we believe are commercially acceptable. Hedges that we enter into with respect to certain inputs, such as electricity, oil, or alternative energy supplies we may seek to secure, may not be effective to avoid disruptions to our manufacturing operations. Additionally, once our prices with a customer are negotiated, we are generally unable to revise pricing with that customer until our next regularly scheduled price adjustment. As a result, if market prices for essential components increase, we may be unable to pass the price increases through to our customers for products purchased under an existing agreement. Consequently, we are exposed to the risks associated with the volatility of prices for these components and our cost of revenue could increase and our gross margins could decrease in the event of price increases.

Failure to adjust our supply chain volume due to changing market conditions or failure to estimate our customers' demand could adversely affect our sales and/or our gross margin and could result in additional charges for obsolete or excess inventories or non-cancelable purchase commitments.

We make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel needs and other resource requirements, based on our estimates of customer requirements. The possibility of rapid changes in demand for our customers' products reduces our ability to accurately estimate our customers' future requirements for our products. On occasion, our customers may require rapid increases in production, which can challenge our resources. We may not have sufficient capacity at any given time to meet our customers' demands. Conversely, downturns in the semiconductor industry have in the past caused and may in the future cause our customers to significantly reduce the amount of products ordered from us. Because many of our sales, R&D, and manufacturing expenses are relatively fixed, a reduction in customer demand may decrease our gross margins and operating income, which could materially and adversely affect our results of operations, financial condition, business and prospects.

In addition, we base many of our operating decisions, and enter into purchase commitments, on the basis of anticipated sales, which are highly unpredictable. Some of our purchase commitments are non-cancelable, and in some cases we are required to recognize a charge representing the amount of material or capital equipment purchased or ordered that exceeds our actual requirements. For example, we have non-cancelable purchase commitments with vendors and LTAs with certain of our third-party wafer fabrication partners, under which we are required to purchase a minimum number of wafers per year or face financial penalties. These types of commitments and agreements could reduce our ability to adjust our inventory to address declining market demands. If demand for our products is less than we expect, we may experience additional excess and obsolete inventories and be forced to incur additional charges. If sales in future periods fall substantially below our expectations, or if we fail to accurately forecast changes in demand mix, we could again be required to record substantial charges for obsolete or excess inventories or non-cancelable purchase commitments.

Moreover, during a market upturn, we may not be able to purchase sufficient supplies or components to meet increasing product demand, which could prevent us from taking advantage of opportunities and reduce our sales. In addition, a supplier could discontinue a component necessary for our design, extend lead times, limit supply or increase prices due to capacity constraints or other factors. Our failure to adjust our supply chain volume or estimate our customers' demands could materially and adversely affect our results of operations, financial condition, business and prospects.

Historically, we do not typically operate with any significant backlog, except in periods of capacity shortage. The historic lack of significant backlog and the unpredictable length and timing of semiconductor cycles makes it more difficult for us to accurately forecast revenue in future periods. Moreover, our expense levels are based in part on our expectations of future revenue, and we may be unable to fully adjust costs in a timely manner to compensate for revenue shortfalls.

Aging infrastructure and power grids and risks to the supply of natural gas, electricity or fresh water could interrupt production.

The semiconductor fabrication process requires extensive amounts of fresh water and a stable source of electricity and natural gas. In addition, it requires effective facilities to manage wastewater. As our production capabilities and our business grow, our requirements for these factors will grow substantially. Although we have not, to date, experienced any instances of lack of sufficient supplies of natural gas or water, or material disruptions in the electricity supply to, or wastewater processing capacity of, any of our fabs beyond temporary or short-term stoppages, the ongoing conflict between Russia and Ukraine has in the past created, and may in the future again create, a substantial risk of natural gas shortage in Europe, which may impact our manufacturing site in Dresden, Germany. Further, we may not have access to sufficient supplies of natural gas, electricity, water or wastewater processing capacity to accommodate our planned growth. Pipeline interruptions, power interruptions, electricity shortages, droughts, geopolitical tensions, or government intervention, particularly in the form of rationing, are factors that could restrict our access to these utilities in the areas in which our fabs are located. If there is an insufficient supply of fresh water, natural gas, electricity or wastewater processing capacity to satisfy our requirements, we may need to limit or delay our production. In addition, a power outage, even of very limited duration, could result in a loss of wafers in production and a deterioration in yield. Any of these occurrences could materially and adversely affect our results of operations, financial condition, business and prospects.

The increasing risk of cyberattacks and other data security breaches requires us to incur significant costs to maintain the security of our networks and data, and, in the event of such breaches, may expose us to liability, adversely affect our operations, damage our reputation, and affect our net revenue and profitability, and our efforts to combat breach and misuse of our systems and unauthorized access to our data may not be successful.

In the ordinary course of our business, we maintain a large amount of sensitive data on our networks, including our and our customers' intellectual property and proprietary or confidential business information relating to our business and that of our customers and business partners. Our and our service providers' IT and computer systems store and transmit customer information, trade secrets, corporate data and personal information, and are otherwise essential to the operation of our production lines, which may make us a target for cyberattacks. The secure maintenance of this information is critical to our business and reputation. In addition, our accreditation as a Trusted Foundry by the Defense Microelectronics Activity and our processing of sensitive information has in the past and may continue to make us an attractive target for attacks, including industrial or nation-state espionage, organized criminals, and terrorist cyberattacks. Further, we depend on our employees and the employees of our service providers to appropriately handle confidential and sensitive data and deploy our IT resources in a safe and secure manner that does not expose our network systems to security breaches or the loss of data. However, there is always a risk that inadvertent disclosure or actions or internal malfeasance by our employees or those of our service providers could result in a loss of data or a breach or interruption of our IT systems.

As a result of the nature of our business and operations, we have been subject to and will continue to be subject to cyberattacks from various bad actors. There is no certainty that future cyberattacks will not have a material adverse effect on our business, operations, or financial results.

We continue to make significant investments in cybersecurity and data security, as well as other efforts to combat breach and misuse of our systems and unauthorized access to our and our customers' data by third parties. While we seek to continuously review and assess our cybersecurity policies and procedures to ensure their adequacy and effectiveness, all IT and computer systems are vulnerable to attacks, especially via methods that have not been observed yet or quickly evolve. The risk of security breaches may be higher during times of a natural disaster or pandemic due to remote working arrangements. Also, the development and proliferation of AI/ML in addition to other related technologies, may increase our exposure to cyber attacks and other cybersecurity risks by providing third parties with enhanced capabilities to breach our systems, and may require us to spend additional resources to further strengthen our defenses against such threats. We cannot guarantee that our IT and computer systems which control or maintain vital corporate functions, such as our manufacturing operations and enterprise accounting, would be immune to cyberattacks. In the event of a serious cyberattack, our systems may lose important customer information, trade secrets, corporate data or personal information, or our production lines may be shut down pending the resolution of such an attack.

We employ certain third-party service providers for us and our affiliates worldwide with whom we need to share highly sensitive and confidential information to enable them to provide the relevant services. Some of our third-party service providers have experienced cyberattacks of which we have been made aware.

Despite requiring certain third-party service providers to comply with the confidentiality and security requirements in our service agreements with them, there is no assurance that each of them will strictly fulfill any of their obligations or that they will be successful in preventing further cyberattacks. The on-site network systems and the off-site cloud computing networks such as servers maintained by these service providers and/or their contractors are also subject to risks associated with cyberattacks. While we attempt to take prompt action once we are alerted to a cyberattack against one of our third-party service providers and implement steps designed to mitigate associated risks to our systems and data, we may in the future not be made aware of such events in a timely manner or may be unable to successfully sever network connectivity or otherwise limit the risk to our own systems.

If we or our service providers are not able to timely contain, remediate and resolve the respective issues caused by cyberattacks and data breaches, or ensure the integrity and availability of our systems and data (or data belonging to our customers or other third parties) or control of our or our service providers' IT or computer systems, then such attacks, breaches or failures could:

- disrupt the proper functioning of these networks and systems and, therefore, our operations and/or those of certain of our customers;
- result in the unauthorized access to, and destruction, loss, theft, misappropriation or release of, proprietary, confidential, sensitive or otherwise valuable information of ours, our customers or our employees, including trade secrets, which could be used to compete against us or for disruptive, destructive or otherwise harmful purposes and outcomes;
- result in litigation and governmental investigation and proceedings that could expose us to civil or criminal liabilities;
- compromise national security and other sensitive government functions;
- require significant management attention and resources to remedy the damages that result;
- result in our incurring significant expenses in implementing remedial and improvement measures to enhance our IT network or computer systems;
- result in costs which exceed our insurance coverage and/or indemnification arrangements;
- subject us to claims for contract breach, damages, credits, penalties or termination; and
- damage our reputation with our customers (including the U.S. government) and the general public.

Further, remediation efforts may not be successful and could result in interruptions, delays or cessation of service, unfavorable publicity, damage to our reputation, customer allegations of breach-of-contract, possible litigation, and loss of existing or potential customers that may impede our sales or other critical functions. Additionally, any such attack or unauthorized access may require unplanned spending and resources to focus on correcting the breach and indemnifying the relevant parties and litigation, regulatory investigations, regulatory proceedings, increased insurance premiums, lost revenue, penalties fines and other potential liabilities.

Any of the foregoing factors could materially and adversely affect our results of operations, financial condition, business and prospects.

We may be unable to obtain manufacturing equipment in a timely manner and at a reasonable cost that is necessary for us to remain competitive.

Our operations and ongoing revenue expansion plans depend on our ability to obtain complex and specialized manufacturing equipment and related services from a limited number of suppliers in a market that is characterized from time to time by limited supply and long delivery cycles. During such times, supplier-specific or industry-wide lead times for delivery can be as long as twelve months or more. Further, growing complexities of the most valuable equipment may delay the timely delivery of such equipment and parts needed to capitalize on time-sensitive and perishable business opportunities. Industry-wide demand increases for this equipment could increase its market price as well as the market price of replacement parts and consumable materials needed to operate the equipment. Due in part to demand driven by significant new sources of funding in China as well as potentially other governments (such as Korea, the United States and Europe), the demand for semiconductor manufacturing equipment may result in longer than normal lead times for such equipment. Similarly, an industry-wide increase in demand may result in longer than normal lead times for such equipment or higher prices. If we are unable to obtain equipment in a timely manner to fulfill our customers' demand on technology and production capacity, or at a reasonable cost, we may be unable to meet commitments under our contracts with customers, which could expose us to substantial liquidated damages and other claims and could materially and adversely affect our results of operations, financial condition, business and prospects.

With the recent escalation of trade restrictions and increased tensions between nations, particularly between the U.S and China, trade or contractual restrictions may limit access to certain equipment and components. These restrictions may lead to increased downtime or increased development and qualification costs to find replacement equipment or spare parts.

We may be subject to the risk of loss due to fire because the materials we use in our manufacturing processes are highly flammable.

We use highly flammable materials such as silane and hydrogen in our manufacturing processes and may therefore be subject to the risk of loss arising from fires. The risk of fire associated with these materials cannot be completely eliminated. We maintain insurance policies to reduce losses caused by fire, including business interruption insurance. However, our insurance coverage is subject to deductibles and self-insured retention and may not be sufficient to cover all of our potential losses. If any of our fabs were to be damaged or cease operations as a result of a fire, our manufacturing capacity would be reduced, which could materially and adversely affect our results of operations, financial condition, business and prospects.

Our operations are subject to the risks of earthquakes, wildfires, floods, severe weather incidents and other natural catastrophic events, and to interruption by man-made problems such as power disruptions, industrial accidents, or terrorism.

Significant natural disasters such as earthquakes, wildfires, floods, severe weather incidents or acts of terrorism occurring in any of our manufacturing or office locations, or where a business partner, such as a customer or supplier, is located, could adversely affect our operational and financial performance. In addition, natural disasters, spills or hazardous exposure incidents, accidents and acts of terrorism could cause disruptions in our business or our suppliers' or customers' businesses, national economies or the global economy as a whole, and we may not have insurance coverage for these matters. Our operations, as well as our computing systems, are vulnerable to interference, or interruption from terrorist attacks, natural disasters or pandemics, the effects of climate change (such as sea level rise, drought, flooding, wildfires, increased average temperatures and increased storm severity), power loss, telecommunications failures, criminal fraud or impersonation, inadvertent or intentional actions by our employees, or other attempts to harm or access our systems. In the event of a major disruption caused by a natural disaster or any of the foregoing, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our development activities, lengthy interruptions in service, breaches of data security and loss of critical data or personal information, any of which could materially and adversely affect our results of operations, financial condition, business and prospects.

If we are unable to successfully deploy AI/ML across our products and services and our business operations and adequately anticipate and account for legal, regulatory and social developments in the AI/ML space, we may become less competitive against our peers and we may incur significant costs that do not provide us with commensurate returns.

AI/ML has the potential to generate significant business value for semiconductor companies, including foundries. Manufacturing is the semiconductor industry's largest cost driver and AI/ML has the potential to, among other things, reduce costs, improve yields, shorten processing times, and increase production. Use cases include utilizing AI/ML to handle repetitive tasks, improve predictive maintenance, develop and optimize process design kits, optimize process times, improve and shorten wafer inspections and optimize inventory and supply chain management and operations. If we do not adopt and deploy AI/ML as quickly or efficiently as our competitors, we may not be able to provide foundry services on competitive terms, including with respect to cost, schedule, and volume manufacturing capacity, which may lead to us losing design wins, losing market share and losing customers. The rapid pace of AI/ML's development may require the investment of significant resources for us to remain competitive, and we may not receive commensurate returns if we are not successful in achieving the outcomes we expect (either on the timelines we expect or at all). The risk of falling behind our competitors could expose us to higher costs than our peers, as we operate primarily in countries that have higher labor and overhead costs relative to many of our competitors. If we do not have competitive products and services available to meet our customers' AI/ML related needs, or if we fail to anticipate the changing needs and preferences of our key stakeholders, we may lose significant business and growth opportunities and lose market share. Any failure on our part to effectively and efficiently utilize AI/ML to enhance our operations, products and services and manufacturing strategy may result in material impacts to our financial performance, financial results and overall business strategy.

Any use of AI/ML technologies in our operations may present additional labor, legal, regulatory, and social risks, which could lead to additional costs and impact our competitive position.

AI/ML and related new technologies could disrupt our workforce needs. As AI/ML becomes more prevalent in the semiconductor industry, there may be higher demand for, and fiercer competition to recruit, personnel with specific skillsets that are currently not abundant in the industry. GF's existing workforce may also need to undergo changes to account for developments in the way semiconductor manufacturing and foundries operate as a result of incorporating AI/ML. New technologies in the market that disrupt our workforce needs may also cause us to undergo other changes to better respond to changing market conditions and to stay ahead of our peers. All of these may result in significant costs to GF, and there can be no assurance that any initiatives, strategies or projects GF pursues will be successful in mitigating or preventing these risks.

Because AI/ML is a developing technology in its nascency, legal frameworks for AI/ML governance are unsettled, quickly developing, and unpredictable. Some uses of AI pose emerging ethical issues and present a number of risks that cannot be fully mitigated. Using AI/ML while the technology is still developing may expose us to additional liability, reputational harm, and threats of litigation, particularly if the AI/ML we adopt produces errors, AI bias, AI hallucination, harmful content, discrimination, intellectual property infringement or misappropriation, data privacy or cybersecurity issues, or otherwise does not function as intended. For example, AI/ML technologies are highly reliant on the collection and analysis of large amounts of data and complex algorithms, which may be overly broad, insufficient, or contain biased information. Moreover, with the use of AI/ML technologies, there often exists a lack of transparency of the sources of data used to train or develop the AI/ML technologies or how inputs are converted to outputs and we cannot fully validate this process and its accuracy. The accuracy of such inputs and the resulting impacts on the results of AI/ML technologies cannot be verified and could result in outputs that may include or be derived from inaccurate or erroneous information.

The use of AI/ML, including potential inadvertent disclosure of confidential information or personal identifiable information, could also lead to legal and regulatory investigations and enforcement actions, or may give rise to specific obligations, including required notices, consents and opt-outs, under various data privacy, protection and cybersecurity laws and regulations in a number of jurisdictions. See “[Item 3. Key Information](#)—D. Risk Factors—Risk Factors—Risks Related to Manufacturing, Operations and Expansion—Compliance with applicable data security and data privacy laws and regulations may be costly and, in the case of a breach of applicable law, could harm our reputation” for more information relating to risks relating to data protection and compliance with existing and future laws and regulations. See also “[Item 3. Key Information](#)—D. Risk Factors—Risk Factors—Risks Related to Manufacturing, Operations and Expansion—The risk of cyberattacks and other data security breaches requires us to incur significant costs to maintain the security of our networks and data, and, in the event of such breaches, may expose us to liability, adversely affect our operations, damage our reputation, and affect our net revenue and profitability, and our efforts to combat breach and misuse of our systems and unauthorized access to our data may not be successful” for more information on the cybersecurity risks relating to AI/ML technologies.

Further, despite our investment in AI/ML, there is no assurance that new laws and regulations will not restrict the ways we can use the AI/ML we have adopted, including by limiting or changing global AI/ML adoption trends that may impede our strategy. Moreover, regulations relating to AI/ML technologies may also impose certain obligations on organizations, and the costs of monitoring and responding to such regulations, as well as the consequences of non-compliance, could have an adverse effect on our operations or financial condition. For example, the EU AI Act formally went into effect in August 2024 and will generally become fully applicable after a two-year transitional period (although certain obligations take effect at an earlier or later time), and includes specific transparency and other requirements for general purpose AI systems and the models on which those systems are based, which may apply to the AI/ML we have adopted. In addition, the White House's Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence devises a framework for the U.S. government, among other things, to regulate private sector use and development of certain foundation models. Unfavorable legal and regulatory developments could also impact our vendors, suppliers and industry as a whole, and we may be exposed to increased risk of liability, reputational harm, and other significant costs if we need to make business and operational changes in response to such developments. Our failure, or perceived failure, to comply fully with developing interpretations of AI/ML laws and regulations, or meet evolving and varied stakeholder expectations and industry standards, could harm our business, reputation, financial condition, and operating results.

Certain of our debt agreements contain covenants that may constrain the operation of our business, and our failure to comply with these covenants could materially and adversely affect our results of operations, financial condition, business and prospects.

Restrictive covenants in our credit facilities may prevent us from pursuing certain transactions or business strategies, including by limiting our ability to, in certain circumstances:

- incur additional indebtedness;
- pay dividends or make distributions;
- acquire assets or make investments outside of the ordinary course of business;
- sell, lease, license, transfer or otherwise dispose of assets;
- enter into transactions with our affiliates;
- create or permit liens;
- guarantee indebtedness;
- enter into change of control transactions; and
- engage in certain extraordinary transactions.

Failure to comply with any of the covenants in our debt agreements, including due to events beyond our control, or unintentional violations of applicable laws and regulations, have resulted in and could in the future result in an event of default. For example, in 2024 BIS imposed a civil penalty against the Company in relation to certain inadvertent shipments of legal, mature node products to a firm on the BIS Entity List without a license, in breach of certain BIS regulations. The inadvertent shipments resulted from a data entry error that prevented our trade compliance software from flagging the prohibited shipments. While the resulting penalty was not material in amount, the breach resulted in events of default under certain of our debt agreements. In this case, our lenders agreed to waive the defaults such that no events of default existed as of December 31, 2024. However, there is no guarantee that we will always be able to receive default waivers, and if we are unable to acquire waivers from our lenders, our lenders could terminate commitments to lend and accelerate amounts outstanding to be due and payable immediately. This could also result in cross-defaults under our other debt instruments, significantly impacting our liquidity and ability to fund our operations. Any of these occurrences could materially and adversely affect our results of operations, financial condition, business and prospects. See [Note 12. Long-Term Debt](#) to our Annual Consolidated Financial Statements for more information about the export regulations breach and resulting default waivers.

Compliance with applicable data security and data privacy laws and regulations may be costly and, in the case of a breach of applicable law, could harm our reputation.

In the United States, federal and state laws impose limits on, or requirements regarding the collection, distribution, use, security and storage of personal information of individuals, and there has been increased regulation of data privacy and security particularly at the state level, including the California Consumer Privacy Act (effective on January 1, 2020), and the California Privacy Rights Act (effective on January 1, 2023). Furthermore, many other states, such as New York, Virginia, Colorado, Connecticut, Utah and others have enacted or are actively considering or enacting similar laws and we operate in many of these jurisdictions. Outside the United States, the European Union and other countries in which we operate also have privacy and data protection laws, regulations and standards, including the European Union's General Data Protection Regulation (the "EU GDPR"), the United Kingdom's GDPR (the "UK GDPR"), and India's new Digital Personal Data Protection Act.

The interpretation and application of many of these existing or recently enacted laws and regulations are increasingly complex, uncertain and fluid, and could be inconsistent with our existing data management practices. For example, the EU GDPR and UK GDPR generally restrict the transfer of personal information to countries outside the European Economic Area ("EEA") and the United Kingdom ("UK") to the United States and other jurisdictions without appropriate safeguards or other measures. Additionally, while the EU-U.S. Data Privacy Framework, which went into effect on July 10, 2023, allows companies to transfer personal information from the European Union to the United States without additional safeguard measures (e.g., standard contractual clauses or binding corporate rules), such framework (like past frameworks) is subject to legal challenge. These developments could lead to substantial costs, require significant changes, divert the attention of our technology personnel, adversely affect our margins, increase costs and subject us to additional liabilities. If we are unable to transfer personal data between and among countries and regions in which we operate, it could affect the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results. In addition, the existing EU and UK privacy laws on cookies and e-marketing are also in flux and are likely to be replaced by new regulations, which may introduce more stringent requirements for using cookies and similar technologies for direct marketing and significantly increase fines for non-compliance in-line with the GDPR. Stricter enforcement of such laws could limit the effectiveness of our marketing activities, divert the attention of our technology personnel, increase costs and subject us to additional liabilities.

Inappropriate disclosure of personal and other sensitive data, even if inadvertent, or other actual or perceived violations of or noncompliance with such laws and regulations could expose us to significant administrative, civil or criminal liability, breach of covenants under our existing debt agreements, as well as reputational harm. For example, a breach of the GDPR could result in fines of up to 20 million euros ("EUR") under the EU GDPR or British pound sterling ("GBP") 17.5 million under the UK GDPR or up to 4% of the annual global revenue of the infringer, whichever is greater, as well as regulatory investigations, reputational damage, orders to cease or change our processing of personal data, enforcement notices and/or assessment notices (for a compulsory audit). Privacy-related claims or lawsuits initiated by governmental bodies, employees or other third parties, whether meritorious or not, could be time-consuming, result in costly regulatory proceedings, litigation, penalties and fines, or require us to change our business practices, sometimes in expensive ways, or other potential liabilities.

Additionally, a failure to comply with the National Institute of Standards and Technology Special Publication 800-171 or the Department of Defense ("DoD")'s cybersecurity requirements, including the Cyber Security Material Model Certificate ("CMMC"), which will require all contractors to receive specific third-party cybersecurity certifications to be eligible for certain contract awards, could restrict our ability to bid for, be awarded and perform on DoD contracts. The DoD expects that all new contracts will be required to comply with the CMMC by 2026, and initial requests for information and for proposal have already begun. We are in the process of evaluating our readiness and preparing for the CMMC. To the extent we, or our subcontractors or other third parties on whom we rely are unable to achieve certification in advance of contract awards that specify the requirement, we may be unable to bid on contract awards or follow-on awards for existing work with the DoD, which could materially and adversely affect our results of operations, financial condition, business and prospects. We will also be required to go through a recertification process every two years. In addition, any obligations that may be imposed on us under the CMMC may be different from or in addition to those otherwise required by applicable laws and regulations, which may cause additional expense for compliance.

Our products may contain defects that could harm our reputation, be costly to correct, delay revenue and expose us to litigation.

Our products are highly complex and sophisticated and, from time to time, may contain defects, errors, hardware failures or other failures that are difficult to detect and correct. Errors, defects and other failures may be found in new solutions, products or services or improvements to existing solutions, products or services after delivery to our customers. If these defects, errors and failures are discovered, we may not be able to successfully correct them in a timely manner or otherwise mitigate or eliminate the impact of the error or failure. The occurrence of errors, defects and other failures in our products could result in the delay or the denial of market acceptance of our products and alleviating such errors, defects and other failures may require us to make significant expenditure of our resources. Our products are often used for critical business processes and as a result, any defect in or failure of our products may cause customers to reconsider renewing their contract with us, cause significant customer dissatisfaction and possibly give rise to claims for indemnification or other monetary damages. The harm to our reputation resulting from errors, defects and other failures may be material. Any claims for actual or alleged losses to our customers' businesses may require us to spend significant time and money in litigation or arbitration or to pay significant settlements or damages. Defending a lawsuit, regardless of merit, can be costly and divert management's attention and resources. Accordingly, any such claim could materially and adversely affect our results of operations, financial condition, business and prospects.

Any problem in the semiconductor outsourcing infrastructure could materially and adversely affect our results of operations, financial condition, business and prospects.

Many of our customers depend on third parties to provide assembly, testing and other related services. Many of these services are geographically concentrated primarily in Asia. If these customers cannot timely obtain those services on reasonable terms, they may not order foundry products and services from us, which could materially and adversely affect our results of operations, financial condition, business and prospects.

Risks Related to Intellectual Property

Any failure to obtain, maintain, protect or enforce our intellectual property and proprietary rights could impair our ability to protect our proprietary technology and our brand.

Our success depends to a significant degree on our ability to obtain, maintain, protect and enforce our intellectual property rights. We rely on a combination of patents, trade secrets, copyrights, trademarks, service marks, and other forms of intellectual property, contractual restrictions and confidentiality procedures to establish and protect our proprietary rights. However, the steps we take to obtain, maintain, protect and enforce our intellectual property rights may be inadequate. We may not be able to protect our technology, know-how, and/or brand if we are unable to enforce our rights for whatever reason or if we do not detect unauthorized use of our intellectual property rights. If we fail to protect our intellectual property rights adequately, our competitors may gain access to our proprietary technology and develop and commercialize substantially similar products, services or technologies, which could materially and adversely affect our results of operations, financial condition, business and prospects.

We have filed various applications for certain aspects of our intellectual property in the United States and other countries, and we have built a comprehensive patent portfolio of approximately 8,500 worldwide patents. In the future, we may acquire additional patents or patent portfolios, license patents from third parties or agree to license the technology of third parties, which could require significant cash expenditures. Our patents do not cover all of our technologies, systems, products and product components and our competitors or others may design around our patented technologies. Further, when we seek patent protection for a particular technology, there is no assurance that the applications we file will result in issued patents or that, if patents are issued as a result, that they will be found to be valid and enforceable or that they will effectively block competitors from creating competing technology. In addition, we may need to license technology from third parties to develop and market new products and we cannot be certain that we could license that technology on commercially reasonable terms or at all. Our inability to license this technology could harm our ability to compete and materially and adversely affect our results of operations, financial condition, business and prospects.

Some of our know-how or technology is not patented or patentable and may constitute trade secrets. To protect our trade secrets, we have a policy of requiring our employees, consultants, advisors and other collaborators who contribute to our material intellectual property to enter into confidentiality agreements. We also rely on customary contractual protections with our suppliers and customers, and we implement security measures intended to protect our trade secrets, know-how and other proprietary information. However, no assurances can be given that those contracts will not be breached. Further, those contracts and arrangements may be ineffective in protecting our intellectual property and may not prevent unauthorized disclosure. See the following Risk Factor for more details. In addition, third parties may independently develop technologies that may be substantially equivalent or superior to our technology.

There is a risk that our trade secrets, know-how and other proprietary information will be stolen, used in an unauthorized manner, or compromised, which could materially and adversely affect our results of operations, financial condition, business and prospects.

Our trade secrets, know-how and other proprietary information may be stolen, used in an unauthorized manner, or compromised through a direct intrusion by private parties or foreign actors, including those affiliated with or controlled by state actors, through cyber intrusions into our computer systems, physical theft through corporate espionage or other means, or through more indirect routes, including by joint venture partners, licensees that do not honor the terms of the license, potential licensees that were ultimately not licensed, or other parties reverse engineering our company's solutions, products or components. For example, in 2023, we filed a trade secret misappropriation lawsuit against International Business Machine Corporation ("IBM") based on IBM's disclosure to Intel Corp. and Rapidus Inc. of technology and know-how that GF contends IBM was not authorized to disclose. This litigation has been resolved pursuant to a settlement agreement between the parties announced on January 2, 2025 (see [Note 34. Subsequent Event](#)).

AI/ML technologies can also be misused or misappropriated by third parties and/or our employees. Moreover, there is a risk that an employee may input confidential information, including material non-public information, trade secrets or personal identifiable information, into AI/ML technologies applications, resulting in such information becoming accessible by third parties, including our competitors. Any of the foregoing factors could materially and adversely affect our results of operations, financial condition, business and prospects.

The laws of some foreign countries may not be as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights may be inadequate.

The absence of internationally harmonized intellectual property laws and different enforcement regimes makes it more difficult to ensure consistent protection of our proprietary rights. Our strong international presence may lead to increased exposure to unauthorized copying and use of our manufacturing technologies and proprietary information. Moreover, policing unauthorized use of our technologies, trade secrets, and intellectual property may be difficult, expensive and time-consuming, particularly in foreign countries where the laws may not be as protective of intellectual property rights as those in the United States and where mechanisms for enforcement of intellectual property rights may be weak. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon, misappropriating or otherwise violating our intellectual property rights. Our inability to secure or enforce our intellectual property rights could materially and adversely affect our results of operations, financial condition, business and prospects.

We have been, and may continue to be, subject to intellectual property disputes, which are costly and may subject us to significant liability and increased costs of doing business.

The semiconductor industry is subject to claims of infringement by patent owners and is characterized by frequent litigation regarding patent rights. From time to time, we receive communications from third parties that allege that our products or technologies infringe their patent or other intellectual property rights and we have had patent infringement lawsuits filed against us claiming that certain of our products, services, or technologies infringe the intellectual property rights of others. We may continue to become subject to such intellectual property disputes in the future. Further, we have entered into licenses, including patent licenses with third parties in settlements of claims or in order to avoid intellectual property disputes and the loss of license rights, including as a result of a termination or expiration of such licenses, may limit our ability to use certain technologies in the future, which could cause us to incur significant costs, prevent us from commercializing certain of our products or otherwise have a material adverse effect on us. In addition, there may be issued patents held by third parties that, if found to be valid and enforceable, could be alleged to be infringed by our current or future technologies or products. There also may be pending patent applications of others that may result in issued patents, which could be alleged to be infringed by our current or future technologies or products.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect those rights. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management. Further, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights, and if such defenses, counterclaims or countersuits are successful, we could lose valuable intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay the implementation of our manufacturing technologies, delay introductions of new solutions or injure our reputation and could have a material and adverse effect on our results of operations, financial condition, business and prospects.

Further, many of our agreements with our customers and partners, the terms of which often survive termination or expiration of the applicable agreement, require us to defend such parties against certain intellectual property infringement claims and indemnify them for damages and losses arising from certain intellectual property infringement claims against them, which have in the past resulted, and could in the future result, in increased costs for defending such claims or significant damages if there is an adverse ruling in any such claims. These defense costs and indemnity payments could materially and adversely affect our results of operations, financial condition, business and prospects. Such customers and partners may also discontinue the use of our products, services, and solutions, as a result of injunctions or otherwise, which could result in loss of revenue and adversely affect our business. We may also have to seek a license for the technology, which may not be available on reasonable terms, if at all, and may significantly increase our operating expenses or may require us to restrict our business activities and limit our ability to develop and deliver our products. As a result, we may also be required to develop alternative non-infringing technology, which could require significant effort and expense or which may not be possible, which could negatively affect our business. Moreover, intellectual property indemnities provided to us by our suppliers, when obtainable, may not cover all damages and losses suffered by us and our customers arising from intellectual property infringement claims. Even if we were to prevail in such a dispute, any litigation regarding our intellectual property could be costly and time-consuming and divert the attention of our management and key personnel from our business operations.

Any of the foregoing factors could materially and adversely affect our results of operations, financial condition, business and prospects.

Our success depends, in part, on our ability to develop and commercialize our technology without infringing, misappropriating or otherwise violating the intellectual property rights of third parties and we may not be aware of such infringements, misappropriations or violations.

Third parties may bring claims alleging infringement, misappropriation or violation of intellectual property rights. We cannot guarantee that we have not, do not or will not infringe, misappropriate or otherwise violate the intellectual property rights of others. Our technologies may not be able to withstand any third-party claims against their use. In addition, some companies may have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. Furthermore, third parties have and may continue to assert infringement claims against us in the future, including the sometimes aggressive and opportunistic actions of non-practicing entities whose business model is to obtain patent-licensing revenue from operating companies such as us. Regardless of the merit of such claims, any claim that we have violated intellectual property or other proprietary rights of third parties, whether or not it results in litigation, is settled out of court or is determined in our favor, could be expensive and time-consuming, and could divert the time and attention of management and technical personnel from our business. The litigation process is subject to inherent uncertainties, and we may not prevail in litigation matters regardless of the merits of our position. In some jurisdictions, plaintiffs can also seek injunctive relief that may limit the operation of our business or prevent the marketing and selling of our services that infringe or allegedly infringe on the plaintiff's intellectual property rights. If a third party is able to obtain an injunction preventing us from using our technology, accessing third-party intellectual property rights, or if we cannot license or develop alternative technology for any infringing aspect of our business, we could be forced to limit or stop manufacturing activities or sales of our products or cease other business activities related to such intellectual property. To resolve these claims, we may enter into licensing agreements with restrictive terms or significant fees, stop selling our products or services or be required to implement costly or inferior redesigns to the affected products or services, or pay damages to satisfy contractual obligations to others. If we do not resolve these claims in advance of a trial, there is no guarantee that we will be successful in court. These outcomes could materially and adversely affect our results of operations, financial condition, business and prospects.

We may be unable to provide technology to our customers if we lose the support of our technology partners.

Enhancing our manufacturing process technologies is critical to our ability to provide services for our customers. We intend to continue to advance our process technologies through internal R&D and alliances with other companies. In addition to our internal R&D focused on developing new and improved semiconductor manufacturing process technologies, our business involves collaboration, including customization and other development of technologies and intellectual property, with and for our customers, vendors and other third parties. We frequently enter into agreements with customers, vendors, equipment suppliers and others that involve customization and other development of technologies and intellectual property. As a result of these agreements, we may be required to limit use of, or refrain from using, certain technologies and intellectual property rights in parts of our business. Determining inventorship and ownership of technologies and intellectual property rights resulting from development activities can be difficult and uncertain.

Disputes may arise with customers, vendors and other third parties regarding ownership of and rights to use and enforce these technologies and intellectual property rights or regarding interpretation of our agreements with these third parties, and these disputes may result in claims against us or claims that intellectual property rights are not owned by us, are not enforceable, or are invalid. In addition, we may face claims based on the alleged theft or unauthorized use or disclosure of customer, vendor or other third-party trade secrets, confidential information, or end-user data that we obtain in conducting our business. The cost and effort to resolve these types of disputes, or the loss of rights in technologies in intellectual property rights if we lose these types of disputes, could harm our business and financial condition. In addition, our customers, vendors and other third parties may suffer delays, quality issues, or other problems affecting their development activities and ability to supply us with certain technology and intellectual property, which could adversely affect our business and operating results. Further, if we are unable to continue any of our joint development arrangements or other agreements, on mutually beneficial terms, or if we cannot re-evaluate the technological and economic benefits of such relationships with these partners, vendors or suppliers in a timely manner sufficient to support our ongoing technology development, we may be unable to continue providing our customers with leading edge or differentiated mass-producible process technologies and may, as a result, lose important customers, which could have a materially adverse effect on our results of operations, financial condition, businesses and prospects.

Risks Related to Strategic Transactions

We may make strategic transactions, and such transactions may introduce significant risks and uncertainties, including risks related to integrating the acquired companies, assets or businesses.

We have in the past sought, and may in the future seek, to acquire or invest in businesses, joint ventures and technologies that we believe could complement or expand our capacity, enhance our technology offerings or otherwise offer growth opportunities. These transactions, particularly acquisitions, may be subject to regulatory approvals, including approval from the Committee on Foreign Investment in the United States (“CFIUS”) and approvals from competition authorities. With regard to CFIUS, our transactions may be more likely to require CFIUS review given the expansion of CFIUS jurisdiction to critical technologies as well as the increased public scrutiny on the industry due to the CHIPS and Science Act. Failure to obtain CFIUS approval, as applicable, and other required regulatory approvals may delay or otherwise limit our ability to make strategic transactions. In addition to domestic regulatory focus, semiconductor technology has been the focus of international regulatory review. China has been particularly focused on transactions in the technology industry and has rejected some proposed transactions (e.g., see defunct Tower-Intel Semiconductor transaction). The changing nature of government reviews may impact the ability for inorganic growth of our business.

Our integration efforts may periodically expose deficiencies in the controls and procedures relating to cybersecurity and the compliance with data privacy and protection laws, regulations and standards of an acquired company or business that were not identified in our due diligence undertaken prior to consummating the acquisition. Additionally, we may encounter difficulties assimilating or integrating the businesses, technologies, products, personnel or operations of any acquired companies, particularly if the key personnel of an acquired company cannot be retained, or we have difficulty preserving the customers of any acquired business. These transactions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our results of operations.

We have also in the past sought, and may in the future seek, to divest ourselves of businesses, dispose of assets, cease investments, or wind down joint ventures or manufacturing alliances. Current market conditions may increase the difficulty and costs of finding buyers and may cause us to obtain less-favorable transaction terms. Winding down joint ventures or manufacturing alliances may cause us to be subject to penalties, unrecoverable initial investments, and other losses. In addition, in the case of the divestiture of manufacturing facilities, we may be obligated to rely on buyers’ wafer production in order to fulfil existing customer commitments in the short run.

These efforts may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable opportunities, whether or not the transactions are completed, and may result in unforeseen operating difficulties and expenditures. Any such transactions that we are able to complete may not result in the synergies, efficiencies or other benefits we expected to achieve, which could result in substantial impairment charges and other losses. Any of the foregoing factors could materially and adversely affect our results of operations, financial condition, business and prospects.

We are in the process of implementing a strategic collaboration with ST Microelectronics (“ST”) pursuant to which ST and the Company are building and fitting out a new, jointly-operated fab in Crolles, France. Failure to successfully implement and manage the strategic collaboration may adversely affect our results of operations, financial condition, business and prospects.

In August 2022, we entered into a Commercial and Cooperation Agreement with ST for the build-out and joint operation of a new 300mm semiconductor manufacturing facility. This facility is targeted to ramp up to 620,000 300mm wafers per year production at full build-out. In June 2023, the Company concluded an agreement for the jointly operated semiconductor manufacturing facility, which would benefit from significant financial support from the French Republic.

Implementing this strategic collaboration is a complex and lengthy process that requires, among other things, both parties receiving substantial government funding that is dependent on meeting various milestones, both parties paying their respective share of agreed capital investments, and both parties cooperating on the joint operation of the facility.

We may, at any time, have disagreements with ST or have interests or goals that are inconsistent with ST’s goals, which may result in conflicting views as to plan and timing of the build-out and the operation of the facility, which disagreements or conflicts may not be resolved in our favor. Because ST will own the building for the manufacturing facility, we inherently have a lesser degree of control over business operations, thereby increasing the financial, legal, operational, and/or compliance risks to us. We may not be able to oversee all aspects of the build-out and operation, which may lead to a potential inability to implement adequate internal controls covering the collaboration. Additionally, we will depend on ST to commit sufficient resources to the project, over which we will have no control. The collaboration requires us to partially rely on the financial condition of ST and could be adversely affected by any significant change in its financial conditions.

The collaboration is also subject to the risk that we or ST may not meet the milestones required to obtain the substantial government funding that is needed to make the project a success.

We may not be successful in our efforts to build and operate this new facility, and we may not achieve the anticipated benefits that we expected to achieve. Further, we may decide not to move forward with the joint operation of the facility depending on any of the above-mentioned factors and/or due to current market dynamics. As a result, any existing investments, including in purchases of equipment or payments for construction, may result in losses.

If any of the above risks come to fruition, we may be delayed or may be unsuccessful in our efforts to implement this collaboration or jointly operate the facility, or we may incur losses on the project, all of which could have a material adverse effect on our results of operations and our financial condition.

Political, Regulatory and Legal Risks

Environmental, health and safety laws and regulations expose us to liability and risk of non-compliance, and any such liability or non-compliance could adversely affect our business.

In each jurisdiction in which we operate, our operations are subject to diverse environmental, health and safety laws and regulations that govern, among other things, emissions of pollutants into the air, wastewater discharges, the use and handling of hazardous substances, waste disposal, the investigation and remediation of soil and ground water contamination and the health and safety of our employees. Semiconductor manufacturing depends on a wide array of process materials, including hazardous materials that are subject to local, state, national and international regulations. These materials, our manufacturing operations and our products and services are subject to diverse environmental, health and safety laws, regulations and regulatory requirements. Sourcing of materials could also present reputational risks if our direct or indirect suppliers are found to be in violation of environmental health and safety regulations, or ethical or human rights regulations or standards.

Regulatory changes, including restrictions on new or existing materials critical to our manufacturing processes, proposed regulations to address emerging contaminants such as per- and polyfluoroalkyl substances, increased restrictions related to discharges into water, air emissions and hazardous substances, changes to necessary permitting requirements, or changes in interpretations, could cause disruptions to our operations or necessitate additional costs or capital expenditures, such as those associated with identifying and qualifying substitute materials or processes, or with installing additional controls related to wastewater, air emissions or waste management. Regulatory limitations or restrictive covenants at contaminated properties could affect our ability to expand manufacturing operations or capacities and may affect our ability to import materials or equipment.

Industrial accidents or releases, including those associated with storage, use, transportation or disposal of hazardous materials or wastes, could expose us to liabilities or remediation obligations and we may not have insurance coverage for such matters. Non-compliance with environmental, health and safety regulations or associated permit requirements may result in liabilities or monetary penalties. Non-compliance with or public controversy regarding environmental, health and safety matters could result in reputational harm.

Certain environmental laws, including the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act and state equivalents, make us potentially liable on a strict, joint and several basis for the investigation and remediation of contamination at, or originating from, facilities that are currently or formerly owned or operated by us and third-party sites to which we send or have sent materials for disposal or materials for recycling, along with related natural resources damages. We could become subject to potential material liabilities for the investigation and cleanup of historic contamination (including, potentially, emerging contaminants) on the U.S. properties where we operate should the currently responsible parties cease their ongoing remediation efforts notwithstanding their contractual obligations to us.

Regulations and customer-imposed requirements in response to climate change could result in additional costs related to changes in process materials, control of process emissions, "carbon taxes" or related fees, and sourcing of energy supplies. Increased frequency of extreme weather events, and chronic conditions like higher temperatures and droughts could cause disruptions to our manufacturing facilities, non-manufacturing operations and supply chain.

We have policies, controls, and procedures designed to help ensure compliance with applicable laws, including as part of our Sustainability initiatives. However, there can be no assurance that our employees, contractors, suppliers or agents will not violate such laws or our policies, including due to inadvertent human error. Violations of these laws and regulations have resulted in, and in the future, can result in fines, criminal sanctions against us, our officers, or our employees, prohibitions on the conduct of our business, breach of covenants under our existing debt agreements that could result in events of default under such agreements, and damage to our reputation. Any of the foregoing factors could materially and adversely affect our results of operations, financial condition, business and prospects.

We are subject to anti-corruption, anti-bribery, anti-money laundering, counter-terrorist financing laws and similar laws and regulations, and non-compliance with such laws, regulations and standards can subject us to administrative, criminal or civil liability and harm our business, financial condition, results of operations and reputation.

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended ("FCPA"), U.S. anti-bribery laws and other anti-corruption, anti-bribery, anti-money laundering and counter-terrorist financing laws and regulations in the countries in which we conduct business. Although the U.S. presidential administration issued an executive order on February 10, 2025, that paused enforcement of the FCPA for a six-month period, anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees and their third-party intermediaries from authorizing, offering or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sectors. In connection with our international sales and business and sales to the public sector, we may engage with business partners and third-party intermediaries to market our products and services and to obtain necessary permits, licenses, and other regulatory approvals. In addition, our third-party intermediaries, or other business partners, may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for corrupt or other illegal activities of these third-party intermediaries or other business partners, their employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities. Although we have policies and procedures to address compliance with such laws and regulations, there remains the risk that our employees and agents will take actions, unintentional or otherwise, in violation of our policies and applicable law, for which we may be ultimately held responsible. Additionally, failure to comply with applicable anti-corruption, anti-bribery, anti-money laundering and counter-terrorist financing laws and regulations, including violations that are unintentional or that we did not have knowledge of, could in the future result in a breach of covenants under our existing debt agreements which could result in an event of default. See "[Item 3. Key Information](#)"—D. Risk Factors—Risk Factors—Risks Related to Manufacturing, Operations and Expansion—Certain of our debt agreements contain covenants that may constrain the operation of our business, and our failure to comply with these covenants could materially and adversely affect our results of operations, financial condition, business and prospects." for more information.

Detecting, investigating and resolving actual or alleged violations of anti-corruption laws can require a significant diversion of time, resources and attention from senior management. In addition, noncompliance with anti-corruption, anti-bribery, anti-money laundering or counter-terrorist financing laws and regulations has subjected us and could in the future subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, enforcement actions, fines, damages, other civil or criminal penalties or injunctions, suspension or debarment from contracting with certain persons, reputational harm, adverse media coverage and other collateral consequences. In the past, we have experienced minor issues related to anti-corruption investigations involving vendors attempting to influence employees at our Singapore location. To date, we have not experienced any such investigations that were determined to be material to our business or financial results. If any subpoenas or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal proceeding, our results of operations, financial condition, business and prospects could be materially and adversely affected. Even in the event of a positive outcome in such an investigation or proceeding, the cost of the investigation or defense could be significant and negatively affect our financial performance.

These laws, regulations and standards are driving the review and updating of many corporate policies and systems, often at significant expense. Until there is a settling of a consistent and stable global approach, our company, with customers and employees around the world, will be exposed to financial risk in complying with these requirements. Any of the foregoing factors could materially and adversely affect our results of operations, financial condition, business and prospects.

We are subject to governmental export and customs compliance requirements that could impair our ability to compete in international markets or subject us to liability if we violate the controls.

Our products and technology are subject to export controls in the jurisdictions where we do business. For example, in the United States, we are subject to the Export Administration Regulations and the International Traffic in Arms Regulations (“ITAR”). Under these regulations, certain commodities, software and technology may be exported only with the required export authorizations. Some technology and software that we create or possess is controlled under these regulations, and in certain cases, we are required to maintain controls limiting the access to such technology and software, even among our own employees. Furthermore, our activities may be subject to economic sanctions laws and regulations, including U.S. economic sanctions laws and regulations administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control that prohibit or restrict dealings that are within U.S. jurisdiction with, in or involving certain jurisdictions subject to comprehensive U.S. sanctions and certain designated persons and entities. We have corporate policies and procedures in place reasonably designed to ensure compliance with all applicable export control and economic sanctions laws and regulations. However, there can be no assurance that our employees, contractors, suppliers or agents will not violate such laws or our policies, including due to inadvertent human error. Failure to comply with applicable export and customs compliance requirements, including violations that are unintentional or that we did not have knowledge of, have impacted and could in the future impact covenants under our existing debt agreements and result in an event of default. See “[Item 3. Key Information](#)—D. Risk Factors—Risk Factors—Risks Related to Manufacturing, Operations and Expansion—Certain of our debt agreements contain covenants that may constrain the operation of our business, and our failure to comply with these covenants could materially and adversely affect our results of operations, financial condition, business and prospects.” for more information.

In some cases, our compliance obligations may result in the loss of sales opportunities. In other cases, we may experience delays in our ability to conduct business as we await government authorization. Violations of economic sanctions or export control regulations can result in significant administrative fines or penalties or even criminal prosecution.

In the past year, there has been a significant increase in the changes in these rules and regulations. Much of the compliance with these rules is based on automated systems that must be updated, in many cases manually. Those updates could be prone to human error, which would increase any risk of inadvertent violations. Also, in some cases, if updates are delayed, there will be an increased dependency on human oversight. In light of the large volume of products and shipments, this could also raise the risk of inadvertent violations. Any of the foregoing factors could materially and adversely affect our results of operations, financial condition, business and prospects.

We have been, and may in the future be, subject to litigation that could result in substantial costs, divert or continue to divert management’s attention and resources, and materially and adversely affect our results of operations, financial condition, business and prospects.

We have been, and may continue to be, subject to legal proceedings and claims that arise in the ordinary course of business, such as claims brought by our customers in connection with commercial disputes, product liability claims, employment claims made by our current or former employees or claims of infringement raised by intellectual property owners, in connection with the technology used in our manufacturing operations. The risk of such litigation may increase due to use of our products in safety-related systems of other advanced technologies, including automobiles. As previously disclosed in our Annual Report on Form 20-F for the fiscal year ended December 31, 2023, we have been engaged in litigation with IBM since 2021 regarding certain breach of contract, trade secrets and intellectual property claims. On January 2, 2025, we and IBM announced that we had entered into a settlement agreement resolving all litigation matters between the two companies, inclusive of the breach of contract, trade secrets and intellectual property claims. We do not believe this settlement will have a material impact on our results of operations, financial condition, business and prospects. See [Notes 30. Commitments and Contingencies](#) and [34. Subsequent Event](#) to our Annual Consolidated Financial Statements.

Any existing or future disputes, claims or proceedings could result in substantial costs and may divert management’s attention and resources. Insurance might not cover such claims, might not provide sufficient payments to cover all the costs to resolve one or more such claims and might not continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, potentially harming our business, financial position and results of operations. Any of the foregoing factors could materially and adversely affect our results of operations, financial condition, business and prospects. Further, negative publicity arising from disputes, claims or proceedings may damage our reputation and adversely affect the image of our brand and our products. In addition, if any verdict or award is rendered against us, we could be required to pay significant monetary damages, assume other liabilities and even to suspend or terminate related business ventures or projects.

If regular or statutory consultation processes with employee representatives such as works councils fail or are delayed, or if our employees were to engage in a strike or other work stoppage, our results of operations, financial condition, business and prospects could be materially and adversely affected.

We may be required to consult with our employee representatives, such as works councils, on items such as work hours, restructurings, acquisitions and divestitures. Although we believe that our relations with our employees, employee representatives, labor unions and works councils are satisfactory, no assurance can be given that we will be able to successfully extend or renegotiate these agreements as they expire from time to time or, in the case of transactions, to conclude potential consultation processes in a timely way. A significant number of our employees in Dresden, Germany are covered by collective bargaining agreements, and our employees in the U.S. could also potentially unionize. If we fail to extend or renegotiate our labor agreements, collective bargaining agreements, and social plans, if significant disputes with unions arise, or if our workers engage in a strike or other work stoppage, we could incur higher ongoing labor costs or experience a significant disruption of operations. We have in the past faced minor work stoppages at certain of our manufacturing facilities in connection with negotiations of labor agreements. While none of these past incidents have resulted in material impacts to our production, there can be no assurance that there will not be material impacts to our production and our ability to timely provide products to our customers in the event that larger, longer or more frequent work stoppages occur in the future. Our collective bargaining agreements are typically subject to negotiation every one to two years, and our ability in the past to resolve such negotiations does not mean that we will be able to resolve future negotiations without strikes or disruptions, or on terms we consider reasonable. Any of the foregoing factors could materially and adversely affect our results of operations, financial condition, business and prospects.

Currency and Interest Rate Risks

We are exposed to foreign currency risk, which could materially adversely affect our expenses and profit margins and could result in exchange losses.

The majority of our sales are denominated in U.S. dollars, and therefore, our revenue is not subject to foreign currency risk. However, an increase in the value of the U.S. dollar can increase the real cost to our customers of our products and services in those markets outside of the United States where we sell in U.S. dollars. Conversely, a weakened U.S. dollar can increase the cost of expenses such as our direct labor, raw materials and overhead that are incurred outside of the United States. These operating expenses are denominated in foreign currencies and are subject to fluctuations due to changes in foreign currency exchange rates. Additionally, this could impact our capital expenditures with foreign suppliers we pay in non-U.S. dollar currencies. We also engage in financing activities in local currencies. Our hedging programs may not be able to effectively offset any, or more than a portion, of the impact of currency exchange rate movements. As a result, unfavorable changes in exchange rates could materially and adversely affect our results of operations, financial condition, business and prospects.

A majority of our debt is primarily based on floating interest rate benchmarks, and fluctuations in interest rates may have adverse effects on our financial condition and results of operations.

A majority of our debt is primarily based on floating interest rate benchmarks such as the Euro Interbank Offered Rate ("EURIBOR") and the Secured Overnight Financing Rate ("SOFR"). EURIBOR is a broad measure of the cost of Eurozone banks borrowing unsecured funds from counterparties in the euro wholesale money market. SOFR is a broad measure of the cost of borrowing cash overnight collateralized by U.S. Treasury securities.

SOFR has a limited history, and the future performance of SOFR cannot be predicted based on its limited historical performance. Since the initial publication of SOFR, daily changes in the rates have, on occasion, been more volatile than daily changes in comparable benchmark or market rates and the level of SOFR over time may bear little or no relation to historical, actual or indicative data. Prior observed patterns, if any, in the behavior of market variables and their relation to SOFR, such as correlations, may change in the future.

While EURIBOR has a longer history, similar to SOFR, historical patterns and data may not be indicative of future performance. Although EURIBOR rates have been on a decline in recent years and has at times been or remained negative, there can be no assurance that rates will continue to trend in similar ways. There is also no guarantee that the methodology and inputs for EURIBOR will stay the same over time, and any shifts in methodology could result in volatility and changes to EURIBOR rates that could impact our debt instruments. Additionally, while EURIBOR has survived the launch of new risk-free rates such as €STR in 2019, EURIBOR is still subject to risks of operational disruption and discontinuation.

Because a majority of our debt is primarily based on floating interest rate benchmarks (including EURIBOR and SOFR), fluctuations in interest rates could have a material effect on our business. We currently utilize, and may in the future utilize, derivative financial instruments such as interest rate swaps or interest rate caps to hedge some of our exposure to interest rate fluctuations, but such instruments may not be effective in reducing our exposure to interest rate fluctuations, and we may discontinue utilizing them at any time. As a result, we may incur higher interest costs if interest rates increase. These higher interest costs could have a material adverse impact on our financial condition and the levels of cash we maintain for working capital.

Interest rates are highly sensitive to many factors, including governmental monetary policies, domestic and international economic and political conditions, and other factors beyond our control. If EURIBOR and/or SOFR increase as a result of events over which we have no control, this could have a material adverse effect on our financial condition and results of operations. If EURIBOR and/or SOFR increase, our debt service obligations would increase even if the amount borrowed remained the same, and our net loss will increase and cash flows from operating activities, including cash available for servicing our indebtedness, will correspondingly decrease.

Risks Related to Changes in Effective Tax Rate and Accounting Principles

Changes in our effective tax rate or tax liability may have an adverse effect on our results of operations.

Our effective tax rate or tax liability could increase due to several factors, including, but not limited to:

- changes in the relative amounts of income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates;
- changes in tax laws, tax treaties and regulations or the interpretation of them;
- changes to our assessment about our ability to realize our deferred tax assets that are based on estimates of our future results, the prudence and feasibility of possible tax planning strategies, and the economic and political environments in which we do business;
- the outcome of current and future tax audits, examinations or administrative appeals;
- limitations or adverse findings regarding our ability to do business in some jurisdictions; and
- significant changes to our majority ownership may inhibit our utilization of net operating losses and certain tax attributes against future income tax liabilities.

Changes such as these that affect our effective tax rate could materially and adversely affect our results of operations and financial condition.

Our international operations subject us to potentially adverse tax consequences.

We generally conduct our international operations through subsidiaries and report our taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. Our intercompany relationships are subject to complex transfer pricing regulations administered by taxing authorities in various jurisdictions. The relevant taxing authorities may disagree with our determinations as to the value of assets sold or acquired or income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and our position were not sustained, we could be required to pay additional taxes, interest, and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows, and lower overall profitability of our operations.

Legislative bodies and government agencies in the U.S. and other countries, as well as the Organization for Economic Cooperation and Development (“OECD”) have focused on issues related to the taxation of multinational corporations. One example is in the area of “base erosion and profit shifting,” for which the OECD has released several components of its comprehensive plan that have been adopted and expanded by many taxing authorities to address perceived tax abuse and inconsistencies between tax jurisdictions. As a result, the tax laws in the U.S. and other countries in which we do business could change on a prospective or retroactive basis, and any such changes could adversely affect our business and financial statements.

The jurisdictions in which we conduct business where we are primarily subject to income taxes are Germany, Singapore and the United States, and these jurisdictions may also have the most material OECD Pillar 2 impacts. As a result, global minimum corporate tax rate and any other implemented changes in these jurisdictions could significantly increase tax uncertainty due to differing interpretations and increased audit scrutiny. The Company was not impacted by Pillar 2 top-up minimum tax in 2024 and 2023. We will continue to monitor and evaluate the impact of OECD policy changes as it could materially affect our financial results, including our earnings and cash flows. In addition, our status as a Controlled Company due to Mubadala’s majority ownership interest may subject us to further complexities related to OECD initiatives as further OECD and jurisdictional guidance is released.

On August 16, 2022, the U.S. federal government enacted the Inflation Reduction Act of 2022 (“IRA”) into law effective for tax years starting after December 31, 2022. The IRA includes a variety of incentives to promote clean energy but also adds a new corporate alternative minimum tax of 15% on adjusted financial statement income. The Company is subject to CAMT beginning in 2024 and continues to monitor it as it could materially affect our financial results, including our earnings and cash flows.

Risks Related to Our Status as a Controlled Company and Foreign Private Issuer

Our majority shareholder, Mubadala, will continue to have substantial control over the Company, which could limit our ability to influence the outcome of key transactions, including a change of control, and otherwise affect the prevailing market price of our ordinary shares.

Mubadala beneficially owns, in the aggregate, approximately 81.5% of our outstanding ordinary shares. See “[Item 7. Major Shareholder and Related Party Transactions.](#)” In addition, we have entered into a shareholder’s agreement with Mubadala, which entitles Mubadala, subject to the level of Mubadala’s beneficial ownership of our ordinary shares, to certain consent rights and director nomination rights and, from time to time, we contract with Mubadala to provide management and operations support. As a result, Mubadala will continue to have significant influence over the management and affairs of our company, as well as the ability to control the outcome of matters submitted to our shareholders for approval, including the election of directors and the approval of significant corporate transactions, including any merger, consolidation or sale of all or substantially all of our assets and the issuance or redemption of equity interests in certain circumstances. The interests of Mubadala may not always coincide with, and in some cases may conflict with, our interests and the interests of our other shareholders. For instance, Mubadala could attempt to delay or prevent a change in control of our company even if such change in control would benefit our other shareholders, or attempt to force or accelerate a change in control even if such change in control would not benefit our other shareholders. Additionally, Mubadala could sell their shares at a discount. Any of the above could deprive our other shareholders of an opportunity to receive a premium for their ordinary shares. This concentration of ownership may also affect the prevailing market price of our ordinary shares due to investors’ perceptions that conflicts of interest may exist or arise, and because Mubadala may sell, or investors may perceive that Mubadala is likely to sell, a significant amount of our ordinary shares.

As a foreign private issuer and a controlled company, we are not subject to certain corporate governance rules applicable to U.S.-listed companies.

As a foreign private issuer that has listed our ordinary shares on Nasdaq, we rely on a provision in the Nasdaq corporate governance listing standards that allows us to follow Cayman Islands law with regard to certain aspects of corporate governance. This allows us to follow certain corporate governance practices that differ in significant respects from the corporate governance requirements applicable to U.S. companies listed on Nasdaq.

For example, we are exempt from Nasdaq regulations that require a listed U.S. company to:

- have a majority of the Board of Directors consist of independent directors;
- require non-management directors to meet on a regular basis without management present;
- have an independent compensation committee;
- have an independent nominating committee; and
- seek shareholder approval for the implementation of certain equity compensation plans and issuances of ordinary shares.

As a foreign private issuer, we are permitted to follow home country practice in lieu of the above requirements. Our Audit, Risk and Compliance Committee (“Audit Committee”) is required to comply with the provisions of Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which is applicable to U.S. companies listed on Nasdaq. Accordingly, we have a fully independent Audit Committee.

We are a foreign private issuer and, as a result, are not subject to U.S. proxy rules but are subject to reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. issuer.

We are a non-U.S. company with foreign private issuer status. Because we qualify as a foreign private issuer under the Exchange Act, and although we follow the laws and regulations of the Cayman Islands with regard to such matters, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. public companies, including: (i) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act, (ii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time and (iii) the rules under the Exchange Act requiring the filing of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events. Foreign private issuers are required to file their annual report on Form 20-F within four months after the end of each fiscal year. Foreign private issuers are also exempt from the Regulation Fair Disclosure, aimed at preventing issuers from making selective disclosures of material information. As a result of the above, you may not have the same protections afforded to shareholders of companies that are not foreign private issuers. This may be the case even though we intend to make interim reports available to our shareholders, copies of which we are required to furnish to the SEC on a Form 6-K, and even though we are required to file reports on Form 6-K disclosing whatever information we have made or are required to make public pursuant to Cayman Islands law or distribute to our shareholders and that is material to us.

We are a Cayman Islands company and, because judicial precedent regarding the rights of shareholders is more limited under Cayman Islands law than that under U.S. law, you may have less protection for your shareholder rights than you would under U.S. law.

Our corporate affairs are governed by our Amended and Restated Memorandum and Articles of Association (the "Memorandum and Articles of Association"), as amended and restated from time to time, the Cayman Islands Companies Act (as amended) (the "Cayman Companies Act") and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as that from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly defined as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less prescriptive body of securities laws than the United States. In addition, some U.S. states, such as Delaware, have more fulsome and judicially interpreted bodies of corporate law than the Cayman Islands. As a result of all of the above, public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the Board of Directors or controlling shareholders than they would as shareholders of a corporation incorporated in a jurisdiction in the United States.

Specifically, subject to limited exceptions, under Cayman Islands law, a minority shareholder may not bring a derivative action against the Board of Directors. Our Cayman Islands counsel is not aware of any reported class actions having been brought in a Cayman Islands court. Class actions are not recognized in the Cayman Islands, but groups of shareholders with identical interests may bring representative proceedings, which are similar. Further, while Cayman Islands law allows a dissenting shareholder to express the shareholder's view that a court-sanctioned reorganization (by way of a scheme of arrangement) of a Cayman Ltd. would not provide fair value for the shareholder's shares, Cayman Islands statutory law does not specifically provide for shareholder appraisal rights in connection with a court sanctioned reorganization (by way of a scheme of arrangement). This may make it more difficult for you to assess the value of any consideration you may receive in a merger or consolidation (approved by way of a scheme of arrangement) or to require that the acquirer gives you additional consideration if you believe the consideration offered is insufficient. However, the Cayman Companies Act does provide a mechanism for a dissenting shareholder in a statutory merger or consolidation to apply to the Grand Court of the Cayman Islands for a determination of the fair value of the dissenter's shares if it is not possible for the company and the dissenter to agree on the fair value of such shares within the time limits prescribed by the Cayman Companies Act.

In addition, a shareholder of a Cayman Ltd. has no general rights under Cayman Islands law to inspect corporate records and accounts or to obtain copies of lists of shareholders. Our Board will have discretion under the Memorandum and Articles of Association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but we will not be obliged to make them available to our shareholders. This may make it more difficult for you to obtain information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Our officers and directors presently have, and any of them in the future may have, additional fiduciary or contractual obligations to other entities, and, accordingly, may have conflicts of interest in determining to which entity a particular business opportunity should be presented.

Our directors and officers presently have, and any of them in the future may have, additional fiduciary or contractual obligations to other entities pursuant to which such officer or director is or will be required to present a business opportunity to such entity, subject to his or her fiduciary duties under Cayman Islands law. Accordingly, they presently or in the future may have conflicts of interest in determining to which entity a particular business opportunity should be presented. These conflicts may not be resolved in our favor and a potential business opportunity may be presented to another entity prior to its presentation to us, subject to their fiduciary duties under Cayman Islands law.

Our Memorandum and Articles of Association provide that, to the fullest extent permitted by applicable law: (i) no individual serving as a director or an officer shall have any duty, except and to the extent expressly assumed by contract, to refrain from engaging directly or indirectly in the same or similar business activities or lines of business as us; (ii) we renounce any interest or expectancy in, or in being offered an opportunity to participate in, any potential transaction or matter which may be a corporate opportunity for any director or officer, on the one hand, and us, on the other; and (iii) no individual serving as a director or an officer shall have a duty to communicate or offer any such corporate opportunity to us, nor shall such individuals be liable to us for a breach of fiduciary duty solely by reason of the fact that such party pursues or acquires such corporate opportunity for himself or herself, directs such corporate opportunity to another person, or does not communicate information regarding such corporate opportunity to us.

For a complete discussion of our executive officers' and directors' business affiliations and the potential conflicts of interest that you should be aware of, please see "[Item 6. Directors, Senior Management and Employees](#)" and "[Item 7. Major Shareholders and Related Party Transactions.](#)"

The Cayman Islands Economic Substance Act may affect our operations.

The Cayman Islands, together with several other non-European Union jurisdictions, have introduced legislation aimed at addressing concerns raised by the Council of the European Union and the OECD as to offshore structures engaged in certain activities which attract profits without real economic activity. The International Tax Co-operation (Economic Substance) Act, or the Cayman Economic Substance Act, came into force in the Cayman Islands in January 2019, introducing certain economic substance requirements for in-scope Cayman Islands entities which are engaged in certain geographically mobile business activities ("relevant activities"). The Cayman Economic Substance Act generally requires legal entities domiciled or registered in the Cayman Islands that conduct certain geographically mobile activities to have demonstrable substance in the Cayman Islands. The Cayman Economic Substance Act was introduced by the Cayman Islands to ensure that it meets its commitments to the European Union, as well as its obligations under the OECD's global Base Erosion and Profit Shifting initiatives. We are required to comply with the Cayman Economic Substance Act.

As we are a Cayman Islands company, compliance obligations include filing annual notifications for us, which need to state whether we are carrying out any relevant activities and, if so, whether we have satisfied economic substance tests to the extent required under the Cayman Economic Substance Act. As it is a relatively new regime, it is anticipated that the Cayman Economic Substance Act will evolve and be subject to further clarification and amendments. We may need to allocate additional resources to monitor these developments, and may have to make changes to our operations in order to comply with all requirements under the Cayman Economic Substance Act. Failure to satisfy these requirements may subject us to penalties under the Cayman Economic Substance Act. The Cayman Islands Tax Information Authority shall impose a penalty of CI\$10,000 (or US\$12,500) on a relevant entity for failing to satisfy the economic substance test or CI\$100,000 (or US\$125,000) if such failures are not remedied in the subsequent financial year after the initial notice of failure. Following failure after two consecutive years the Grand Court of the Cayman Islands may make an order requiring the relevant entity to take specified action to satisfy the economic substance test or ordering it that it is defunct or be struck off. Pursuant to the Companies Act, any property vested in or belonging to a company which has been struck off shall vest in the Cayman Islands government.

During 2022 and 2023, the Company received two notices of failure to satisfy the economic substance test for the 2020 financial year, each with a penalty of CI\$10,000 (or US\$12,500). During 2025, the Company received a notice of failure to satisfy the economic substance test for the 2021 financial year, and a further penalty of CI\$10,000 (or US\$12,500). The Company has paid the foregoing monetary penalties and taken appropriate remedial steps in 2022 and 2023 to satisfy the economic substance test.

Risks Related to Operating as a Public Company

Our management has identified material weaknesses in our ICFR and has concluded that our ICFR was not effective as of December 31, 2024, which may have a material adverse effect on our results of operations and financial condition for future periods.

Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. Our ICFR is a process meant to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. We regularly undertake the process of documenting, reviewing and improving our internal controls and procedures for compliance with Section 404 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act"), which requires annual management assessment of the effectiveness of our ICFR. Over the course of 2024, we completed the testing of our internal controls to comprehensively evaluate our controls.

For the fiscal year ended December 31, 2024, our management identified material weaknesses in our ICFR. For further information on the material weaknesses identified by our management in 2024, see "[Item 15—Controls and Procedures](#)." In light of the identified material weaknesses, our management concluded that our ICFR was not effective as of December 31, 2024. Although we are developing and implementing several measures to remedy these material weaknesses, there is no assurance that the actions we are taking or plan to take will give us the results we expect, that our remediation plan will be effective, or that our remediation plan will be completed on the timelines that we expect.

In addition to the foregoing, during 2024 we undertook efforts to remediate the material weaknesses over ICFR identified for the fiscal year ended December 31, 2023. For further information on the 2023 material weaknesses identified by management, see "[Item 15—Controls and Procedures](#)" in our Annual Report on Form 20-F for the fiscal year ended December 31, 2023. We completed the remediation of the 2023 material weakness over ICFR related to the design and implementation of general IT user access controls for information systems that are relevant to the preparation of the consolidated financial statements. Notwithstanding the completion of such remediation, there is no assurance that such controls will continue to operate effectively or that additional material weaknesses will not be discovered in the future. See "[Item 15—Controls and Procedures](#)" for further discussion on remediation activities.

If our efforts to remediate the material weaknesses are unsuccessful or if we are unable to maintain an effective internal control environment or effective disclosure controls or procedures, we may experience adverse effects to our business, financial condition or results of operations, and be unable to record, process and report financial information for future periods accurately and in a timely manner and make our required filings with government authorities, including the SEC. We cannot be certain that additional material weaknesses will not develop or be discovered in the future. In the course of remediating the material weaknesses, there may also be impacts to our disclosure controls and procedures, whereby we may not have the ability to prevent or detect on a timely basis (or at all) any material misstatement in the Company's accounts or disclosures that could result in a material misstatement to the Company's consolidated financial statements or other disclosures.

Implementing any appropriate changes to our internal controls will require the attention of our officers and employees, entail substantial costs to modify our existing processes and take significant time to complete the change and any required training. In addition, investors' perceptions that our internal controls are inadequate or that we are unable to produce accurate financial statements on a timely basis may harm the trading price of our ordinary shares, which could subject us to litigation or investigations requiring management resources and payment of substantial legal and other expenses, and make it more difficult for us to effectively develop, market and sell our products and services to new and existing customers. Any of these occurrences could adversely affect our results of operations and financial condition.

We are incurring increased costs and expenses as a result of operating as a public company and our management is required to devote substantial time to compliance with our public company responsibilities and corporate governance practices.

As a public company, we incur significant legal, accounting and other expenses related to compliance matters. We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), and the rules and regulations of Nasdaq, which impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. We also are or expect to become subject to new or proposed climate- and/or sustainability-related laws and regulations requiring disclosure or reporting, including, for example, under the EU's new Corporate Sustainability Reporting Directive. These requirements may invite lawsuits or shareholder actions that could distract management and negatively impact financial results due to required responses and increased our legal, accounting, and financial compliance costs and make some activities more difficult, time-consuming, and costly, and place significant strain on our personnel, systems and resources.

These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Risks Related to our Ordinary Shares

Future sales or distributions of our shares by Mubadala could depress the price of our ordinary shares.

Sales by Mubadala in the public market or other distributions of substantial amounts of our ordinary shares, or the filing of a registration statement relating to a substantial amount of our ordinary shares, have in the past reduced, and could in the future depress, our ordinary share price. We have entered into agreements with Mubadala that provide a framework for our ongoing relationship, including a Shareholder's Agreement and Registration Rights Agreement. Under the Registration Rights Agreement, Mubadala has the right, subject to certain conditions, to require us to file registration statements covering its shares or to include its shares in other registration statements that we may file. On May 28, 2024, Mubadala completed an underwritten secondary offering (the "Secondary Offering") of 19 million ordinary shares of the Company at a price to the public of \$50.75 per share pursuant to a registration statement filed by the Company to cover Mubadala's shares. In connection with the Secondary Offering, the Company purchased from the underwriters 3.9 million Mubadala's ordinary shares that were subject to the offering at a price per share equal to the public offering price for the offering. By further exercising its registration rights and selling a large number of additional shares in the future, Mubadala could cause the price of our ordinary shares to decline.

We do not expect to declare or pay any regular dividends on our ordinary shares for the foreseeable future.

We do not intend to pay regular cash dividends on our ordinary shares for the foreseeable future. Consequently, investors must rely on sales of their shares of our ordinary shares after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Investors seeking dividends should not purchase shares of our ordinary shares. Any future determination to pay dividends will be at the discretion of the Company's Board of Directors (the "Board of Directors" or "Board") and subject to or depend on, among other things, our compliance with applicable law, our business prospects, financial condition, results of operations, cash requirements and availability, debt repayment obligations, capital expenditure needs, the terms of any preferred equity securities we may issue in the future, covenants in the agreements governing our current and future indebtedness, other contractual restrictions, industry trends and any other factors or considerations our Board of Directors may regard as relevant. See "[Item 8. Financial Information](#)—A. Consolidated Financial Statements and Other Financial Information—Dividends and Dividend Policy."

Anti-takeover provisions in our organizational documents and Cayman Islands law may discourage or prevent a change of control, even if an acquisition would be beneficial to our shareholders, which could depress the price of our ordinary shares and prevent attempts by our shareholders to replace or remove our current management.

Our Memorandum and Articles of Association contain provisions that may delay, deter or prevent a tender offer or takeover attempts that shareholders may consider to be in their best interests, including attempts that might result in a premium being paid over the market price for the ordinary shares. These provisions are also designed, in part, to encourage persons seeking to acquire control of us to first negotiate with our Board of Directors. However, under Cayman Islands law, our Board of Directors may only exercise the rights and powers granted to them under our Memorandum and Articles of Association for a proper purpose and for what they believe in good faith to be in the best interests of the Company.

Our Board of Directors is divided into three classes with staggered, three-year terms. Our Board of Directors has the ability to designate the terms of and issue preferred shares without shareholder approval. We are also subject to certain provisions under Cayman Islands law that could delay or prevent a change of control. Together these provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our ordinary shares.

Our Memorandum and Articles of Association provide that the courts of the Cayman Islands will be the exclusive forum for certain disputes between us and our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for complaints against us or our directors, officers or employees.

Our Memorandum and Articles of Association provide that unless we consent in writing to the selection of an alternative forum, the courts of the Cayman Islands will, to the fullest extent permitted by the law, have exclusive jurisdiction over any claim or dispute arising out of or in connection with our Memorandum and Articles of Association or otherwise related in any way to each shareholder's shareholding in us, including but not limited to (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of any fiduciary or other duty owed by any of our current or former directors, officers or other employees to us or our shareholders, (iii) any action asserting a claim arising pursuant to any provision of the Cayman Companies Act or our Memorandum and Articles of Association, and (iv) any action asserting a claim against us governed by the "Internal Affairs Doctrine" (as such concept is recognized under the laws of the United States) and that each shareholder irrevocably submits to the exclusive jurisdiction of the courts of the Cayman Islands over all such claims or disputes. Our Memorandum and Articles of Association provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause or causes of action arising under the Securities Act of 1933, as amended ("Securities Act"), or Exchange Act, including all causes of action asserted against any defendant named in such complaint.

Our Memorandum and Articles of Association also provide that, without prejudice to any other rights or remedies that we may have, each of our shareholders acknowledges that damages alone would not be an adequate remedy for any breach of the selection of the courts of the Cayman Islands as exclusive forum and that accordingly we shall be entitled, without proof of special damages, to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of the selection of the courts of the Cayman Islands as exclusive forum.

This choice of forum provision may increase a shareholder's cost and limit the shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees. Any person or entity purchasing or otherwise acquiring any of our shares or other securities, whether by transfer, sale, operation of law or otherwise, shall be deemed to have notice of and have irrevocably agreed and consented to these provisions. There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies' charter documents (including exclusive federal forum provisions for actions, suits or proceedings asserting a cause of action arising under the Securities Act) has been challenged in legal proceedings. Additionally, our shareholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. It is possible that a court could find this type of provisions to be inapplicable or unenforceable, and if a court were to find this provision in our Memorandum and Articles of Association to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could have adverse effect on our business and financial performance.

Our Memorandum and Articles of Association provide for indemnification of officers and directors at our expense, which may result in a major cost to us and hurt the interests of our shareholders because corporate resources may be expended for the benefit of officers and/or directors.

Our Memorandum and Articles of Association and applicable law of the Cayman Islands provide for the indemnification of our directors and officers, under certain circumstances, against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions in connection with our company, other than such liability (if any) that they may incur by reason of their own actual fraud, dishonesty, willful neglect or willful default. We will also bear the expenses of such litigation for any of our directors or officers, upon such person's undertaking to repay any amounts paid, advanced, or reimbursed by us if it is ultimately determined that any such person shall not have been entitled to indemnification. This indemnification policy could result in substantial expenditures by us that we will be unable to recoup.

We have been advised that, in the opinion of the SEC, indemnification for liabilities arising under federal securities laws is against public policy as expressed in the Securities Act, and is, therefore, unenforceable.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

GLOBALFOUNDRIES Inc. is an exempted company with limited liability that was incorporated under the laws of the Cayman Island in October 2008. Our principal executive offices are located at 400 Stonebreak Road Extension, Malta, New York, 12020, United States, and our telephone number is +1 (518) 305-9013. We have appointed Corporation Service Company as our agent to receive service of process with respect to any action brought against us in the United States under the federal securities laws of the United States or of any state in the United States. The address of the Corporation Service Company is 251 Little Falls Drive, Wilmington, DE 19808.

We are one of the world's leading semiconductor foundries. We were established in 2009 when a subsidiary of Mubadala acquired the manufacturing operations of Advanced Micro Devices, Inc. ("AMD") in Dresden, Germany, and their fab project site in Malta, New York. Since our inception, we have established a global footprint, encompassing three continents, through a series of acquisitions, greenfield expansions and strategic partnerships.

- In 2010, we combined with Chartered Semiconductor Manufacturing ("Chartered Semiconductor"), the third-largest foundry by revenue at the time, forming the basis for our Singapore manufacturing hub.
- In 2015, we acquired IBM's Microelectronics division with manufacturing facilities in New York and Vermont.
- In 2018, we undertook a strategic pivot to focus on the pervasive foundry market opportunity and the growing demand for specialized process technologies. As part of this strategic pivot, since 2018, we have streamlined our manufacturing footprint by divesting three assets that were not aligned with our strategic priorities.
- In November 2021, we completed our initial public offering ("IPO") with our ordinary shares listed on Nasdaq under the symbol "GFS".
- In the second half of 2024, Module 7H, the new extension of our existing 300mm Fab 7 operations in Singapore, commenced commercial shipment of wafers.

We currently operate four manufacturing sites in the following locations: Dresden, Germany; Singapore; Malta, New York; and Burlington, Vermont. With this level of market presence and capability, our technologies are found across most semiconductor end markets in devices used on a daily basis. Today, we focus on essential chip solutions for the pervasive semiconductor market, where we are trusted to reliably innovate and deliver premium performance, functionality, efficiency and quality, rather than focusing merely on transistor density and processing speed.

Our website address is www.gf.com. Information contained on, or that can be accessed through, our website is not incorporated by reference into this Annual Report, and you should not consider information on our website to be part of this Annual Report. In addition, the SEC maintains an Internet website (www.sec.gov) that contains reports and other information about issuers, like us, that file electronically with the SEC.

The GF design logo, "GF" and our other registered or common law trademarks, service marks, or trade names appearing in this Annual Report are the property of GLOBALFOUNDRIES Inc. Other trade names, trademarks and service marks used in this Annual Report are the property of their respective owners.

B. Business Overview

We manufacture complex, essential ICs that are used in billions of electronic devices across various industries. Our specialized foundry manufacturing processes, extensive library of qualified circuit-building block designs (known as IP titles or IP blocks), and advanced transistor and device technology allow us to serve a wide range of customers, including global leaders in IC design. We focus on providing optimized solutions for critical applications that drive key secular growth end markets, ensuring function, performance, and power requirements are met. As the only scaled pure-play foundry (defined as a company specializing in producing ICs for other companies with annual foundry revenue exceeding \$3 billion) with a global footprint that is not based in China or Taiwan, we offer our customers the advantage of mitigating geopolitical risk and ensuring greater supply chain certainty and security. Since our founding in 2009, we have invested over \$23 billion to create a global manufacturing footprint with state-of-the-art facilities across three continents. Our differentiated foundry solutions redefine the industry by offering essential chip solutions that empower our customers to develop innovative products for a wide range of applications in diverse markets and bring their products to market quickly and cost effectively.

Technology Solutions and End Markets

We focus on essential devices that include digital, analog, mixed-signal, radio frequency (“RF”), ultra-low power and embedded memory solutions that connect, secure and process data, and efficiently power the digital world around us. To meet the needs of our customers, we devote our R&D efforts to a diversified range of differentiated technology platforms in these key categories: Complementary Metal-Oxide Semiconductor (“CMOS”) for both Feature-Rich and Ultra-Low Power, RF, Power and Silicon Photonics (“SiPh”). Specifically within these categories, our key technology platforms include RF SOI, FDX™, Fin Field-Effect Transistor (“FinFET”), Bipolar-CMOS-DMOS (“BCD”), BCDLite, Silicon Germanium (“SiGe”) and Gallium Nitride (“GaN”) products.

Our wide range of essential chip solutions serve applications across the following end markets, as illustrated below:

	Smart Mobile Devices	Home and Industrial IoT	Communications, Infrastructure and Datacenter	Automotive
FEATURE RICH CMOS				
FR-CMOS	✓	✓	✓	✓
ULTRA-LOW POWER CMOS				
FinFet	✓	✓	✓	✓
FDX™, FD-SOI	✓	✓	✓	✓
SILICON PHOTONICS				
SiPh			✓	✓
RF				
RF, SOI	✓	✓	✓	✓
SiGe	✓	✓	✓	✓
RF GaN	✓		✓	
POWER				
BCD, BCDLite	✓	✓	✓	✓
Power GaN	✓	✓	✓	✓

Customers and Sales

Through our highly differentiated technology, scaled manufacturing footprint and intense focus on collaboration, we have built deep strategic partnerships with a broad base of more than 250 customers as of December 31, 2024, many of whom are the global leaders in their field.

For the year 2024, our top ten customers, based on wafer shipment volume, included some of the largest semiconductor companies in the world: AMD, Cirrus Logic International (U.K.) Limited, Infineon Technologies AG, Media Tek Inc., NXP Semiconductors N.V., Qualcomm Global Trading Pte. Ltd (“Qualcomm”), Qorvo International Ptd. Ltd, Samsung, Skyworks Solutions, Inc. and Sony Semiconductor Manufacturing Corporation. A key measure of our position as a strategic partner to our customers is the mix of our wafer shipment volume attributable to single-sourced design wins, which represented approximately 64% of wafer shipment volume in 2024. We define single-sourced design wins as those that we believe can only be manufactured with our technology and cannot be manufactured elsewhere without significant customer redesigns.

The following chart illustrates our revenue mix based on customer end markets:

Revenue by End Markets	2024		2023		2022	
	Net Revenue	Percentage	Net Revenue	Percentage	Net Revenue	Percentage
Smart Mobile Devices	3,048	45%	3,023	41%	3,723	46%
Communications, Infrastructure & Datacenter	577	9%	863	12%	1,423	18%
Home and Industrial IoT	1,267	19%	1,604	22%	1,782	22%
Automotive	1,206	18%	1,046	14%	373	5%
Non-Wafer Revenue	652	10%	856	11%	807	10%
Total	6,750	100%	7,392	100%	8,108	100%

In addition, for a breakdown of our revenue by geography (based on the location of our customers’ headquarters), see [Note 32. Operating Segments Information](#).

Recent Industry and Market Dynamics

Semiconductor Industry Inventory Correction

In 2024, the semiconductor industry continued to experience an excess of inventory and reduced levels of demand across several of the end-markets that we serve, compounded by a volatile macro-economic environment, high historic interest rates and geopolitical tensions. The recovery is taking longer than in previous cycles and the pace is staggered across our end markets. Inventory levels remained elevated through the second half of 2024. We expect that the catalyst for reducing inventory levels and improving demand will be driven by the stabilization of key macro-economic indicators, such as inflation, interest rates and GDP growth, and within the industry specifically, the AI refresh cycle.

Competition

The foundry segment of the semiconductor industry is highly competitive both internationally and domestically, and our competitors include other major foundries, including pure-play foundries as well as IDMs that have their own foundry services. We compete primarily in areas such as technology leadership and differentiation, manufacturing yields, time-to-volume production and cycle time, pricing and customer service, and design support. Operating an at-scale foundry requires an intricate web of ecosystem partners and IP libraries, mastery of highly complex manufacturing process technology, automated fab operations, access to deep know-how and engineering talent, and a global engineering customer-support organization. Some of our competitors have greater access to capital and substantially greater production capacity, R&D, marketing and other resources. We also compete in attracting and retaining talented personnel and, increasingly, providing customers with a geographically diversified supply of semiconductor products. While we believe our global footprint is attractive for customers seeking to use geographically dispersed suppliers, some of our competitors and IDMs have commenced or announced expansions in the United States and Europe, which may lead to increased competition for customers, funding and talent in those jurisdictions.

Government Regulations

Our operations are subject to diverse environmental, health and safety laws and regulations that govern, among other things, emissions of pollutants into the air, wastewater discharges, the use and handling of hazardous substances, waste disposal, the investigation and remediation of soil and ground water contamination and the health and safety of our employees. Our products and technology are subject to export controls in the jurisdictions where we do business and we are also subject to the applicable anti-corruption, anti-bribery, anti-money laundering and counter-terrorist financing laws and regulations in the countries in which we conduct business. See "Risk Factors—Political, Regulatory and Legal Risks" for additional details.

Governments have in recent years created bold new incentive programs to fund and secure their local semiconductor manufacturing industries. In the United States, the CHIPS and Science Act provided for a 25% investment tax refund and appropriated \$52 billion in grants to support the domestic semiconductor industry, of which \$39 billion was earmarked for manufacturing capacity expansion. The EU has enacted the European Chips Act, which is intended to provide, through its member states, significant funding to strengthen the EU's semiconductor industry. See Section "D. Property, Plant and Equipment" for details regarding how these programs impact on our manufacturing capabilities.

Seasonality

Our revenue is subject to some seasonal variation. Historically, our revenue has been lower in the first half of the year.

For a discussion of our business's seasonality, see "[Item 3. Key information](#)—D. Risk Factors—Risk Factors—Risks Related to Our Business and Industry—The cyclical nature and seasonality of the semiconductor industry and periodic overcapacity make us vulnerable to significant and sometimes prolonged economic downturns."

Technology Megatrends

A significant driver of semiconductor demand has been, and we believe will continue to be, the tremendous growth in the deployment of intelligent, connected and AI at the edge devices which are increasingly transforming a wide variety of business functions across all sectors. Semiconductors enable the functionality that software delivers. With wide-scale adoption of mobile devices and software solutions, society has grown to expect high-speed connectivity, convenience and security in all applications, providing a catalyst for increased semiconductor content in nearly every industry. These trends were accelerated by the COVID-19 pandemic, which emphasized the criticality of connectivity to allow the world to continue to work, communicate, educate and deliver goods and services. We believe that accelerated adoption of technologies such as video conferencing, telemedicine, e-education and e-commerce will serve to drive increased requirements for these technologies going forward.

Semiconductors are enabling the transformation of other sectors of the economy as well. In particular, the electrification of automobiles, including autonomous driving applications, are driving a sharp increase in semiconductor sensors. Semiconductors are increasingly integral to the performance, safety and comfort of vehicles, and we believe the continued electrification of automobiles will only further accelerate this trend.

Semiconductors have become mission-critical to the functionality, safety, transformation and success of many industries in addition to the automotive industry. As a result, the diversification of semiconductor demand across a wide range of industries has made the sector more foundational and central to the broader economy.

Technology megatrends including IoT, 5G, cloud, AI and next-generation automotive are reshaping the global economy and driving a new golden age for semiconductors. Semiconductors have become ubiquitous, powering a broad range of applications from consumer devices to enterprise and industrial applications. Semiconductor innovation is essential to the growth and development of many parts of the technology ecosystem. This includes the software and AI revolution and data collection, transmission and processing at an unprecedented scale, as well as increasing use of advanced driver-assistance systems (“ADAS”) and electrification of automobiles. Semiconductor innovation is also essential for many industrial applications. As the manufacturing backbone of the semiconductor industry, foundries are the bedrock of the global technology ecosystem, and, by extension, the world economy. Foundries such as GF drive innovation by providing advances in process technologies, materials science and IC design IP within the global supply chain to enable customers to develop ICs, accelerate time-to-market and offer value-added services.

Raw Materials

We use various raw materials during our manufacturing processes, such as silicon wafers, gases, chemicals and photoresist, many of which are not commodities that can be easily replaced with substitutions. Although most of our raw materials are available from multiple suppliers, we procure some of our raw materials from sole-sourced suppliers, including raw materials that are significant to our production operations. From time to time, we are advised of shortages of raw materials that could impact our operations. We work closely with our existing vendors to support their efforts to provide us with uninterrupted supply and continue to seek alternative suppliers and substitute materials. We regularly review raw material supply, and we maintain a safety stock depending on the critical nature of materials, typical lead times, shelf life and sourcing status. In addition, due to our global footprint, with fabs on three continents, we believe we have the ability to diversify our supply chain and leverage alternative sources for key supplies.

One of the most important raw materials used in our production processes is silicon wafers, which is the basic raw material from which ICs are made. In recent years, the silicon substrate market has experienced price volatility and supply shortages. The principal suppliers for our wafers are MEMC LLC, Shin-Etsu Handotai (“S.E.H.”) and Soitec. In order to secure a reliable and flexible supply of high-quality wafers, we have entered into multiple long-term agreements with the majority of our principal suppliers, the largest of which is Soitec. We have entered into multiple long-term agreements with Soitec across a wide spectrum of SOI, FD and SiPh products. We believe that we have close working relationships with our silicon wafer suppliers and will continue to be able to obtain a sufficient supply of silicon wafers.

Research and Development

We have a strong heritage of innovation, stemming from our roots at AMD, Chartered Semiconductor and IBM, and have built a comprehensive technology portfolio supported by approximately 8,500 worldwide patents. As of December 31, 2024, we had approximately 1,500 employees dedicated to R&D. We have a strong commitment to R&D, focusing efforts primarily on delivering a comprehensive and expanded portfolio of highly-differentiated, essential chip solutions for our customers, including RF, FinFET, CMOS, FDX™, SiGe, GaN and SiPh. Our investments cover a broad range of innovation vectors, including materials and substrates, architecture, integration, services, including packaging, and the development of our ecosystem. We have developed and continue to develop resources that allow our customers to develop innovative products to fuel the global economy. In 2024, 2023 and 2022, we spent \$496 million, \$428 million and \$482 million, respectively, on R&D, which represented approximately 7%, 6% and 6% of our net revenue in each respective year.

Intellectual Property

We rely on IP rights, particularly patents and trade secrets, as well as contractual arrangements, to protect our core process and design enablement technologies and provide our customers with protected technology to enable their mission-critical offerings. As of December 31, 2024, we held approximately 6,500 U.S.-issued patents and approximately 2,000 patents issued outside of the United States. We periodically conduct in-depth reviews of our patents and the industry’s manufacturing technologies, and we cull patents having limited or no value, yielding both savings in patent office maintenance fees and a strong, active patent portfolio.

We have entered into patent cross-licenses with a number of other leading advanced semiconductor companies, including AMD, Samsung, TSMC and IBM. These cross-licenses provide us with valuable freedom of operation under patents owned or subsequently divested by such companies. As is the case with many companies in the semiconductor industry, we have from time to time received communications from third parties, asserting patents that allegedly cover certain of our technologies, and we expect to receive similar communications in the future. Some of the patents that others have chosen to assert against us are not valid based on pre-existing prior art, and we have successfully defended ourselves using *inter partes* review (“IPR”) and other procedures in the U.S. Patent and Trademark Office. Regardless of the validity or the successful assertion of such claims, we could incur significant costs and devote significant management resources to the defense of these claims, which could seriously harm our company. Additionally, many of our agreements with our customers and partners require us to defend such parties against certain IP infringement claims and indemnify them for damages and losses arising from certain intellectual property infringement claims against them. See “[Item 3. Key Information](#)—D. Risk Factors—Risk Factors—Risks Related to Intellectual Property—We have been, and may continue to be, subject to intellectual property disputes, which are costly and may subject us to significant liability and increased costs of doing business.”

Sustainability Initiatives

We are dedicated to ethical and responsible business practices, the personal and social well-being of our employees, and supply chain and environmental stewardship. Sustainability is fundamental to our culture and our value proposition to our customers, the communities in which we live and do business, and our full range of global stakeholders.

Employee Safety, Health and Well-being

Our Journey to Zero commitment is the leading theme of our Global Environmental Health and Safety (“EHS”) Policy and Standards, which serves as the foundation of health and safety programs at each of our manufacturing locations. We strive to continuously reduce occupational injuries and illnesses in all of our operations, and aspire to achieve the goal of zero annual incidents. Our enterprise-wide health and safety management system is certified to the ISO 45001:2018 standard.

Environmentally Sustainable Manufacturing and Operations

Semiconductor manufacturing is generally resource-intensive. Therefore, our Journey to Zero commitment also represents our pursuit of sustainable and environmentally efficient operations, seeking to minimize environmental- and climate-related impacts from our operations through pollution prevention and resource conservation. Our Global EHS Policy and Standards establish a continual improvement process and performance requirements that apply throughout the company. Our enterprise-wide environmental management system is certified to the ISO 14001:2015 standard. In 2021, we launched our Journey to Zero Carbon commitment that aims to reduce greenhouse gas emissions by 25% by 2030, compared to a 2020 baseline. In 2024, we announced our commitment to achieve net-zero greenhouse gas emissions and 100% carbon-neutral power by 2050, in alignment with the Paris Agreement goals.

Responsible Sourcing

As a member of the Responsible Business Alliance (“RBA”), we are committed to responsible sourcing practices. We progressively apply the RBA Code of Conduct to our major suppliers and monitor its application. We encourage and support our suppliers to do the same in our continuous pursuit of excellence in corporate responsibility and extension of responsible practices throughout the supply chain.

Technology Solutions for Humanity

We are focused on creating innovations in the largest and most pervasive segments of the semiconductor industry. As power efficiency has become a critical success factor for the semiconductor industry, we strive to develop solutions that can lower the power consumption of digital technology.

Human Capital

We believe that our success rests on empowering employees to bring their authentic selves to the company and that building a culture of anti-discrimination and inclusion drives better business outcomes. As a global company, we recognize and value the wide variety of cultural values, traditions, experiences, education and perspectives of our team and communities. As of December 31, 2024, we employed a multicultural workforce across three continents, representing more than 87 nationalities across 14 countries. We believe that our culture of inclusion leads to higher levels of belonging, engagement and ultimately, higher-performing teams. We strive to improve the employee experience on all aspects of the employee lifecycle, including recruitment, retention, professional development, and advancement of a wide range of talent, skills, experiences and perspectives. We use an annual engagement survey process to help measure employee engagement and our workforce culture strategy progress.

Global Support Strategy

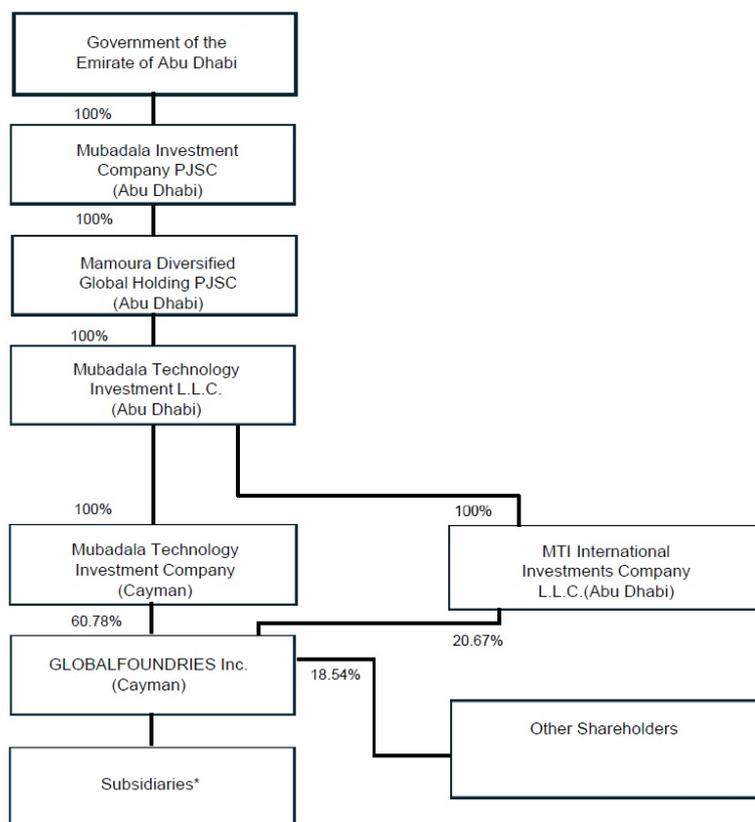
We have continued to grow our operations in India, Malaysia and Bulgaria as an important part of our global support strategy. Our operations in those locations span a broad range of functions including engineering, operations support, design enablement, procurement, IT and Human Resources.

Community Support and Engagement

We have a long history of community involvement, with well-established programs and global and local teams dedicated to enriching the lives of the people in our communities around the world. Through our worldwide GlobalGives program, we provide employees with the opportunity to make a positive impact in their local communities through personal donations, company-matched donations as well as through volunteering their time.

C. Organizational Structure

The following is a chart of our corporate structure as of December 31, 2024:



* Please refer to [Note 28. Related Party Disclosures](#) to our Annual Consolidated Financial Statements for more information on our subsidiaries.

D. Property, Plant and Equipment

Global Footprint

Our focus on highly-differentiated solutions, quality, security and reliability requires world-class manufacturing capabilities. We have four world-class manufacturing sites on three continents, providing the scale, technology differentiation and geographic diversification that we believe are critically important to our customers' success. We currently operate four manufacturing sites in the following locations: Dresden, Germany; Singapore; Malta, New York; and Burlington, Vermont.

The total clean room space is approximately 239,000 square meters spread across our four manufacturing sites. As of December 31, 2024, our total 300 mm equivalent base capacity is 2.8 million wafers per annum.

We have continued to invest in our capacity footprint and by the end of 2025, we expect our total capacity to be approximately in line with 2024, as we undertake the completion of key technology transfer programs across our footprint. The rate and pace at which we expect to increase shipments within our capacity footprint will be subject to, among other things, a reduction in channel inventory across the end markets we serve, improvement in the global macro-economic landscape and increased customer demand.

Since foundry production is concentrated in China and Taiwan, we believe our global manufacturing footprint is a key differentiator that makes us the ideal partner for local and regional government stakeholders at a time when many regions, in particular the United States and Europe, have passed legislation contemplating significant funding to secure and grow their respective domestic semiconductor manufacturing capabilities.

The following table describes each of our manufacturing facilities and their key technologies as of December 31, 2024:

		300mm			200mm	
● Production		Malta	Germany	Singapore	Burlington	Singapore
⊕ Development						
ULP CMOS	FinFET	●				
	FDX	●	●			
SiPh	Photonics	●				●
Feature Rich CMOS	28 CMOS		●	⊕		
	40/45 CMOS	⊕	●	●		
	55-90 CMOS			●		
	110-180 CMOS			●		●
Power	55 BCDx		●	●		
	130 BCDx			●		⊕
	150-180 BCDx					●
	GaN Power				⊕	
RF SOI	SWSOI			●	●	●
	Other RFSOI	●		●	●	
	SiGe			⊕	●	●
	Gan RF				⊕	

Each site is equipped with thousands of highly sophisticated pieces of manufacturing equipment and tools. We currently have more than 7,000 tools across all of our fabs. Each site has dedicated power, water, gas and chemical distribution systems. Various assets have been pledged to secure borrowings under pledged agreements for the Company. See [Note 12. Long-Term Debt](#) to our Annual Consolidated Financial Statements.

The majority of our manufacturing facilities are built on land we own, with the exception of our Malta, New York, and Singapore fabs, which are built on land leased to the Company by the industrial development agencies of their respective regions. From time to time, we announce plans to expand our global capacity including those discussed below. The anticipated timing and capacity of these proposed expansions or modernizations are always contingent on market demand, the receipt of anticipated funding, whether public or private, achievement of conditions for receipt of certain public funding, and customer commitments for secured supply.

In November 2024, the Company entered into a Direct Funding Agreement with the U.S. Department of Commerce for \$1.5 billion in planned direct funding of Company projects in Malta, New York, and Burlington, Vermont, under the CHIPS and Science Act. These projects will enable us to expand and create new manufacturing capacity and capabilities to securely produce more essential chips for automotive, IoT, aerospace, defense, and other vital markets. The proposed funding will support three GF projects: expansion of our existing Fab 8 facility, construction of a new state-of-art fab on the Fab 8 campus, and modernization of our Fab 9 facility in Burlington, Vermont. In support of the two Fab 8 projects, the State of New York also announced that it intends to provide \$575 million in planned direct funding. Subject to market requirements and customer demand as well as receipt of expected government funding, among other factors, GF plans to invest more than \$12 billion over the next 10 or more years across its two U.S. sites.

In January 2025, an additional \$75 million was added to the Direct Funding Agreement to support GF's plans to create a new center for advanced packaging and testing of essential chips in Malta, New York. The State of New York intends to provide up to \$20 million in new support for the new center.

In August 2022, we entered into a Commercial and Cooperation Agreement with ST for the build-out and joint operation of a new 300mm semiconductor manufacturing facility. This facility is targeted to ramp up to 620,000 300mm wafers per annum production at full build-out. In June 2023, the Company concluded an agreement for the jointly operated semiconductor manufacturing facility, which would benefit from significant financial support from the French Republic.

See "[Item 3. Key Information](#)—D. Risk Factors—Risk Factors—Risks Related to our Business and Industry and Risks Related to Strategic Transactions" for risks related to the foregoing projects.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEWS AND PROSPECTS

You should read the following discussion and analysis together with the consolidated financial statements and the notes to such statements included in this Annual Report. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "[Item 3. Key Information](#)—D. Risk Factors" or in other parts of this Annual Report on Form 20-F.

A discussion of the changes in our results between the years ended December 31, 2022 and 2023, has been omitted from this Annual Report on Form 20-F for the year ended December 31, 2024. In order to view that discussion, please see "[Item 5. Operating and Financial Review and Prospects](#)—A. Operating Results" and "[Item 5. Operating and Financial Reviews and Prospects](#)—B. Liquidity and Capital Resources" in our Annual Report on Form 20-F for the year ended December 31, 2023, filed with the SEC on April 29, 2024, which is available on the SEC's website at www.sec.gov and our website at <https://gf.com/>.

Executive Overview and Other Recent Events

GlobalFoundries is one of the world's leading semiconductor foundries. We manufacture complex 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. We 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 LTAs, providing improved revenue visibility and significant operating leverage, resulting in improved financial performance. As of December 31, 2024, the aggregate remaining long-term revenue commitment reflected by these agreements amounted to more than \$14 billion (spread out across varying numbers of years, depending on each LTA), and \$3 billion of refundable and non-refundable advance payments and capacity reservation fees. These LTA 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 250 customers as of December 31, 2024, 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 90% of our net revenue in 2024. The rest of our net revenue was mainly derived from photomask manufacturing, sourcing services and pre-fab manufacturing services.

Our business has experienced weaker demand across several of the end markets within which we operate, as our customers manage elevated inventory levels and tighter monetary policies, which adversely impacted our revenues. As discussed in "[Item 3. Key Information](#)—D. Risk Factors," we have had to renegotiate certain of our LTAs with existing customers to reflect lower volume commitments and/or longer commitment timelines, and we expect that we will continue to have to renegotiate a limited number of LTAs in 2025. We remain cautious as the global macroeconomic uncertainty continues, reflecting the impacts of inflation, high interest rates, and geopolitical conflicts. The recovery is taking longer than in previous cycles and the pace is staggered across our end markets. Inventory levels remained elevated through the second half of 2024. We expect that the catalyst for reducing inventory levels and improving demand will be driven by the stabilization of key macro-economic indicators, such as inflation, interest rates and GDP growth, and within the industry specifically, the AI refresh cycle. We continue to collaborate closely with our customers to support the acceleration of their inventory depletion, while seeking to preserve the economic value of the commercial agreements we have entered into.

Components of Results of Operations

Net Revenue

We generate the majority of our revenue from volume production and sales of finished semiconductor wafers, which are priced on a per-wafer basis for the applicable design. We also generate revenue from rendering of non-recurring engineering ("NRE") services, mask production and pre-fabrication services such as bump, test, and packaging.

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 an increase in 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 clean room production equipment. Commencement of depreciation related to construction in progress and property, plant and equipment involves determining when the assets are available for their intended use (see [Note 3. Summary of Material Accounting Policies](#) to our Annual Consolidated Financial Statements). 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.

Operating Expenses

Our operating expenses consist of R&D, selling, general and administrative expenses, restructuring charges, and impairment charges. 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. As part of our strategic repositioning, we shifted our R&D efforts to focus on technologies where we can deliver highly-differentiated solutions and discontinued our R&D-intensive single-digit node program. 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 as a percentage of revenue to be relatively stable over time as expenses grow in line with increased revenue.

Selling, General and Administrative ("SG&A")

SG&A expenses 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 in SG&A expenses. Beginning in the third quarter of 2023, SG&A expenses also include certain contract cancellation fees, (gain) loss on tool sales and withholding taxes. Certain contract cancellation fees and (gain) loss on tool sales were previously included in other income (expense) while withholding taxes were previously recorded in income tax expense. We expect our SG&A as a percentage of revenue to be relatively stable over time as expenses grow in line with increased revenue.

Restructuring Charges

We incurred restructuring charges related to a 2022 reduction in our global workforce (a small portion of which carried through to 2024), reduction in leased workspace and engaging consultants for strategic support.

Impairment Charges

Impairment charges relates to legacy investments in our production capacity at our fab in Malta, New York.

Other Operating Charges

Finance Income

Finance income consists primarily of income related to investing activities.

Finance Expenses

Finance expenses 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.

Other Income (Expense), net

Other income (expense), net consists of one-time gains and losses and other miscellaneous income and expense items unrelated to our core operations. Included are gains and losses relating to hedging activities. Prior to third quarter of 2023, other income (expense), net also included (gain) loss on tool sales and certain contract cancellation fees.

Income Tax Expense

Income tax expense consists primarily of income taxes in certain foreign jurisdictions in which we conduct business, which mainly include Germany, Singapore and U.S. federal and state income taxes.

The following discussion covers items for and a comparison between the years ended December 31, 2024 and 2023.

A. Operating Results

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

(in millions)	For the year ended December 31,	
	2024	2023
Net revenue	\$ 6,750	\$ 7,392
Cost of revenue ⁽¹⁾	5,099	5,291
Gross profit	1,651	2,101
Research and development expenses ⁽¹⁾	496	428
Selling, general and administrative expenses ⁽¹⁾	427	473
Restructuring charges	7	71
Impairment charges	935	—
Operating expenses	1,865	972
Income (loss) from operations	(214)	1,129
Finance income	201	149
Finance expenses	(145)	(137)
Other income (expense)	(12)	(57)
Income (loss) before income taxes	(170)	1,084
Income tax expense	(92)	(66)
Net income (loss)	\$ (262)	\$ 1,018

⁽¹⁾Includes share-based compensation expense as follows:

(in millions)	For the year ended December 31,	
	2024	2023
Cost of revenue	\$ 58	\$ 48
Research and development	\$ 31	\$ 25
Selling, general and administrative	\$ 98	\$ 96

Comparison of Years Ended December 31, 2024 and 2023

Net Revenue

(in millions)	Year ended December 31,		Change	% Change
	2024	2023		
Net revenue	\$ 6,750	\$ 7,392	\$ (642)	(8.7)%

Net revenue decreased by \$642 million, or 8.7%, for the year ended December 31, 2024, compared to the year ended December 31, 2023. The year-over-year change was driven by a 4% reduction in 300mm equivalent wafers shipments to 2.1 million. Additionally, the average selling price per wafer decreased by 3%, largely due to shifts in the end market mix, each with varying average prices, and non-wafer revenue experienced a decline of 24%.

The wafer shipment volume decline was primarily the result of lower customer demand due to elevated inventory levels for customers across certain end markets that we serve. Communications, Infrastructure & Datacenter declined 33% due to the continued platform transitions by customers. Home and Industrial IoT decreased 21% due to customer inventory adjustments in industrial and consumer applications. Offsetting these decreases, Automotive revenue increased 15%, driven by content and share gains. Smart Mobile Device remained relatively flat, as elevated inventory levels and muted customer demand for handsets were largely offset by content growth.

The 24% decrease in non-wafer revenue was primarily due to LTA access fees that were fully amortized in 2023 and increased customer rebates due to lower volumes in 2024.

The following table presents the Company's revenue disaggregated based on end markets for the years ended December 31, 2024, 2023 and 2022.

End Markets (in millions):	Year ended December 31,				2022
	2024	2023	Change	% Change	
Smart Mobile Devices	\$ 3,048	\$ 3,023	\$ 25	0.8 %	\$ 3,723
Communications Infrastructure & Datacenter	577	863	(286)	(33.1)%	1,423
Home and Industrial IoT	1,267	1,604	(337)	(21.0)%	1,782
Automotive	1,206	1,046	160	15.3 %	373
Non wafer revenue	652	856	(204)	(23.8)%	807
Total	\$ 6,750	\$ 7,392	\$ (642)	(8.7)%	\$ 8,108

Cost of Revenue

(in millions)	Year ended December 31,			
	2024	2023	Change	% Change
Cost of revenue	\$ 5,099	\$ 5,291	\$ (192)	(3.6)%
Gross margin %	24.5 %	28.4 %		-390bps

Cost of revenue decreased by \$192 million, or 3.6%, for the year ended December 31, 2024, compared to the year ended December 31, 2023. The change was driven by 4% lower shipment volume, partially offset by an unfavorable increase in manufacturing variances due to reduced absorption of fixed costs. During the years ended December 31, 2024 and 2023, the Company recognized \$32 million and \$48 million, respectively, within cost of revenue to write down certain inventories to estimated net realizable value.

Gross margin decreased to 24.5% for the year ended December 31, 2024 from 28.4% for the year ended December 31, 2023. The decrease of 390 basis points largely driven by a 7% reduction in wafer revenue resulting in reduced factory utilization and unfavorable absorption of fixed manufacturing costs, and a 24% reduction in non-wafer revenue.

Research and Development Expenses

(in millions)	Year ended December 31,			
	2024	2023	Change	% Change
Research and development expenses	\$ 496	\$ 428	\$ 68	15.9 %
As a % of revenue	7.3 %	5.8 %		

Research and development expenses increased by \$68 million, or 15.9%, for the year ended December 31, 2024, compared to the year ended December 31, 2023. The change was primarily a result of \$31 million higher employee-related expenses, \$29 million higher R&D portfolio investments, and \$6 million higher share-based compensation.

Selling, General and Administrative Expenses

(in millions)	Year ended December 31,			
	2024	2023	Change	% Change
Selling, general and administrative expenses	\$ 427	\$ 473	\$ (46)	(9.7)%
As a % of revenue	6.3 %	6.4 %		

Selling, general and administrative expenses decreased by \$46 million, or 9.7%, for the year ended December 31, 2024, compared to the year ended December 31, 2023. The change was primarily a result of \$44 million higher tool sales gains, \$17 million increase in advanced manufacturing investment tax credits and \$16 million decrease in withholding tax expense related to an intercompany loan partially offset by higher employee related compensation expenses of \$34 million.

Restructuring Charges

(in millions)

	Year ended December 31,		Change	% Change
	2024	2023		
Restructuring charges	\$ 7	\$ 71	\$ (64)	(90.1)%

Restructuring charges decreased by \$64 million, or 90.1% for the year ended December 31, 2024, compared to the year ended December 31, 2023. The decrease was driven by lower employee related expenses as a result of winding down restructuring activities.

Impairment charges

(in millions)

	Year ended December 31,		Change	% Change
	2024	2023		
Impairment charges	\$ 935	\$ —	\$ 935	N/A

For the year ended December 31, 2024, the Company recorded an impairment charge of \$935 million, relating to legacy investments in our production capacity at our fab in Malta, New York. This impairment charge was due to the diversification of our long-term manufacturing technology platform roadmap in Malta, consistent with the Company's previously communicated technology transfer strategy aimed at meeting expected long-term customer demand. We did not take any impairment charge on long-lived assets in the year ended December 31, 2023.

Finance income

(in millions)

	Year ended December 31,		Change	% Change
	2024	2023		
Finance Income	\$ 201	\$ 149	\$ 52	34.9%

Finance income increased by \$52 million, or 34.9%, for the year ended December 31, 2024, compared to the year ended December 31, 2023. The increase was primarily generated from higher investment income generated as a result of increased investment balances and higher market interest rates.

Finance expense

(in millions)

	Year ended December 31,		Change	% Change
	2024	2023		
Finance expenses	\$ (145)	\$ (137)	\$ (8)	5.8%

Finance expenses increased by \$8 million for the year ended December 31, 2024 compared to the year ended December 31, 2023. This increase was primarily a result of increased floating interest rates associated with third-party debt.

Other Income (expense), net

(in millions)

	Year ended December 31,		Change	% Change
	2024	2023		
Other income (expense), net	\$ (12)	\$ (57)	\$ 45	(78.9)%

Other income (expense), net increased by \$45 million for the year ended December 31, 2024, compared to the year ended December 31, 2023. The increase was primarily driven by a \$55 million reduction in foreign exchange currency losses, partially offset by a \$13 million decrease in tool sales gains recorded in SG&A.

Income tax expense

(in millions)

	Year ended December 31,		Change	% Change
	2024	2023		
Income tax expense	\$ (92)	\$ (66)	\$ (26)	39.4%

Income tax expense increased by \$26 million, or 39.4%, for the year ended December 31, 2024, compared to the year ended December 31, 2023. The increase is primarily due to \$24 million of tax expense from impacts of fluctuation in foreign exchange rates on deferred tax balances and non-deductible expenses.

B. Liquidity and Capital Resources

We have historically financed operations primarily through cash and cash equivalents, marketable securities, as well as cash generated from our business operations, including prepayments under LTAs, debt and government grants. As of December 31, 2024, our cash and cash equivalents and marketable securities balances of \$4.2 billion included \$2.2 billion of cash and cash equivalents and \$2.0 billion of marketable securities. As of December 31, 2023, our cash and cash equivalents and marketable securities of \$3.9 billion included \$2.4 billion of cash and cash equivalents and \$1.5 billion of marketable securities.

As of December 31, 2024 and 2023, respectively, we had an undrawn revolving credit facility of \$1.0 billion. In addition to our available revolvers, we had \$1.8 billion and \$2.4 billion of debt outstanding as of December 31, 2024, and 2023, respectively, which was comprised of multiple term loans and other debt facilities in various currencies. Our future capital requirements will depend on many factors, including our revenue growth rate, the timing and the amount of payments we receive from customers pursuant to our LTAs and other business arrangements, the timing and extent of spending to support development efforts, the introduction of new and enhanced products and solutions, the continuing market adoption of our platform, and our obligations to repay our indebtedness from time to time. We may from time to time seek to raise additional capital to support our growth. As of December 31, 2024, 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 capital requirements for at least the next 12 months and beyond.

The following table shows a summary of our term loan facilities, other debt facilities, which consist primarily of equipment financing and our committed undrawn revolvers.

(in millions)	Year ended December 31,	
	2024	2023
Term loan facilities	\$ 798	\$ 1,249
Other debt facilities	\$ 1,008	\$ 1,115
Revolvers and letters of credit	\$ 1,012	\$ 1,012

Government grants are also a source of capital. Those grants are primarily provided in connection with construction and operation of our wafer manufacturing facilities, employment and R&D. For the years ended December 31, 2024 and 2023, we received \$107 million and \$251 million, respectively, in proceeds from government grants. The change in grants relates primarily to grant programs in Singapore.

We monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Our policy is to keep the gearing ratio within a range to meet our business needs. We may from time to time seek to raise additional capital to support our growth. Any equity financing we may undertake could be dilutive to our shareholders, and any additional debt financing we may undertake could require debt services and financial and operational requirements that could adversely affect our business. We cannot provide any assurance that we would be able to obtain future financing on favorable terms or at all.

Cash Flows

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

(in millions)	Years Ended December 31,		
	2024	2023	Change
Cash provided by operating activities	\$ 1,722	\$ 2,125	\$ (403)
Cash used in investing activities	(1,125)	(1,882)	757
Cash used in financing activities	(785)	(212)	(573)
Effect of exchange rate changes on cash and cash equivalents	(7)	4	(11)
Net increase (decrease) in cash and cash equivalents	\$ (195)	\$ 35	\$ (230)

Operating Activities

Cash provided by operating activities was \$1.7 billion for the year ended December 31, 2024, a \$403 million decrease from the \$2.1 billion provided in the year ended December 31, 2023. The decrease was driven by an increase in the net loss of \$1.28 billion and a \$112 million decrease in working capital and \$102 million less losses on disposal of assets due to the timing and volume of sales. This was partially offset by a \$935 million increase in impairment charges related to the legacy investments in production capacity in New York, a \$117 million increase in depreciation and amortization from assets put in use and \$36 million of increased share based payments to our employees. Unfavorable working capital of \$112 million includes a \$221 million decrease in trade and other payables, offset by favorable movements in receivables and prepayments of \$98 million and inventory of \$11 million.

Investing Activities

Cash used in investing activities was \$1.1 billion for the year ended December 31, 2024, compared to cash used in investing activities of \$1.9 billion for the year ended December 31, 2023, reflecting a \$757 million decrease. The year-over-year change was primarily attributable to \$1.2 billion lower capital and intangible expenditures related to the expansion of our fabrication facilities. Offsetting this was lower proceeds from government grants of \$128 million, and cash paid for acquisitions of \$69 million in 2024. Additionally, we had proceeds from the sale of our East Fishkill facility of \$236 million in 2023 compared to no cash activity in 2024.

Financing Activities

Cash used in financing activities was \$785 million for the year ended December 31, 2024, compared to cash used in financing activities of \$212 million for the year ended December 31, 2023, reflecting a \$573 million increase. The year-over-year increase was due to higher repayments of debt and finance lease obligations of \$332 million and the purchase of treasury stock for \$200 million in 2024.

Contractual Obligations

As of December 31, 2024, we had \$635 million of purchase commitments related to contracts for capital expenditures. Of the total balance, \$434 million is due within the next 12 months as of December 31, 2024. See [Note 30. Commitments and Contingencies](#) to our Annual Consolidated Financial Statements for additional details.

C. Research and Development, Patents and Licenses

Refer to "[Item 4. Information on the Company](#)" for discussion on our research and development and intellectual property.

D. Trend information

Our financial condition and results of operations have been, and will continue to be, affected by numerous factors and trends, including the following:

Global Demand for Semiconductor Products

Demand for our products is dependent on market conditions in the end markets in which our customers operate, which are generally subject to seasonality, as well as cyclical and competitive conditions. Additionally, we derive a portion of our net revenue from sales to customers that purchase large volumes of our products. Customers generally provide periodic forecasts of their requirements, but these forecasts do not commit such customers to minimum purchases except when long-term contracts are in place.

The semiconductor industry is susceptible to uncertain economic conditions that could impact demand. We remain cautious regarding the macroeconomic headwinds facing our industry in 2025 and we continue to work with our customers to understand their long-term demand across the end markets they operate in.

Single-sourced Revenue Mix

We manufacture products based on a combination of our own technologies and our customers' IP, resulting in a significant number of products that can only be sourced from us. Our sales and marketing strategy centers on deepening relationships with top customers and investing in technologies to become their single-source supplier for mission-critical applications. We believe a key measure of our success as a differentiated technology partner to our customers is the mix of our wafer shipment volume attributable to single-sourced business, which represented approximately 64% of wafer shipment volume in 2024. We define single-sourced products as those that we believe can only be manufactured with our technology and cannot be manufactured elsewhere without significant customer redesigns.

Technology Solution Mix and Pricing

Product mix is among the most important factors affecting revenue and margins, as our wafer price varies significantly across technology platforms. The value of a wafer is determined principally by the uniqueness and complexity of the technology, performance characteristics, yield and defect density. Devices with richer feature sets, higher performance, better yields and greater system-level integration require more substantial R&D investments and more complex manufacturing expertise and equipment, and thus generally command higher wafer prices.

Pricing and margins depend on the volumes and features of the solutions we deliver. We continually monitor and work to reduce the cost of our products and improve the potential value that our solutions deliver to our customers as we target new win opportunities. While individual product prices may decline, we believe our R&D investments, differentiated product and single-sourced strategy should lead to improvements in pricing mix and overall ASPs if we compete effectively.

Long-Term Agreements

We have entered into multiple LTAs with leading companies in the industry. Many of these contracts include customer advanced payments and capacity reservation fees in order to secure future supply. We have approximately \$14 billion in aggregate revenue commitment over the remaining terms of the agreements as of December 31, 2024. The duration of these contracts varies by customer and the contracts are generally aligned to end markets with long-term orientation and durability, such as Automotive.

During fiscal year 2023 and fiscal year 2024, some customers under LTAs requested to adjust their short term demand outlook downward. From time to time our wafer revenue consists of restructuring or underutilization payments from customers unable to meet their volume commitments. We expect a limited number of our customers under LTAs will continue to request for similar adjustments in 2025. We continue to collaborate closely with our customers to support the acceleration of their inventory depletion, while seeking to preserve the economic value of these commercial agreements.

Shipment Utilization

We define shipment utilization as the ratio of wafer shipment volume divided by our estimated total capacity for wafer manufacturing in a specified period. Shipment utilization remains a very important factor in driving our financial performance, as we incur significant costs regardless of the number of wafers we actually produce. These fixed costs include staffing, electricity, infrastructure, depreciation and maintenance costs at each fab.

Our average shipment utilization rate across our global fabs was 77% and 81% for the years ended December 31, 2024 and 2023, respectively. Factors affecting shipment utilization rates include efficiency in production facilities, complexity and mix of wafer types ordered by customers, including the impact of export controls and other regulatory changes affecting customers and competitors. Our production capacity is determined based on the capacity ratings of the equipment in the fab, adjusted for expected down time due to set up for production runs and maintenance and R&D. In 2024, we operated below our production capacity driven by customer demand and market conditions.

CHIPS and Science Act

In November 2024, the Company entered into a Direct Funding Agreement with the U.S. Department of Commerce for up to \$1.5 billion in planned direct funding of Company projects in Malta, New York, and Burlington, Vermont, under the CHIPS and Science Act. This planned investment will enable us to expand and create new manufacturing capacity and capabilities to securely produce more essential chips for automotive, IoT, aerospace, defense, and other vital markets. The proposed funding will support three potential GF projects: expansion of our existing Fab 8 facility, construction of a new state-of-art fab on the Fab 8 campus, and modernization of our Fab 9 facility. The Direct Funding Agreement contains detailed milestones we must achieve in order to receive funds, including with respect to, among others, capital expenditures, process technology development or process transfer and facility completion. It also contains restrictions with respect to certain “change of control” transactions, expansion of manufacturing capacity in certain countries, joint research or technology licensing in certain countries, as well as dividends and share repurchases. In support of the two Fab 8 projects, the State of New York also announced that it intends to provide \$575 million in planned direct funding. In January 2025, an additional \$75 million was added to the Direct Funding Agreement to support GF’s plans to create a new center for advanced packaging and testing of essential chips in Malta, New York. The State of New York intends to provide up to \$20 million in new support for the new center. Subject to market requirements and customer demand as well as receipt of expected government funding, among other factors, GF plans to invest more than \$12 billion over the next 10 or more years across its two U.S. sites. While GF intends to begin work as soon as reasonably possible, there is no guarantee at this time as to when GF will be able to start work and how (or to what degree) the total \$12 billion investment will be allocated to each year over the next 10 or more years (or that the total amount actually invested will be \$12 billion or more). GF intends to execute such investments through public-private partnerships with support from the federal and state governments as well as from its ecosystem partners, including anticipated key strategic customers, but such plans are subject to GF receiving such support in the manner and on the timelines expected, and may be subject to change.

E. Critical Accounting Policies and Estimates

Our consolidated financial statements included elsewhere in this annual report have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Management must make certain estimates and assumptions that affect the amounts reported in the financial statements, based on experience, existing and known circumstances, authoritative accounting guidance and pronouncements and other factors that management believes to be reasonable, but actual results could differ materially from these estimates. To the extent there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected. [Note 4. Critical Accounting Judgments, Estimates and Assumptions](#) to our consolidated financial statements contains a description that sets forth information about critical judgments, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements.

Off Balance Sheet Arrangements

During the periods presented, we did not have, and we do not currently have, any off-balance sheet financing arrangements or any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities, that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Safe Harbor

See [“Cautionary Statement Regarding Forward-Looking Information.”](#)

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth information for our executive officers and directors as of the date of this Annual Report:

Name	Age	Title
Executive Officers		
Dr. Thomas Caulfield ⁽¹⁾	66	President and Chief Executive Officer, Board Director
Tim Breen ⁽²⁾	47	Chief Operating Officer, Board Director
John Hollister	55	Chief Financial Officer
Niels Anderskov ⁽³⁾	55	Chief Business Officer
Saam Azar	48	Chief Legal Officer
Michael Hogan ⁽⁴⁾	60	Chief Business Unit Officer
Pradheepa Raman	44	Chief People Officer
Pradip Singh	49	Chief Manufacturing Officer
Samuel Vicari	51	Chief Commercial Officer
Board of Directors		
Ahmed Yahia ⁽⁵⁾	52	Chairman of the Board
Dr. Thomas Caulfield ⁽¹⁾	66	President and Chief Executive Officer, Board Director
Tim Breen ⁽²⁾	47	Chief Operating Officer, Board Director
Glenda Dorchak	70	Board Director
Martin L. Edelman	83	Board Director, Chairman of Nominating and Governance Committee
David Kerko	52	Lead Independent Director, Chairman of People and Compensation Committee
Camilla Languille	41	Board Director
Jack Lazar	59	Board Director, Chairman of Audit, Risk and Compliance Committee
Elissa E. Murphy	56	Board Director
Carlos Obeid	60	Board Director
Dr. Bobby Yerramilli-Rao	58	Board Director, Chairman of Strategy and Technology Committee

⁽¹⁾ Dr. Caulfield has been appointed as Executive Chairman, effective April 28, 2025.

⁽²⁾ Mr. Breen has been appointed Chief Executive Officer, effective April 28, 2025.

⁽³⁾ Mr. Anderskov has been appointed President and Chief Operating Officer, effective April 28, 2025.

⁽⁴⁾ Mr. Hogan has been appointed Chief Business Officer, effective April 28, 2025.

⁽⁵⁾ Mr. Yahia will step down from the Board of Directors and as Chairman, effective April 28, 2025.

Executive Officers

Dr. Thomas Caulfield is the President and Chief Executive Officer (“CEO”) of GF, a position he has held since March 2018. He was also elected to the Board of Directors in March 2018 and, effective April 28, 2025, will serve as Executive Chairman of GF. Dr. Caulfield joined the Company in May 2014 as Senior Vice President and General Manager of the Company’s Fab 8 semiconductor wafer manufacturing facility in Malta, New York, where he led operations, process development, and the expansion and ramp-up of semiconductor manufacturing production. Dr. Caulfield has an extensive career spanning engineering, executive management and global operational leadership with leading technology companies. Prior to joining GF, Dr. Caulfield served as President and Chief Operations Officer at Soraa from May 2012 to May 2014, a leading developer of GaN on GaN™ (gallium nitride on gallium nitride) solid-state lighting technology. Before Soraa, Dr. Caulfield served as President and COO of Ausra from 2009 to 2010, a leading provider of large-scale concentrated solar power solutions for electrical power generation and industrial steam production. Prior to leading at Ausra, Dr. Caulfield served as Executive Vice President of Sales, Marketing and Customer Service at Novellus Systems, Inc. Before that, Dr. Caulfield spent 17 years at IBM in a variety of senior leadership roles, ultimately serving as Vice President of 300mm semiconductor operations for IBM’s Microelectronics division, leading its wafer fabrication and R&D operations in East Fishkill, New York. He has served as a member of the board of directors of Sandisk Corporation since February 2025 (following Sandisk’s spinoff from Western Digital) and has been a Trustee for Union College since 2018. Previously, he served as a board member of Western Digital Corporation from 2021 to February 2025. Dr. Caulfield earned a Bachelor of Science in Physics from St. Lawrence University before entering Columbia University’s Fu Foundation School of Engineering and Applied Science, where he earned both his Bachelor and Master of Science in Materials Science and Engineering as well as a Doctorate in Materials Science and Engineering. Dr. Caulfield was also a postdoctoral fellow at Columbia’s Engineering Center for Strategic Materials.

Tim Breen is the Chief Operating Officer (“COO”) of GF, a position he has held since September 2023 and, effective April 28, 2025, will serve as Chief Executive Officer. He was elected to the Board of Directors in January 2018. As COO, he oversees GF’s global operations, including the manufacturing and digital transformation teams. Prior to becoming COO, he served as senior advisor to the CEO with a focus on supporting GF’s business, supply chain and digital transformations. Starting in 2018, he supported the Company in various executive roles including leading strategy, business transformation and finance. Since 2010, Mr. Breen served as a member of the senior leadership team of GF’s founding shareholder, Mubadala Investment Company. He also serves as Chairman of the board of directors of NOVA Chemicals. Prior to joining Mubadala, Mr. Breen was a Partner with McKinsey in Abu Dhabi. He holds a Master of Business Administration degree from London Business School.

John Hollister is the Chief Financial Officer (“CFO”) at GF, a position he has held since February 2024. Mr. Hollister is responsible for the Company’s financial operations and strategy, global supply chain, and corporate development. Mr. Hollister brings more than two decades of finance and operations experience in the semiconductor industry and a proven track record as a CFO of a publicly traded company. Prior to his role at GF, Mr. Hollister was at Silicon Labs from 2004 to early 2024, serving as CFO and Senior Vice President for 10 years and leading the company’s growth in broad-based semiconductor and IoT markets, after serving in various roles of increasing responsibility from 2004 to 2013 in different Silicon Labs locations. Prior to joining Silicon Labs, Mr. Hollister served as Vice President of Finance at Cicada Semiconductor and held various finance positions at Cirrus Logic, Veritas DGC, 3-D Geophysical and PricewaterhouseCoopers LLP. Mr. Hollister currently serves as a member of the board of directors of MacroFab. Mr. Hollister is a Certified Public Accountant and holds a master’s degree in professional accounting as well as a bachelor’s degree in business administration from The University of Texas at Austin.

Niels Anderskov is Chief Business Officer (“CBO”) at GF, a position he has held since May 2023 and, effective April 28, 2025, will serve as President and Chief Operating Officer. As CBO, Mr. Anderskov is responsible for leading GF’s product and technology roadmap, business and commercial strategy, marketing and communications as well as its go-to-market execution. As CBO, Mr. Anderskov also oversees GF’s product management, design platforms and business strategy and planning teams. Mr. Anderskov brings more than 25 years of experience spanning engineering, executive management and global leadership in the semiconductor industry. Most recently, from 2017 to 2021, Mr. Anderskov served as Senior Vice President and Executive Officer at Texas Instruments, where he was responsible for the company’s multi-billion-dollar Analog Power business. He is an expert in power management, analog and mixed-signal technologies and has a track record of driving and delivering financial performance. Mr. Anderskov has been the Chairman of the board of directors of Keptl since 2017. Mr. Anderskov earned a Master of Science degree in Electrical Engineering from the Technical University of Denmark (DTU) in Copenhagen.

Saam Azar is Chief Legal Officer for GF, a position he has held since January 2017. He oversees all legal, compliance, government relations, environmental, health, safety and security matters worldwide. Mr. Azar also serves as Secretary to the GF Board of Directors and has been involved with the Company since its founding in 2009. From 2006 to 2017, Mr. Azar served in various roles at Mubadala Investment Company, as a senior member of its Legal & Compliance Unit, working primarily on complex, cross border partnerships. Prior to Mubadala, he worked as an associate at the international law firm of Cleary Gottlieb Steen & Hamilton LLP in New York, where he supported numerous corporate transactions with an emphasis on debt and equity capital markets. Mr. Azar holds a J.D. from New York University School of Law and a Bachelor of Science degree in Civil and Environmental Engineering and Public Policy from Duke University.

Michael Hogan is the Chief Business Unit Officer of GF, a position to which he was appointed in 2023 and, effective April 28, 2025, will serve as Chief Business Officer. In his current role, he is responsible for the strategy, development and execution of the company's essential technology solutions, roadmaps and R&D across all product lines. Mr. Hogan has more than 35 years of experience in the semiconductor industry. Prior to joining GF, Mr. Hogan was Senior Vice President and General Manager of IoT Compute and Wireless at Cypress Semiconductor. Previously, he held a variety of business line management and strategy roles at Broadcom/Avago across an array of wireless technologies, from Wi-Fi to cellular, prior to co-founding the IoT business that was subsequently divested to Cypress Semiconductor in 2016. Prior to that, he was CEO of PulseCore Semiconductor and Sirific Wireless. Mr. Hogan was the founding General Manager of the WLAN (wireless local area network) business at Texas Instruments, where he held a variety of sales and business unit general manager roles during his 16-year tenure. Mr. Hogan holds a Bachelor's degree from Syracuse University.

Pradheepa Raman is Chief People Officer at GF, a position she was appointed to in 2022. She has global responsibility for GF's human resources practice areas including talent acquisition, development and retention, creation and delivery of people solutions, total rewards, organizational development and further strengthening GF's commitment to innovation, safety and a respectful workplace culture. Prior to joining GF, Ms. Raman was Global Head of Human Resources and Chief Transformation Officer for the Global Tools & Storage business unit of Stanley Black & Decker, Chief Talent Officer of Stanley Black & Decker, and held senior human resources positions at Samsung Electronics America and Avaya. Ms. Raman began her career as a software developer. Ms. Raman holds a Bachelor's degree in Electronics and Communication Engineering from Alagappa Chettiar College of Engineering and Technology in India, and a Master's degree in Human Resources from Rutgers University.

Pradip Singh is the Chief Manufacturing Officer at GF, a position to which he was appointed in 2024. He is responsible for GF's global manufacturing operations, quality and supply chain. Mr. Singh joined GF in 2009 and has more than 20 years of foundry industry experience with a proven track record in manufacturing operations and technology transfer. Mr. Singh's career spans manufacturing, management and operational leadership in various countries across GF's global network. Prior to his current role, Mr. Singh was senior vice president and general manager of Global Competitive Manufacturing and U.S. Fab Operations at GF, supporting New York and Vermont Fab operations to accelerate performance and drive greater regional collaboration and synergies across the sites as well as managing the Global Competitive Manufacturing team that drives the adoptions of best practices across all GF fab sites. Prior to that, Mr. Singh was vice president and general manager of GF's 200mm radio frequency (RF) manufacturing operations in Essex Junction, Vermont. He also previously served as senior director of manufacturing operations at the company's 300mm semiconductor facility in Malta, New York, and held leadership roles at GF's manufacturing facility in Dresden, Germany. Mr. Singh began his career with Chartered Semiconductor where he held positions of increasing responsibility in many of the company's Singapore fabs. Mr. Singh holds a Bachelor of Science in Electrical and Electronics Engineering from Nanyang Technological University in Singapore.

Samuel Vicari is the Chief Commercial Officer (CCO) at GF, a position he was appointed to in 2024. He is responsible for the end-to-end customer journey across business development, customer technical delivery and management of strategic partnerships and end markets. In his role Mr. Vicari also oversees customer solutions, tapeout operations, commercial strategy and commercial operations. Mr. Vicari brings almost three decades of experience in semiconductor sales with expertise in global business development, building lasting relationships with customers and with a proven track record of delivering top-line growth and market share gains in the fast-paced technology sector. Prior to joining GF, Mr. Vicari served as President of Texas Instruments Japan where he led the operations there for about five years. Previously, he held a variety of sales management positions across TI's EMEA region. Mr. Vicari holds a Master's degree in Business Administration from the Bocconi University in Milan, Italy.

Board of Directors

Ahmed Yahia was elected to the Board of Directors as Chairman in December 2013 and, effective April 28, 2025, will step down from the Board of Directors and as Chairman. Mr. Yahia has served as Managing Director and Chief Executive Officer of MGX, an artificial intelligence-focused investment company, since July 2024. Prior to his role at MGX, Mr. Yahia was the Chief Executive Officer, Direct Investments at Mubadala Investment Company with oversight of the Technology, Life Sciences, Financial Services, Consumer, Industrials & Business Services, and Energy & Sustainability portfolios. He remains a member of Mubadala's Investment Committee, which develops Mubadala's investment policies and reviews proposed projects. Prior to joining Mubadala, Mr. Yahia was a Partner at McKinsey & Company, where he co-led the Principal Investor practice and was also the Managing Partner of the Abu Dhabi practice. He was formerly a Marketing Manager at Procter & Gamble, where he led several flagship brands. He serves as Chairman of the board of directors of Compañía Española de Petróleos and is a member of the board of directors of the Abu Dhabi Investment Council, Mubadala Capital, Emirates Global Aluminum and MGX. Previously, he served as a board member of Advanced Micro Devices Inc. from 2012 to 2019. Mr. Yahia holds a Bachelor of Science in Industrial Engineering from École Centrale Paris and a Master of Science in Mechanical Engineering/Product Strategy from the Massachusetts Institute of Technology. Mr. Yahia is an independent, non-executive director pursuant to applicable Nasdaq rules.

Dr. Thomas Caulfield is the President and CEO of GF and was elected to the Board of Directors in March 2018, and effective April 28, 2025, will serve as Executive Chairman. Please see "[Item 6. Directors, Senior Management and Employees](#)—A. Directors and Senior Management—Executive Officers" for a description of Dr. Caulfield's business experience.

Tim Breen is the Chief Operating Officer of GF and was elected to the Board of Directors in January 2018, and effective April 28, 2025, will become Chief Executive Officer of GF. Please see “[Item 6. Directors, Senior Management and Employees](#)—A. Directors and Senior Management—Executive Officers” for a description of Mr. Breen’s business experience.

Glenda Dorchak was elected to the Board of Directors in June 2019. Ms. Dorchak spent over thirty years in operational leadership roles in the technology industry, most recently as Executive Vice President and General Manager of Global Business with Spansion, Inc., a flash memory manufacturer. She started her career with 20 years at IBM where she held a range of operating roles including General Manager PC Direct. She later moved to e-retailer Value America where she was part of the IPO team eventually becoming Chairman and Chief Executive Officer. Ms. Dorchak subsequently joined Intel Corp. as Vice President and COO of Intel Communications Group, then went on to serve as Vice President and General Manager, Broadband Products Group and later, Vice President and General Manager, Consumer Electronics Group. After Intel, Ms. Dorchak was Chairperson and Chief Executive Officer of Intrinsyc Software and Vice Chairman and Chief Executive Officer of VirtualLogix. Ms. Dorchak currently does advisory and board work and serves as a member of the board of directors at ANSYS, Inc. and Wolfsped Inc, as well as Cerebras Systems, a private company. Previously, she served as a member of the board of directors of Mellanox Technologies from 2009 to 2020 and Quantenna Communications from 2018 to 2019. Ms. Dorchak is an independent, non-executive director pursuant to applicable Nasdaq rules.

Martin L. Edelman was elected to the Board of Directors in February 2017. Mr. Edelman is currently General Counsel of G42, an artificial intelligence development company based in Abu Dhabi, and Of Counsel of Paul Hastings LLP. He is an advisor to Mubadala and is a partner at Fisher Brothers, a real estate partnership. Mr. Edelman serves as Executive Chairman at Manchester Life. He is also a director of Equity Commonwealth (in liquidation), Aldar REIT and several private companies affiliated with G42, Fisher Brothers and City Football Group. In addition, Mr. Edelman serves on the boards of various nongovernmental organizations. He has more than 50 years of experience and concentrates his practice on real estate, technology, corporate mergers and international transactions. Mr. Edelman holds a Bachelor of Arts degree from Princeton University and a law degree from Columbia Law School. Mr. Edelman is an independent, non-executive director pursuant to applicable Nasdaq rules.

David Kerko was elected to the Board of Directors in January 2018. Mr. Kerko is Head of North America Private Equity at Elliott Investment Management L.P. Prior to joining Elliott, Mr. Kerko was an advisor, member and co-head of the Technology Group at Kohlberg Kravis Roberts & Co. Inc. (“KKR”). Prior to joining KKR, he worked for Gleacher NatWest Inc. on mergers and acquisition transactions and financing. Mr. Kerko is currently a member of the Board of directors of Cubic Corporation, Nielsen and Cloud Software Group. Mr. Kerko holds a Bachelor of Science degree and a Bachelor of Science in Engineering degree, summa cum laude, from the University of Pennsylvania. Mr. Kerko is an independent, non-executive director pursuant to applicable Nasdaq rules and serves as Lead Independent Director.

Camilla Languille was elected to the Board of Directors in September 2024. Ms. Languille is currently co-Chief Executive Officer of Mubadala Investment Company’s Private Equity platform, which executes global direct investments in buyout and growth equity and actively manages a portfolio targeting growth-oriented companies across a range of sectors, including healthcare, consumer, technology, financial services, industrial and business services, and energy and sustainability. Prior to that, she served as Mubadala Investment Company’s Head of Healthcare from 2018 to 2024, where she was responsible for executing investments in several healthcare companies and built a global investments team, and as Senior Vice President, Technology of Mubadala Investment Company from 2016 to 2018, where she was responsible for managing its semiconductor portfolio. Prior to joining Mubadala, Ms. Languille previously worked in M&A for Daiwa Capital and Société Générale based in Paris, as well as in investments for Virgin Group in London, where she managed the Special Situations portfolio and helped to launch Virgin Healthcare. She began her career in Healthcare M&A for JPMorgan in New York and London. Ms. Languille also currently serves as a member of the board of directors of Evotec SE and PCI Pharma Services. Ms. Languille holds a Bachelor’s degree in Economics and Political Science from Columbia University. Ms. Languille is an independent, non-executive director pursuant to applicable Nasdaq rules.

Jack Lazar was elected to the Board of Directors in July 2021. Mr. Lazar has spent over thirty years in operational and finance leadership roles at technology companies across multiple industries, most recently as Chief Financial Officer of GoPro, Inc., which he helped to take public in 2014. Prior to GoPro, Mr. Lazar served as Senior Vice President of Corporate Development and General Manager of Qualcomm Atheros, Inc. From 2003 until the time in which it was acquired by Qualcomm in 2011, he served in a variety of leadership roles at Atheros Communications, Inc., most recently as Chief Financial Officer and Senior Vice President of Corporate Development. In 2004, Mr. Lazar was part of the team that took Atheros public. He also served in leadership roles at NetRatings, Apptitude, and Electronics for Imaging, Inc. Mr. Lazar currently serves as a member of the board of directors of several publicly traded companies including Astera Labs, Box, Resideo Technologies, and thredUP. Previously, he served as a member of the board of directors of Silicon Labs from 2013 to 2022, Mellanox Technologies from 2018 to 2020 and Quantenna Communications from 2016 to 2019. Mr. Lazar holds a Bachelor of Science in Commerce degree with an emphasis in Accounting from Santa Clara University and is a certified public accountant (inactive). Mr. Lazar is an independent, non-executive director pursuant to applicable Nasdaq rules.

Elissa Murphy was elected to the Board of Directors in September 2021. Ms. Murphy is Senior Vice President at Cisco Systems, Inc. Prior to Cisco, she served as a Vice President of Engineering at Google, Inc. from 2016 to April 2023. Before Google, she was the Chief Technology Officer and Executive Vice President of Cloud Platforms at GoDaddy from 2013 to 2016. Ms. Murphy previously served as Vice President of Engineering at Yahoo! from late 2010 to 2013, where she oversaw the world's largest private Hadoop cluster, a technology essential to massive-scale computing that is the basis of big data today. Prior to her time at Yahoo!, Ms. Murphy spent 13 years at Microsoft in various engineering positions including part of the original team responsible for Microsoft's shift to the cloud, which led to the creation of Azure, and as a member of the High Performance Computing team. Ms. Murphy began her technology career designing and building many of the best-selling computer security and system utilities with 5th Generation Systems, Quarterdeck and the Norton Group, a division at Symantec responsible for Norton Antivirus and other Norton products. Previously, Ms. Murphy served on the board of directors of Inphi from 2015 to 2021. Ms. Murphy brings expertise in global-scale platforms, AI/ML, big data, distributed systems, and security. Ms. Murphy is an independent, non-executive director pursuant to applicable Nasdaq rules.

Carlos Obeid was elected to the Board of Directors in January 2012. Mr. Obeid is currently the Chief Financial Officer of Mubadala Investment Company, with oversight of its commercial functions including treasury, investor relations, financial planning, business performance, financial governance and reporting. Before joining Mubadala, Mr. Obeid worked with the United Arab Emirates Offset Program Bureau where he led a wide range of initiatives including privatization, utilities and financial services. He is a member of the board of directors of Mubadala Capital LLC, Abu Dhabi Commercial Bank PJSC and Abu Dhabi Investment Council. Mr. Obeid holds a Bachelor of Science in Electrical Engineering degree from American University of Beirut, Lebanon, and a Master of Business Administration degree from INSEAD in Fontainebleau, France. Mr. Obeid is an independent, non-executive director pursuant to applicable Nasdaq rules.

Dr. Bobby Yerramilli-Rao was elected to the Board of Directors in March 2022. Dr. Yerramilli-Rao has served as Chief Strategy Officer and Corporate Vice President, Corporate Strategy at Microsoft Corporation since 2020. Prior to Microsoft, he was Co-founder and Managing Partner of Fusion Global Capital, from 2011 to 2020. Dr. Yerramilli-Rao previously served as Corporate Strategy Director and Internet Services Director of Vodafone, from 2006 to 2010, where he was responsible for strategy and acquisitions related to digital services, serving on the company's Investment Committee. Prior to his time at Vodafone, Dr. Yerramilli-Rao spent more than a decade at McKinsey, having been elected Partner in 2000. He helped co-lead the telecom, media and technology practice. Dr. Yerramilli-Rao currently serves on the board of directors of Genome Therapeutics Ltd.,. He holds a Master of Arts degree in Electrical Engineering from the University of Cambridge and a Doctorate in Robotics from the University of Oxford. Dr. Yerramilli-Rao is an independent, non-executive director pursuant to applicable Nasdaq rules.

For information on the role of the Shareholder's Agreement and the Memorandum and Articles of Association in leadership selection, see "[Item 6. Directors, Senior Management and Employees](#)—C. Board Practices—Composition of our Board of Directors."

B. Compensation

Under Cayman Islands law, we are not required to disclose compensation paid to our directors and executive officers on an individual basis and we have not otherwise publicly disclosed this information elsewhere.

Executive Compensation Philosophy

Our executive compensation programs are designed to attract, motivate, reward and retain the high-caliber executives necessary to accomplish our strategy. GF's compensation philosophy includes the following key design principles:

- Align with shareholder interest;
- Strong link between pay and performance; and
- Motivate our talent to achieve short-term and long-term goals that lead to sustainable long-term shareholder value creation.

Our executive officers receive fixed and variable compensation. They also receive benefits in-line with market practice and with the benefits extended to our broad-based employee population.

Certain of our executive officers are entitled to certain benefits upon termination, including a cash severance payment if we terminate their employment without cause.

Base Salary

The fixed component of compensation consists of base salary. This provides a fixed source of income and acts as the foundation for other pay components. The base salary is reflective of the executive role, responsibility, and individual performance, and it is designed to be market-competitive at the median of our peer group and industry and attract and retain critical talent. We review base salaries annually, and make adjustments as appropriate based on market, performance and any change in responsibility.

Variable Incentive Programs

In 2024, the variable pay elements of our executive officers' compensation consisted of an annual incentive program ("AIP") and awards of performance stock units ("PSUs") and restricted stock units ("RSUs") under our 2021 Equity Compensation Plan.

Aggregate Compensation

For the year ended December 31, 2024, the aggregate compensation paid by us and our subsidiaries for our directors and executive officers for services in all capacities to us and our subsidiaries was \$71.2 million* which includes both benefits paid in kind and compensation, as well as grants of, in the aggregate, 0.4 million RSUs and 0.6 million PSUs, pursuant to the terms and conditions of our 2021 Equity Compensation Plan. RSUs and PSUs vest as set forth in "2021 Equity Compensation Plan" below.

Of the amounts above, for the year ended December 31, 2024, \$0.1 million was set aside or accrued by us or our subsidiaries to provide defined contribution retirement benefits or similar benefits to our directors and executive officers.

** This aggregate number includes reimbursements by GF to Mubadala in connection with Mr. Tim Breen's service as COO, senior advisor to the CEO and as a member of the Board of Directors during fiscal year 2024. Please see ["Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Mubadala—Secondments"](#) for further information on payments made to Mubadala in connection with secondments. .*

Annual Incentive Program

The AIP is a short-term annual cash incentive that incentivizes and rewards our executive officers for achieving critical company financial and operational goals, as well as individual goals. Each of our executives has an AIP target opportunity, set as a percentage of their base salary, which is reviewed annually to assure that both our performance and pay opportunities are aligned with competitive practices and that our rewards are reflective of Company and individual performance.

In 2024, our executive officers' awards under the AIP were determined as follows:

- Financial and operational performance: 100% for all executives.;
- OKRs (Objectives and Key Results) Individual Modifier (0% - 150%) Based on the discretion of the Board, People and Compensation Committee or CEO, as appropriate, including but not limited to OKR performance, considerations of leadership, employee engagement, collaboration, business process improvement, strategic contributions and business context.

Long-term Incentive Programs

We maintain a number of long-term incentive plans (the “Long-term Incentive Plans”), including the GLOBALFOUNDRIES Inc. Share Incentive Plan (the “2017 Plan”), the GlobalFoundries 2018 Share Incentive Plan (the “2018 Plan”) and the GlobalFoundries 2021 Equity Compensation Plan (the “2021 Plan”) to enable our executives and other high performing and high potential participants to share in the value creation of the Company as we execute our business plan and deliver returns to our shareholders. Our Long-Term Incentive Plans are administered by the People and Compensation Committee, which was delegated authority to administer these plans by our Board of Directors.

Our Long-term Incentive Plans consist of non-qualified share options, RSUs and PSUs for eligible participants.

In 2024, our executive officers received a combination of PSU and RSU awards as follows:

- 70% PSU and 30% RSU for our CEO; and
- 60% PSU and 40% RSU for other executive officers
 - The final number of PSUs will range from 0% to 150% of the PSUs granted, based on achievement of performance targets related to revenue and adjusted free cash flow as a percentage of revenue and absolute total shareholder return (“TSR”), and will vest after three years, subject to continued employment through the end of the performance period.
 - RSUs will generally vest in three annual installments, with 33.33% vesting on each one-year anniversary of the vesting commencement date subject to the employee’s continued employment with the Company.

Additional information on our Long-Term Incentive Programs are as follows:

2017 Plan

A small number of current employees continue to hold vested share options that were granted under the 2017 Plan. Share options granted under the 2017 Plan became exercisable upon the first anniversary of our IPO following the vesting date but during the term of the share option. In connection with the establishment and adoption of the 2018 Plan, we ceased making awards under the 2017 Plan. As of December 31, 2024, there are 0.003 million non-qualified share options (“options”) to buy ordinary shares outstanding under the 2017 Plan.

2018 Plan

Awards under the 2018 Plan may be granted in the form of options, share awards, or share unit awards.

Participants in the 2018 Plan typically received a one-time grant upon hire or promotion into an eligible role. The majority of options granted in 2019 vest over five years, with 20% of the options vesting on the later of December 31 of the first of five years following the grant date and the six-month anniversary of the consummation of our IPO, subject to continued employment through the applicable vesting date (with limited exceptions for certain qualifying terminations). Generally, awards of options granted in 2020 or later vest over four years, with 25% of the options vesting on the later of December 31 of the first of four years following the grant date and the six-month anniversary of the consummation of our IPO, subject to continued employment through the applicable vesting date (with limited exceptions for certain qualifying terminations). Options held by U.S. taxpayers that vested on the six-month anniversary of our IPO were exercisable for a period commencing on the vesting date and ending on December 2, 2022. Any outstanding in the money exercisable options not exercised as of December 2, 2022, were automatically exercised on that date. All other outstanding options held by U.S. taxpayers will become exercisable for a period commencing on January 1 of the year following the year in which such options vest and ending on a fixed date in such year, with any outstanding exercisable options not exercised as of the end of such period being automatically exercised as of a fixed date in that year. Options held by non-U.S. taxpayers will become exercisable on the date such options vest and will remain exercisable, pursuant to normal option exercise procedures under the terms and conditions of the 2018 Plan for the duration of the term of the option, with any outstanding exercisable options not exercised before the expiration of such options in accordance with their terms being automatically exercised as of the expiration date of the options by means of “net exercise” in order to satisfy the exercise price and applicable taxes due in respect of such options.

Awards of RSUs vest over four years, with 25% of the share units vesting on each of the four anniversaries of the earlier of the grant date or the participant’s hire or promotion date, subject to continued employment through the applicable vesting date (with limited exceptions for certain qualifying terminations). Certain RSU grants made to certain current and former non-employee members of our Board of Directors in connection with our IPO generally vest over three years, with 33% of the share units vesting on the first three anniversaries of the grant date, subject to their continued provision of services (whether as a non-employee director or otherwise) to the Company through the applicable vesting date.

Under the 2018 Plan, as of December 31, 2024, there are 0.5 million options to buy ordinary shares and 0.1 million RSU awards to our employees outstanding.

In addition, under the 2018 Plan there are 3.3 million ordinary shares that remain available for grant. No awards may be granted under the 2018 Equity Plan after our Board of Directors terminates the 2018 Equity Plan or ten years from its effective date, whichever is earlier.

Shareholder Proceeds Bonus Program

Between 2019 and 2021, we maintained a bonus program (the “Shareholder Proceeds Bonus Program”) pursuant to which eligible option holders under our 2018 Equity Plan may receive cash awards depending on financial results linked to annual operating cash flow and other financial metrics.

During those years, if our Board of Directors determined that any amounts are to be paid under the Shareholder Proceeds Bonus Program, the aggregate amount of the cash payment to be received by any participant is based on the per share bonus payment amount, a multiple determined by the Board and the number of outstanding share options to which the award under the Shareholder Proceeds Bonus Program relates, with the aggregate cash payment prorated based on the number of vested share options as of each payment date over the vesting schedule of the share option. Payment of any amounts under the Shareholder Proceeds Bonus Program is independent of and not contingent upon the exercise of any share options.

No new awards have been granted under the Shareholder Proceeds Bonus Program since calendar year 2022. All existing awards will continue to be paid out on their current payment schedule.

2021 Plan

In connection with our IPO, our Board of Directors adopted, and Mubadala approved, the 2021 Plan. The 2021 Plan provides for the issuance of incentive share options, non-qualified share options, share awards, share units, share appreciation rights, and other share-based awards.

In 2024, the Company granted RSUs and PSUs under the 2021 Plan. The RSUs have a time-based vesting requirement, which provides that the RSUs will generally vest in three annual installments, with 33.33% vesting on each anniversary of the vesting commencement date subject to the employee’s continued employment with the Company. The Company may make awards with different vesting conditions to help the Company achieve its talent strategy. The PSUs vest subject to achievement of performance targets based on revenue and adjusted free cash flow as a percentage of revenue and absolute TSR, over a 3-year performance period with targets set for each year annually, subject to the grantee remaining employed by the Company through the end of the applicable performance period. Final payout is based on the performance scores over the 3-year performance period.

As of December 31, 2024, there are 5 million RSUs and 1.8 million PSUs outstanding under the 2021 Plan. In addition, as of December 31, 2024, there are 18.1 million ordinary shares that remain available for grant under the 2021 Plan.

Employee Stock Purchase Plan

In connection with, and prior to the consummation of the Company’s IPO in 2021, the Company’s Board of Directors adopted the GLOBALFOUNDRIES Inc. 2021 Employee Stock Purchase Plan (the “ESPP”). The ESPP is administered by the Company’s Board of Directors or, as applicable, its delegate (the “ESPP Administrator”).

The ESPP provides eligible employees with an opportunity to purchase ordinary shares of the Company through payroll deduction of up to 10% of their eligible compensation. A participant may purchase a maximum of 2,500 ordinary shares during a purchase period. Amounts deducted and accumulated by the participant are used to purchase ordinary shares at the end of each six-month purchase period. Participants in the ESPP receive a one-time grant of 50 RSUs upon first time enrollment in the ESPP. The Company matches 20% of each employee’s contribution on an after-tax basis.

Subject to certain equitable adjustments in connection with certain events affecting the outstanding ordinary shares reserved for issuance as awards, the maximum aggregate number of our ordinary shares that may be issued or transferred under the ESPP with respect to awards is 7.5 million ordinary shares; provided that the share reserve under the ESPP will, unless otherwise determined by our Board of Directors, automatically increase on January 1 of each year for 8 years commencing on January 1, 2023 and ending on (and including) January 1, 2031 in an amount equal to 0.25% of the total number of ordinary shares outstanding on December 31 of the preceding year. In no event will the number of ordinary shares that may be issued or transferred pursuant to rights granted under the ESPP exceed 18.8 million shares, in the aggregate, subject to the adjustments described above.

As of December 31, 2024, of the Company has issued 1.82 million shares under this plan reflecting employees’ contribution and the 20% Company match.

C. Board Practices

Composition of our Board of Directors

Our Board of Directors currently consists of eleven members, all of whom were elected pursuant to our Memorandum and Articles of Association. The Board is divided into three classes designated as Class I, Class II and Class III, with the members of each class each serving staggered, three-year terms. The terms of our Class I directors will expire at the 2025 annual general meeting of shareholders; the terms of our Class II directors will expire at the 2026 annual meeting of shareholders; and the terms of our Class III directors will expire at the 2027 annual meeting of shareholders. At the expiration of the respective terms of the Class I, Class II and Class III directors, new Class I, Class II and Class III directors will be elected to serve for a full term of the three years respectively.

Dr. Thomas Caulfield, Camilla Languille, Tim Breen and Glenda Dorchak serve as Class I directors (with terms expiring in 2025). Martin L. Edelman, David Kerko, Jack Lazar and Carlos Obeid serve as Class II directors (with terms expiring in 2026). Ahmed Yahia, Elissa E. Murphy and Dr. Bobby Yerramilli-Rao serve as Class III directors (with terms expiring in 2027).

In selecting Board members, our Nominating and Governance Committee and Board of Directors consider a broad range of factors relating to the qualifications and background of nominees. Our Nominating and Governance Committee's and Board of Directors' priority in selecting Board members is identification of persons who will further the interests of our shareholders through their established record of professional accomplishment, the ability to contribute positively to the collaborative culture among Board members, knowledge of our business, understanding of the competitive landscape and professional and personal experiences and expertise relevant to our growth strategy. Under a shareholder's agreement entered into with Mubadala through two of its subsidiaries holding our ordinary shares, Mubadala Technology Investment Company ("MTIC") and MTI International Investment Company LLC ("MTIIC") (the "Shareholder's Agreement") prior to the consummation of our IPO in 2021, we agreed to nominate for election to our Board of Directors a certain number of designees selected by Mubadala. See "[Item 7. Major Shareholders and Related Party Transactions](#)—B. Related Party Transactions—Mubadala—Shareholder's Agreement."

There is no Cayman Islands law requirement that a director must hold office for a certain term and stand for re-election unless the resolutions appointing the director impose a term on the appointment. We do not have any age limit requirements relating to our director's term of office.

The Shareholder's Agreement provides that, for so long as MTIC, MTIIC and certain of their affiliates (the "Mubadala Entities"), in the aggregate, beneficially own 50% or more of the ordinary shares held by the Mubadala Entities upon consummation of our IPO, MTIC will be entitled to nominate a number of designees (the "Mubadala Designees") to our Board of Directors representing a majority of our directors. MTIC has designated the following directors as Mubadala Designees as of the date of this Annual Report: Ahmed Yahia, Martin L. Edelman, Camilla Languille, and Carlos Obeid. By making such designation, MTIC retains the right to appoint any additional Mubadala Designees in accordance with the Shareholder's Agreement and the Memorandum and Articles of Association.

Our Memorandum and Articles of Association also provide that our directors may only be removed for cause by an affirmative vote of 75% of our shareholders, provided that (1) a Mubadala Designee may only be removed with or without cause by MTIC, and (2) as long as the Mubadala Entities beneficially own in the aggregate at least 50% of our outstanding ordinary shares, directors other than Mubadala Designees may be removed with or without cause by a majority of shareholders. Any vacancy resulting from an enlargement of our Board of Directors (which shall not exceed any maximum number stated in our Memorandum and Articles of Association), may be filled by ordinary resolution or by vote of a majority of our directors then in office; provided that any vacancy with respect to a Mubadala Designee may only be filled by a decision of majority of the Mubadala Designees then in office, or if there are none, by MTIC.

Board's Role in Risk Oversight

Our Board of Directors oversees the management of risks inherent in the operation of our business and the implementation of our business strategies. Our Board of Directors performs this oversight role by using several different levels of review. In connection with its reviews of our operations and corporate functions, our Board of Directors addresses the primary risks associated with those operations and corporate functions. In addition, our Board of Directors reviews the risks associated with our business strategies periodically throughout the year as part of its consideration of undertaking any such business strategies.

Each of our Board committees also oversees the management of our risk that falls within the committee's areas of responsibility. In performing this function, each committee has full access to management, as well as the ability to engage advisors. Our Chief Financial Officer provides reports to the Audit Committee and is responsible for identifying, evaluating and implementing risk management controls and methodologies to address any identified risks. In connection with its risk management role, our Audit Committee meets privately with representatives from our independent registered public accounting firm and our Chief Financial Officer. The Audit Committee oversees the operation of our risk management program, including the identification of the primary risks associated with our business and periodic updates to such risks, and reports to our Board of Directors regarding these activities.

The Board met six times in 2024. From the time each director became a member of the Board, attendance or participation at Board meetings in 2024 was 97%.

Board Committees

Our Board of Directors has established an Audit Committee, a People and Compensation Committee, a Strategy and Technology Committee and a Nominating and Governance Committee, each of which operates pursuant to a separate charter adopted by our Board of Directors.

Audit, Risk and Compliance Committee

Jack Lazar, Glenda Dorchak and Elissa E. Murphy currently serve on the Audit Committee, which is chaired by Mr. Lazar. Our Board of Directors has determined that each member of the Committee is “independent” for Audit Committee purposes as that term is defined in the rules of the SEC and the applicable rules of Nasdaq. The Audit Committee’s responsibilities include:

- appointing our independent registered public accounting firm, and approving the audit and permitted non-audit services to be provided by our independent registered public accounting firm;
- evaluating the performance and independence of our independent registered public accounting firm;
- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to our financial statements or accounting matters;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures;
- reviewing disclosure controls and procedures, including reporting processes and controls for disclosure relating to cybersecurity, privacy, artificial intelligence, IT and security controls and risks;
- establishing and overseeing procedures for the receipt, retention and treatment of accounting-related complaints and concerns;
- reviewing and discussing with the independent registered public accounting firm the results of our year-end audit, and recommending to our Board of Directors, based upon such review and discussions, whether our financial statements shall be included in our Annual Report on Form 20-F;
- reviewing all related party transactions for potential conflict of interest situations, approving all such transactions and overseeing the Company’s director conflict of interest policy;
- overseeing the Company’s sustainability programs and periodically reporting to the Board of Directors;
- reviewing with management cybersecurity, privacy, artificial intelligence, and IT risks, including the initiatives, action plans and programs to manage such risks; and
- overseeing and reviewing major corporate risks and periodically reporting to the Board of Directors.

We have one financial expert as of the date hereof. Our Board of Directors has determined that Jack Lazar qualifies as an “audit committee financial expert” as defined in SEC rules and satisfies the financial sophistication requirements of the Nasdaq.

The Audit Committee met 14 times in 2024. From the time each director became a member of the committee, attendance or participation at Audit Committee meetings in 2024 was 98%.

People and Compensation Committee

David Kerko, Camilla Languille and Elissa E. Murphy currently serve on the People and Compensation Committee, which is chaired by Mr. Kerko. The People and Compensation Committee’s responsibilities include:

- establishing and reviewing the goals and objectives of our executive compensation plans;
- establishing the goals and objectives relevant to Chief Executive Officer compensation, and making recommendations to our Board of Directors in evaluating our Chief Executive Officer’s performance in light of these goals and objectives;
- evaluating the performance of our executive officers in light of the goals and objectives of our executive compensation plans and making recommendations to our Board of Directors with respect to the compensation of our executive officers, including our Chief Executive Officer;
- reviewing the level and form of director compensation and recommend changes to the Board of Directors for consideration and approval;
- making recommendations to our Board of Directors with respect to improvement of existing, or adoption of new, employee compensation plans and programs; and
- retaining and approving executive compensation advisors and other advisors advising the People and Compensation Committee.

The People and Compensation Committee met seven times in 2024. Ahmed Saeed Al Calily resigned from the People and Compensation Committee on September 8, 2024. Ms. Languille was elected to the People and Compensation Committee effective September 8, 2024. From the time each director became a member of the committee, attendance or participation at People and Compensation Committee meetings in 2024 was 100%.

Strategy and Technology Committee

Dr. Bobby Yerramilli-Rao, Tim Breen, Dr. Thomas Caulfield, David Kerko, and Camilla Languille, currently serve on the Strategy and Technology Committee, which is chaired by Dr. Yerramilli-Rao. The Strategy and Technology Committee's responsibilities include:

- assisting our Board of Directors in reviewing significant investments, divestment, joint ventures, partnerships, and other strategic agreements;
- providing guidance to our Board of Directors on long-range strategy and business plans;
- assisting our Board of Directors in reviewing our technology road map; and
- assisting our Board of Directors in reviewing strategic long-term customer and supplier agreements.

The Strategy and Technology Committee met four times in 2024. From the time each director became a member of the committee, attendance or participation at Strategy and Technology Committee meetings in 2024 was 95%.

Nominating and Governance Committee

Martin L. Edelman, Glenda Dorchak, and David Kerko currently serve on the Nominating and Governance Committee, which is chaired by Mr. Edelman. The Nominating and Governance Committee's responsibilities include:

- assisting our Board of Directors in identifying prospective director nominees and recommending nominees for election by the shareholders or appointment by our Board of Directors;
- reviewing and assessing the adequacy of our corporate governance guidelines and recommending proposed changes to our Board of Directors; and
- overseeing the evaluation of our Board of Directors.

The Nominating and Governance Committee met three times in 2024. From the time each director became a member of the committee, attendance or participation at Nominating and Governance Committee meetings in 2024 was 100%.

D. Employees

We have a highly skilled employee base and as of December 31, 2024, we employed approximately 13,000 employees primarily located at our manufacturing sites. As of December 31, 2024, approximately 36% of our employees were located in North America, approximately 24% in EMEA, and approximately 40% in APAC. We also engage temporary employees and consultants. Overall, we believe we have good relations with our employees. As of December 31, 2024, approximately 71% of our employees were engineers or technicians.

E. Share Ownership

Refer to "[Item 7. Major Shareholders and Related Party Transactions](#)" below for information on share ownership.

See "[Item 6. Directors, Senior Management and Employees](#)—B. Compensation" for information on our arrangements for involving employees in the capital of the Company.

F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth certain information with respect to the beneficial ownership of our ordinary shares as of December 31, 2024 for (i) each person known by us to be the beneficial owner of more than 5% of our outstanding shares of ordinary shares and (ii) all of our directors and executive officers as a group. Our majority shareholder, Mubadala, does not have different voting rights from those of other shareholders. As discussed below, prior to the consummation of our IPO in 2021, we entered into a Shareholder's Agreement with Mubadala through two of its subsidiaries.

Name of Beneficial Owner	Number of Ordinary Shares Owned	Percentage of Ordinary Shares Owned
Mubadala	450,387,613	81.5 %
FMR LLC ⁽¹⁾	49,375,400	8.9 %
Directors and named executive officers:		
Dr. Thomas Caulfield	*	*
John Hollister	*	*
Niels Anderskouv	*	*
Saam Azar	*	*
Tim Breen	*	*
Michael Hogan ⁽²⁾	*	*
Pradheepa Raman	*	*
Pradip Singh ⁽²⁾	*	*
Samuel Vicari ⁽²⁾	*	*
Ahmed Yahia	*	*
Ahmed Saeed Al Calily ⁽³⁾	*	*
Glenda Dorchak	*	*
Martin L. Edelman	*	*
David Kerko	*	*
Camilla Languille ⁽³⁾	*	*
Jack Lazar	*	*
Elissa E. Murphy	*	*
Carlos Obeid	*	*
Bobby Yerramilli-Rao	*	*

* Represents beneficial ownership of less than 1% of our issued and outstanding ordinary shares.

⁽¹⁾ According to report on Schedule 13G filed with the SEC on November 12, 2024, by FMR LLC, on behalf of itself and Abigail P. Johnson.

⁽²⁾ Messrs. Hogan, Singh and Vicari will become executive officers, effective April 28, 2025. Please see "Item 6. Directors, Senior Management and Employees."

⁽³⁾ Ms. Languille was elected to the Board of Directors on September 8, 2024. Mr. Al Calily resigned from the Board of Directors on September 8, 2024.

B. Related Party Transactions

Mubadala

Share Repurchase

On May 22, 2024, the Company announced a share repurchase of 3.9 million ordinary shares from MTIC, a majority shareholder, at the price of \$50.75 per share, for an aggregate purchase price of \$200 million. We completed the share repurchase on May 28, 2024, following which the 3.9 million ordinary shares were cancelled.

Secondments

In November 2023, we entered into a secondment agreement with Mubadala that described the terms of Tim Breen's secondment to GF in his role as COO, including GF's reimbursement obligations to an affiliate of Mubadala for Mr. Breen's compensation beginning 2024. In 2024, we incurred expenses of approximately \$4.3 million in consideration of the services provided by Mr. Breen and other Mubadala secondees in 2023 (pursuant to prior secondment arrangements) and by Mr. Breen in 2024. Mr. Breen's secondment terminated on December 31, 2024 and as of January 1, 2025, he became an employee of GF.

The Company entered into a Consulting Services Agreement, dated January 1, 2024, with Mamoura Holdings (US) LLC (“Mamoura”), an affiliate of Mubadala, (as amended as of January 28, 2025, the “Consulting Services Agreement”). Under the terms of the Consulting Services Agreement, Mamoura, itself or through affiliates, will provide services including strategic planning and execution support, operational process optimization, talent acquisition and management, supply chain and logistics optimization, cost efficiency improvement support, and analysis of M&A and corporate development opportunities. The Company incurred expenses of \$8 million for such services, of which \$4 million was paid in 2024. The agreement automatically renews annually through the third year. The Company may terminate the Consulting Services Agreement at any time by providing written notice, and the Consulting Services Agreement includes other customary termination provisions. For further discussion of related party transactions with Mubadala, see [Note 28. Related Party Disclosures](#).

Shareholder's Agreement

Prior to the consummation of our IPO in 2021, we entered into the Shareholder's Agreement with Mubadala through two of its subsidiaries holding our ordinary shares, MTIC and MTIIC. The Shareholder's Agreement provides that, for so long as the Mubadala Entities, in the aggregate, beneficially own 50% or more of the ordinary shares held by the Mubadala Entities, MTIC is entitled to nominate a number of Mubadala Designees to our Board of Directors representing a majority of our directors. The Shareholder's Agreement specifies how such nomination rights decrease as the Mubadala Entities' beneficial ownership of our ordinary shares decreases. Specifically, for so long as the Mubadala Entities, in the aggregate, beneficially own (i) 40% or more, but less than 50%, (ii) 30% or more, but less than 40%, (iii) 20% or more, but less than 30%, and (iv) 5% or more, but less than 20%, of the ordinary shares held by the Mubadala Entities, MTIC shall be entitled to Mubadala Designees on our Board of Directors representing at least 50%, 40%, 30% and 20%, respectively, of our directors. The Shareholder's Agreement provides that for so long as MTIC is entitled to nominate at least 30% of our directors, the chairman of our Board of Directors shall be appointed by a majority vote of the Mubadala Designees directors.

The Shareholder's Agreement specifies that, where there is a vacant Board position in respect of a Mubadala Designee director, such vacancy shall be filled only by a decision of a majority of the Mubadala Designee directors then in office or, if there are no such directors then in office, by MTIC. Additionally, we will include the Mubadala Designees on the slate that is included in our proxy statement relating to the appointment of directors of the class to which such persons belong and provide the highest level of support for the appointment of each such person as we provide to any other individual standing for appointment as a director.

The Shareholder's Agreement also specifies that until such time as the Mubadala Entities no longer beneficially own at least 30% of our outstanding ordinary shares, we will not, nor will we permit our subsidiaries, to take certain significant actions specified therein without the prior consent of MTIC. These actions include:

- amendments or modifications to, or repealing of, (whether by merger, consolidation or otherwise) any provisions of our organizational documents in a manner that would adversely affect the Mubadala Entities beneficially owning outstanding ordinary shares;
- issuances of equity securities, subject to customary exceptions;
- acquisitions or dispositions in an amount exceeding \$300 million in any single transaction or \$500 million in any calendar year, other than pursuant to ordinary course transactions;
- mergers, consolidations, or other transactions that would involve a change of control of our company;
- incurring financial indebtedness in an amount exceeding \$200 million, subject to certain exceptions;
- hiring or terminating our Chief Executive Officer, Chief Financial Officer or Chief Legal Officer or designating any replacement thereto;
- liquidation, dissolution or winding up of our company;
- any material change in the nature of the business of our company and our subsidiaries, taken as a whole; or
- changes to the size of our Board of Directors.

The Shareholder's Agreement entitles the Mubadala Entities to certain information rights. The Mubadala Entities are permitted to share such disclosed information with other Mubadala Entities and their directors, officers, employees, consultants, advisers, and financing providers, provided that the recipient maintain the confidentiality of such disclosed information.

We will use our reasonable best efforts, if permitted by applicable law and regulation (including, in particular, our Audit Committee's responsibilities under U.S. securities laws and regulations) and if in the best interests of the company, to select the same independent certified public accounting firm, or auditor, used by Mubadala (or an affiliate of such auditor) and to provide to Mubadala as much prior notice as reasonably practical of any change in our auditor until the first fiscal year end occurring after the date on which Mubadala and any entities owned by the Government of Abu Dhabi, together with their subsidiaries, no longer own in aggregate at least 25% of the voting power of our then outstanding securities. When selecting our auditor, we have agreed that we will give due consideration to the benefits arising to our company from the use of the same auditor as Mubadala (or an affiliate of such auditor).

The Shareholder's Agreement is governed by Cayman Islands law and will terminate on the earlier to occur of (i) such time as the Mubadala Entities, in aggregate, cease to beneficially own 5% or more of our outstanding ordinary shares, and (ii) upon the delivery of a written notice by MTIC to us requesting its termination.

Certain of the provisions of the Shareholder's Agreement have been included in our Memorandum and Articles of Association.

Registration Rights Agreement

Prior to the consummation of our IPO in 2021, we entered into a registration rights agreement with MTIC and MTIIC, pursuant to which those holders of ordinary shares are entitled to demand the registration of the sale of certain or all of our ordinary shares that they beneficially own (the "Registration Rights Agreement"). Among other things, under the terms of the Registration Rights Agreement:

- Each holder has an unlimited right, subject to certain conditions and exceptions, to request that we file registration statements with the SEC for one or more underwritten offerings of all or part of our ordinary shares that the holder beneficially owns, and we are required to cause any such registration statements (a) to be filed with the SEC as promptly as practicable and (b) to use commercially reasonable efforts to cause such registration statements to become effective as soon as reasonably practicable;
- If we propose to file certain types of registration statements under the Securities Act with respect to an offering of equity securities by us, we are required to use commercially reasonable efforts to offer the other parties to the Registration Rights Agreement, if any, the opportunity to register the sale of all or part of their shares on the terms and conditions set forth in the Registration Rights Agreement (customarily known as "piggyback rights"); and
- All expenses of registration under the Registration Rights Agreement, including the legal fees of one counsel retained by or on behalf of the holders, will be paid by us.

The registration rights granted in the Registration Rights Agreement are subject to customary restrictions such as minimum offering sizes, blackout periods and, if a registration is underwritten, any limitations on the number of shares to be included in the underwritten offering as reasonably advised by the managing underwriter. The rights of the holders under the Registration Rights Agreement are assignable to certain transferees of the holders' ordinary shares. The Registration Rights Agreement also contains customary indemnification and contribution provisions. The Registration Rights Agreement is governed by New York law.

On May 22, 2024 the Company filed an automatic shelf registration statement on Form F-3ASR to register certain shares held by MTIC in accordance with the terms of the Registration Rights Agreement. On May 24, 2024, GF and MTIC closed an offering of 18.7 million ordinary shares of GF, held by MTIC (including through its subsidiaries).

SMP

Silicon Manufacturing Partners Pte Ltd. ("SMP") is a joint venture between Avago Technologies International Sales Pte. Limited ("Avago Singapore") and GLOBALFOUNDRIES Singapore Pte. Ltd. ("GlobalFoundries Singapore"). During 2022, Avago Singapore acquired 51% of the shares in the share capital of SMP from LSI Technology (Singapore) Pte. Ltd. ("LSI") and the rights and obligations of LSI under the existing Joint Venture Agreement were novated to Avago Singapore. As of December 31, 2024, we held a 49% interest in SMP and managed all aspects of its manufacturing operations. In the year ended December 31, 2024, we purchased products, primarily wafers, from SMP for an aggregate of \$52 million. We also reimbursed expenses of and contributed tools to SMP in that period, with an aggregate expense of \$53 million. On January 2, 2025, GlobalFoundries Singapore acquired the remaining 51% of the shares in the share capital of SMP from Avago Singapore, thereby making SMP a wholly-owned subsidiary of GlobalFoundries Singapore.

C. Interests of Experts and Counsel.

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Financial Statements and Other Financial Information

Please see "[Item 18. Financial Statements](#)". Other than as disclosed elsewhere in this Annual Report, no significant change has occurred since the date of the Annual Consolidated Financial Statements.

Legal Proceedings

As previously disclosed in our Annual Report on Form 20-F for the fiscal year ended December 31, 2023, we have been engaged in litigation with IBM since 2021 regarding certain breach of contract, trade secrets and intellectual property claims. On January 2, 2025, we and IBM announced that we had entered into a settlement agreement resolving all litigation matters between the two companies, inclusive of the breach of contract, trade secrets and intellectual property claims. We do not believe this settlement will have a material impact on our results of operations, financial condition, business and prospects. See [Note 30. Commitments and Contingencies](#) and [Note 34. Subsequent Event](#) to our Annual Consolidated Financial Statements.

In addition to the foregoing proceeding, from time to time, we have been subject to legal proceedings arising in the ordinary course of our business, such as claims brought by our customers in connection with commercial disputes, product liability claims, employment claims made by our current or former employees or claims of infringement raised by intellectual property owners, in connection with the technology used in our manufacturing operations. The risk of such litigation may increase due to use of our products in safety-related systems of other advanced technologies, including automobiles. Based on the information currently available to us, we believe that the outcome of these proceedings would not have a material impact on our results of operations, financial condition, business and prospects.

Dividends and Dividend Policy

We currently intend to retain all available funds and any future earnings to fund the development and growth of our business. Therefore, we do not anticipate declaring or paying any regular cash dividends to our shareholders in the foreseeable future. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our Board of Directors, subject to applicable laws, and will depend on a number of factors, including our business prospects, results of operations, financial condition, cash requirements and availability, debt repayment obligations, capital expenditure needs, covenants in the agreements governing our current and future indebtedness, other contractual restrictions, industry trends and any other factors or considerations our Board of Directors may regard as relevant.

Under Cayman Islands law, dividends may be declared and paid only out of funds legally available therefor, namely out of either profit or distributable reserves, including our share premium account, and provided further that a dividend may not be paid if this would result in us being unable to pay our debts as they fall due in the ordinary course of business.

For additional information, see "[Item 3. Key Information](#)—D. Risk Factors—Risk Factors—Risks Related to our Ordinary Shares—We do not expect to declare or pay any dividends on our ordinary shares for the foreseeable future."

B. Significant Changes

None.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

On November 1, 2021, we completed our IPO. The principal trading market for our ordinary shares is Nasdaq. Our ordinary shares have been listed on Nasdaq under the symbol "GFS" since October 28, 2021.

B. Plan of Distribution

Not applicable.

C. Markets

See "[Item 9. The Offer and Listing](#)—A. Offer and Listing Details" above.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The information required to be disclosed under this item is incorporated by reference to Exhibit 2.3 to this Annual Report on Form 20-F.

Differences in Corporate Law

The Cayman Companies Act was modelled originally after similar laws in England and Wales but does not follow subsequent statutory enactments in England and Wales. In addition, the Cayman Companies Act differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Cayman Companies Act applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements

The Cayman Companies Act, subject to the articles of association of the company, permits mergers or consolidations between two Cayman Islands companies, or between a Cayman Islands company and a company incorporated in another jurisdiction (provided that is facilitated by the laws of that other jurisdiction). For these purposes, (i) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (ii) a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company.

Where the merger or consolidation is between two Cayman Islands companies, the directors of each company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each company; and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. No shareholder resolution is required for a merger between a parent company (i.e., a company that owns at least 90% of the issued shares of each class in a subsidiary company) and its subsidiary company if a copy of the plan of merger is given to every shareholder of that Cayman subsidiary to be merged unless that shareholder agrees otherwise. The consent of each holder of a fixed or floating security interest of a constituent company must be obtained, unless the court waives such requirement. If the Cayman Islands Registrar of Companies is satisfied that the requirements of the Cayman Companies Act (which includes certain other formalities) have been complied with, the Registrar of Companies will register the plan of merger or consolidation. Where the merger or consolidation involves a foreign company, the procedure is similar, save that with respect to the foreign company, the director of the Cayman Islands company is required to make a declaration to the effect that, having made due inquiry, the director is of the opinion that the requirements set out below have been met: (i) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the foreign company and by the laws of the jurisdiction in which the foreign company is incorporated, and that those laws and any requirements of those constitutional documents have been or will be complied with; (ii) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the company in any foreign jurisdictions; (iii) that no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the foreign company, its affairs or property or any part thereof; and (iv) that no scheme, order, compromise or similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the foreign company are and continue to be suspended or restricted.

Where the surviving company is the Cayman Islands company, the director of the Cayman Islands company is further required to make a declaration to the effect that, having made due inquiry, the director is of the opinion that the requirements set out below have been met: (i) that the foreign company is able to pay its debts as they fall due and that the merger or consolidated is bona fide and not intended to defraud unsecured creditors of the foreign company; (ii) that in respect of the transfer of any security interest granted by the foreign company to the surviving or consolidated company (a) consent or approval to the transfer has been obtained, released or waived; (b) the transfer is permitted by and has been approved in accordance with the constitutional documents of the foreign company; and (c) the laws of the jurisdiction of the foreign company with respect to the transfer have been or will be complied with; (iii) that the foreign company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered or exist under the laws of the relevant foreign jurisdiction; and (iv) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

Where the above procedures are adopted, the Cayman Companies Act provides for a right of dissenting shareholders to be paid a payment of the fair value of his shares upon their dissenting to the merger or consolidation if they follow a prescribed procedure. In essence, that procedure is as follows:

- a. the shareholder must give the shareholder's written objection to the merger or consolidation to the constituent company before the vote on the merger or consolidation, including a statement that the shareholder proposes to demand payment for the shareholder's shares if the merger or consolidation is authorized by the vote;
- b. within 20 days following the date on which the merger or consolidation is approved by the shareholders, the constituent company must give written notice to each shareholder who made a written objection;
- c. a shareholder must within 20 days following receipt of such notice from the constituent company, give the constituent company a written notice of the shareholder's intention to dissent including, among other details, a demand for payment of the fair value of his shares;

- d. within seven days following the date of the expiration of the period set out in paragraph (c) above or seven days following the date on which the plan of merger or consolidation is filed, whichever is later, the constituent company, the surviving company or the consolidated company must make a written offer to each dissenting shareholder to purchase the shareholder's shares at a price that the company determines is the fair value and if the company and the shareholder agree the price within 30 days following the date on which the offer was made, the company must pay the shareholder such amount; and
- e. if the company and the shareholder fail to agree a price within such 30-day period, within 20 days following the date on which such 30-day period expires, the company (and any dissenting shareholder) must file a petition with the Grand Court of the Cayman Islands to determine the fair value and such petition must be accompanied by a list of the names and addresses of the dissenting shareholders with whom agreements as to the fair value of their shares have not been reached by the company. At the hearing of that petition, the court has the power to determine the fair value of the shares together with a fair rate of interest, if any, to be paid by the company upon the amount determined to be the fair value.

Any dissenting shareholder whose name appears on the list filed by the company may participate fully in all proceedings until the determination of fair value is reached. These rights of a dissenting shareholder are not available in certain circumstances, for example, to dissenters holding shares of any class in respect of which an open market exists on a recognized stock exchange or recognized interdealer quotation system at the relevant date or where the consideration for such shares to be contributed are shares of any company listed on a national securities exchange or shares of the surviving or consolidated company.

Moreover, Cayman Islands law also has separate statutory provisions that facilitate the reconstruction or amalgamation of companies. In certain circumstances, schemes of arrangement will generally be more suited for complex mergers or other transactions involving widely held companies, commonly referred to in the Cayman Islands as a "scheme of arrangement," which may be tantamount to a merger. In the event that a merger is sought pursuant to a scheme of arrangement (the procedures of which are more rigorous and take longer to complete than the procedures typically required to consummate a merger in the United States), the arrangement in question must be approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and, in the case of a creditors' scheme who must in addition represent three-fourths in value of each such class of creditors, that are present and voting either in person or by proxy at a meeting, or meetings summoned for that purpose. The convening of the meetings and subsequently the terms of the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder would have the right to express to the court the view that the transaction should not be approved, the court can be expected to approve the arrangement if it satisfies itself that:

- we are not proposing to act illegally or beyond the scope of our corporate authority and the statutory provisions as to majority vote have been complied with;
- the shareholders have been fairly represented at the meeting in question;
- the arrangement is such as a businessman would reasonably approve; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Cayman Companies Act or that would amount to a "fraud on the minority."

If a scheme of arrangement or takeover offer (as described below) is approved, any dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of U.S. corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Our Memorandum and Articles of Association provide that until such time as the Mubadala Entities no longer beneficially own at least 30% of our outstanding ordinary shares, the Board of Directors shall not cause our company to merge or consolidate with another entity without the prior written approval of MTIC.

Squeeze-out Provisions

When a takeover offer is made and accepted by holders of 90% of the shares to whom the offer is made within four months, the offeror may, within a two-month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection may be made to the Grand Court of the Cayman Islands but is unlikely to succeed unless there is evidence of fraud, bad faith, collusion or inequitable treatment of the shareholders.

If the arrangement and reconstruction is thus approved, the dissenting shareholder would have no rights comparable to appraisal rights, which might otherwise ordinarily be available to dissenting shareholders of United States corporations and allow such dissenting shareholders to receive payment in cash for the judicially determined value of the shares. However, appraisal rights would also not be available to shareholders of a Delaware target in a business combination transaction if the shares of the target were listed on a national securities exchange and target shareholders receive only shares of a corporation which shares are also listed on a national securities exchange.

Further, transactions similar to a merger, reconstruction and/or an amalgamation may in some circumstances be achieved through other means to these statutory provisions, such as a share capital exchange, asset acquisition or control, through contractual arrangements, of an operating business.

Shareholders' Suits

A shareholder of a Delaware corporation has the right to bring a derivative action on behalf of the corporation if the shareholder was a shareholder of the corporation at the time of the transaction in question. Derivative actions have been brought in the Cayman Islands courts, and the Cayman Islands courts have confirmed the availability for such actions. In most cases, we will be the proper plaintiff in any claim based on a breach of duty owed to us, and a claim against (for example) our officers or directors usually may not be brought by a shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority and be applied by a court in the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- a company is acting or proposing to act illegally or beyond the scope of its authority (and is therefore incapable of ratification by the shareholders);
- the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more than the number of votes which have actually been obtained; and
- those who control the company are perpetrating a "fraud on the minority."

A shareholder may have a direct right of action against us where the individual rights of that shareholder have been infringed or are about to be infringed.

Our Memorandum and Articles of Association provide that each shareholder agrees to waive any claim or right of action he or she might have, whether individually or by or in the right of our Company, against any director or officer on account of any action taken by such director or officer, or the failure of such director to take any action in the performance of their duties with or for our company. However, such waiver shall not extend to any matter in respect of any dishonesty, actual fraud or willful default which may attach to such director or officer.

Maples and Calder (Cayman) LLP, our Cayman Islands counsel, is not aware of any reported class action suits having been brought in a Cayman Islands court. However, a class action suit could nonetheless be brought in the United States courts pursuant to an alleged violation of the securities laws of the United States.

Directors' Fiduciary Duties

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company. Accordingly, directors and officers owe the following fiduciary duties:

- duty to act in good faith in what the director or officer believes to be in the best interests of the company as a whole;
- duty to exercise powers for the purposes for which those powers were conferred and not for a collateral purpose;
- directors should not improperly fetter the exercise of future discretion;
- duty to exercise powers fairly as between different sections of shareholders;
- duty to exercise independent judgment; and
- duty not to put themselves in a position in which there is a conflict between their duty to the company and their personal interests.

However, this obligation may be varied by the company's articles of association, which may permit a director to vote on a matter in which the director has a personal interest provided that the director has disclosed that nature of his interest to the Board of Directors. With respect to the duty of directors to avoid conflicts of interest, our Memorandum and Articles of Association vary from the applicable provisions of Cayman Islands law mentioned above by providing that a director must disclose the nature and extent of the director's interest in any contract or proposed contract or arrangement, and following such disclosure and subject to any separate requirement under applicable law or applicable listing rules, and unless disqualified by the chairman of the relevant meeting, such director may vote in respect of any transaction or arrangement in which the director is interested and may be counted in the quorum at the meeting.

In addition to the above, under Cayman Islands law, directors also owe a duty of care which is not fiduciary in nature. This duty has been defined as a requirement to act as a reasonably diligent person having both the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the company and the general knowledge skill and experience which that director has.

As set out above, directors have a duty not to put themselves in a position of conflict and this includes a duty not to engage in self-dealing, or to otherwise benefit as a result of their position. However, in some instances what would otherwise be a breach of this duty can be forgiven and/or authorized in advance by the shareholders provided that there is full disclosure by the directors. This can be done by way of permission granted in the Memorandum and Articles of Association or alternatively by shareholder approval at general meetings. The Memorandum and Articles of Association provide that, to the fullest extent permitted by applicable law: (i) no individual serving as a director or an officer shall have any duty, except and to the extent expressly assumed by contract, to refrain from engaging directly or indirectly in the same or similar business activities or lines of business as us; and (ii) we renounce any interest or expectancy in, or in being offered an opportunity to participate in, any potential transaction or matter which may be a corporate opportunity for any director or officer, on the one hand, and us, on the other. Accordingly, as a result of multiple business affiliations, our officers and directors may have similar legal obligations relating to presenting business opportunities meeting the above-listed criteria to multiple entities. In addition, conflicts of interest may arise when our Board evaluates a particular business opportunity with respect to the above-listed criteria. However, under our Memorandum and Articles of Association, we renounced our interest in any corporate opportunity offered to any director or officer. Additionally, any such director or officer shall be permitted to pursue competing opportunities without any liability to us. Furthermore, each of our officers and directors may have pre-existing fiduciary obligations to other businesses of which they are officers or directors.

A director of a Cayman Islands company also owes to the company duties to exercise independent judgment in carrying out his functions and to exercise reasonable skill, care and diligence, which has both objective and subjective elements. Recent Cayman Islands case law confirmed that directors must exercise the care, skill and diligence that would be exercised by a reasonably diligent person having the general knowledge, skill and experience reasonably to be expected of a person acting as a director. Additionally, a director must exercise the knowledge, skill and experience which the director actually possesses.

A general notice may be given to the Board of Directors to the effect that:

- the director is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or
- the director is to be regarded as interested in any contract or arrangement which may after the date of the notice to the Board of Directors be made with a specified person who is connected with the director, will be deemed sufficient declaration of interest.

This notice shall specify the nature of the interest in question. Following the disclosure being made pursuant to our Memorandum and Articles of Association and subject to any separate requirement under applicable law or applicable listing rules, a director may vote in respect of any transaction or arrangement in which the director is interested and may be counted in the quorum at the meeting.

In comparison, under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, directors must inform themselves of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that directors act in a manner they reasonably believe to be in the best interests of the corporation. They must not use their corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

Shareholder Action by Written Consent

Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Cayman Islands law and our Memorandum and Articles of Association provide that shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held.

Shareholder Proposals

Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. The Delaware General Corporation Law does not provide shareholders an express right to put any proposal before the annual meeting of shareholders, but Delaware corporations generally afford shareholders an opportunity to make proposals and nominations provided that they comply with the notice provisions in the certificate of incorporation or bylaws. A special meeting may be called by the Board of Directors, or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Cayman Companies Act does not provide shareholders with rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our Memorandum and Articles of Association provide that upon the requisition of one or more shareholders representing not less than one-third of the voting rights entitled to vote at general meetings, the Board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. Our Memorandum and Articles of Association provide no other right to put any proposals before annual general meetings or extraordinary general meetings.

Cumulative Voting

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a Board of Directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. As permitted under Cayman Islands law, our Memorandum and Articles of Association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors

Under the Delaware General Corporation Law, a director of a corporation may be removed with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our Memorandum and Articles of Association, directors can be removed for cause by an affirmative vote of at least 75% of shareholders, provided that (1) Mubadala Designees may only be removed with or without cause by MTIC and (2) as long as the Mubadala Entities beneficially own in the aggregate at least 50% of the outstanding shares, directors other than the Mubadala Designees may be removed with or without cause by a majority of shareholders.

The notice of general meeting must contain a statement of the intention to remove the director and must be served on the director not less than ten calendar days before the meeting. The director is entitled to attend the meeting and be heard on the motion for his removal.

The office of a director will be vacated automatically if the director:

- becomes prohibited by law from being a director;
- becomes bankrupt or makes an arrangement or composition with the director's creditors;
- dies or is in the opinion of all the director's co-directors, incapable by reason of mental disorder of discharging his duties as director;
- resigns the director's office by notice to us; or
- has for more than six months been absent without permission of the directors from meetings of the Board of Directors held during that period, and the remaining directors resolve that the director's office be vacated.

Our Memorandum and Articles of Association provide that any vacancy on the Board of Directors in respect of a Mubadala Designee may only be filled by a decision of majority of the Mubadala Designees then in office, or if there are none, by MTIC.

Proceedings of the Board of Directors

Our business is to be managed and conducted by the Board of Directors. The quorum necessary for any meeting of our Board of Directors shall consist of a simple majority of the members provided that, for so long as the Mubadala Entities are entitled to nominate one Mubadala Designee to our Board of Directors, the presence of at least one Mubadala Designee shall be required on first call to a meeting of the Board of Directors.

Subject to the provisions of our Memorandum and Articles of Association, the Board of Directors may regulate its proceedings as they determine is appropriate.

Subject to the provisions of our Memorandum and Articles of Association, to any directions given by ordinary resolution of the shareholders and applicable listing rules, the Board of Directors may from time to time at its discretion exercise all of our powers, including, subject to the Cayman Companies Act, the power to issue debentures, bonds and other securities of the company, whether outright or as collateral security for any debt, liability or obligation of our company or of any third party.

Transactions with Interested Shareholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or group who owns or owned 15% or more of the target's outstanding voting shares within the past three years. This has the effect of limiting the ability of a potential acquiror to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the Board of Directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquiror of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's Board of Directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that the Board of Directors owes duties to ensure that these transactions are entered into bona fide in the best interests of the company and for a proper corporate purpose and, as noted above, a transaction may be subject to challenge if it has the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding Up

Under the Delaware General Corporation Law, unless the Board of Directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. If the dissolution is initiated by the Board of Directors, it may be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the Board. Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company resolves by ordinary resolution that it be wound up because it is unable to pay its debts as they fall due. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Under the Cayman Companies Act, we may be dissolved, liquidated or wound up by an order of the Cayman Islands Courts, a special resolution of shareholders (requiring a two-thirds majority vote of those shareholders attending and voting at a quorate meeting), or, if the company is unable to pay its debts as they fall due, by an ordinary resolution (requiring at least a majority vote of those shareholders attending and voting at a quorate meeting). Our Memorandum and Articles of Association also give our Board of Directors the authority to petition the Cayman Islands Court for our wind up. The Cayman Islands Courts have authority to order winding up in a number of specified circumstances, including where it is, in the opinion of the court, just and equitable to do so.

Variation of Rights of Shares

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under Cayman Islands law and our Memorandum and Articles of Association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class without the consent of the holders of the issued shares of that class where such variation is considered by the directors not to have a material adverse effect upon such rights. Otherwise, all or any of the special rights attached to any class of shares may be varied with either the written consent of the beneficial holders of two-thirds of the issued shares of that class, or with the approval of a special resolution passed at a general meeting of the holders of the shares of that class.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the shares of that class, be deemed to be materially adversely affected by the creation, allotment or issuance of further shares (whether ranking in priority to, *pari passu* or subordinated to them) pursuant to the Board of Director's ability to issue preference shares. The rights of the beneficial holders of the issued shares shall not be deemed to be materially adversely varied by the creation, allotment or issuance of shares with preferred or other rights including, without limitation, the creation of shares with enhanced or weighted voting rights.

Amendment of Governing Documents

Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under Cayman Islands law, our Memorandum and Articles of Association generally (and save for certain amendments to share capital described in this section) may only be amended by special resolution of shareholders (requiring a two-thirds majority vote of those shareholders attending and voting at a quorate meeting).

Indemnification of Directors and Executive Officers and Limitation of Liability

The Cayman Companies Act does not limit the extent to which a company's articles of association may provide for indemnification of directors and officers, except to the extent that it may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our Memorandum and Articles of Association provide that we shall indemnify and hold harmless our directors and officers against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions in connection with the company other than such liability (if any) that they may incur by reason of their own actual fraud, dishonesty, willful neglect or willful default. We will also bear the expenses of any reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any action, suit, proceeding or investigation involving such director or officer, upon such person's undertaking to repay any amounts paid, advanced, or reimbursed by us if it is ultimately determined that any such person shall not have been entitled to indemnification. No director or officer shall be liable to our company for any loss or damage incurred by our company as a result (whether direct or indirect) of the carrying out of their functions unless that liability arises through the actual fraud, dishonesty, willful neglect or willful default of such officer or director. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that, in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Enforcement of Civil Liabilities

We have been advised by Maples and Calder (Cayman) LLP, our Cayman Islands legal counsel, that the courts of the Cayman Islands are unlikely (i) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the federal securities laws of the United States or any state in the United States; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the federal securities laws of the United States or any state in the United States, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

C. Material Contracts

For information concerning certain contracts important to our business, see "[Item 4. Information on the Company](#)—B. Business Overview—Raw Materials" and "[Item 7. Major Shareholders and Related Party Transactions](#)—B. Related Party Transactions."

2024 Soitec MSA Addendum— In October 2024, the Company executed an addendum to the 2017 MSA with Soitec S.A. for 300mm RFSOI and FD Products. The addendum establishes the required supply volumes, pricing and other terms for materials essential to our processes until 2026 and, subject to certain conditions, until 2030.

Except as otherwise described in this Annual Report on Form 20-F (including the documents filed as exhibits to this Annual Report on Form 20-F), we have not entered into any material contracts other than in the ordinary course of business.

D. Exchange Controls

The Cayman Islands currently has no exchange control restrictions.

E. Taxation

Cayman Islands Tax Considerations

The following summary contains a description of certain Cayman Islands tax consequences of the acquisition, ownership and disposition of our ordinary shares, but it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase our ordinary shares. The summary is based upon the tax laws of Cayman Islands and regulations thereunder as of the date hereof, which are subject to change. If you are considering the purchase of our ordinary shares, you should consult your own tax advisors concerning the particular tax consequences to you of the purchase, ownership and disposition of our ordinary shares, as well as the consequences to you arising under the laws of your country of citizenship, residence or domicile.

The following is a discussion of certain Cayman Islands income tax consequences of an investment in our ordinary shares. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended to be tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under Existing Cayman Islands Laws

Payments of dividends and capital in respect of our ordinary shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal or a dividend or capital to any holder of our ordinary shares, as the case may be, nor will gains derived from the disposal of our ordinary shares be subject to Cayman Islands income or corporation tax. The Cayman Islands currently has no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax. The Cayman Islands have not yet indicated any changes to their taxation rules in response to the Organization for Economic Co-operation and Development ("OECD") Pillar 2 global minimum tax rates.

No stamp duty is payable in respect of the issue of ordinary shares or on an instrument of transfer in respect of an ordinary share.

We were incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has received an undertaking from the Governor in Cabinet of the Cayman Islands in substantially the following form:

The Tax Concessions Law

(1999 Revision)

Undertaking as to Tax Concessions

In accordance with Section 6 of the Tax Concessions Law (1999 Revision) the Governor in Cabinet undertakes with GLOBALFOUNDRIES Inc.:

- (a) that no Law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to us the company or our operations; and
- (b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - a. on or in respect of the shares, debentures or other obligations of the company; or
 - b. by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

These concessions shall be for a period of TWENTY years from 21st day of October 2008.

United States Federal Income Taxation

The following is a summary of material U.S. federal income tax considerations that are likely to be relevant to the purchase, ownership and disposition of our ordinary shares by a U.S. Holder (as defined below).

This summary is based on provisions of the Code, and regulations, rulings and judicial interpretations thereof, in force as of the date hereof. Those authorities may be changed at any time, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below.

This summary is not a comprehensive discussion of all of the tax considerations that may be relevant to a particular investor's decision to purchase, hold, or dispose of ordinary shares. In particular, this summary is directed only to U.S. Holders that hold ordinary shares as capital assets and does not address particular tax consequences that may be applicable to U.S. Holders who may be subject to special tax rules, such as banks, brokers or dealers in securities or currencies, traders in securities electing to mark to market, financial institutions, life insurance companies, tax-exempt entities, regulated investment companies, real estate investment trusts, entities or arrangements that are treated as partnerships for U.S. federal income tax purposes (or partners therein), holders that own or are treated as owning 10% or more of our stock by vote or value, persons holding ordinary shares as part of a hedging or conversion transaction or a straddle, persons whose functional currency is not the U.S. dollar, or persons holding our ordinary shares in connection with a trade or business outside the United States. Moreover, this summary does not address state, local or foreign taxes, the U.S. federal estate and gift taxes, the Medicare contribution tax applicable to net investment income of certain non-corporate U.S. Holders, or alternative minimum tax consequences of acquiring, holding or disposing of ordinary shares.

For purposes of this summary, a "U.S. Holder" is a beneficial owner of ordinary shares that is a citizen or resident of the United States or a U.S. domestic corporation or that otherwise is subject to U.S. federal income taxation on a net income basis in respect of such ordinary shares.

You should consult your own tax advisors about the consequences of the acquisition, ownership, and disposition of the ordinary shares, including the relevance to your particular situation of the considerations discussed below and any consequences arising under foreign, state, local or other tax laws.

Taxation of Distributions

Subject to the discussion below under “[Item 10. Additional Information](#)—E. Taxation—United States Federal Income Taxation—Passive Foreign Investment Company Status,” the gross amount of any distribution of cash or property with respect to our shares that is paid out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally be includible in your taxable income as ordinary dividend income on the day on which you receive the dividend and will not be eligible for the dividends-received deduction allowed to corporations under the Code.

We do not expect to maintain calculations of our earnings and profits in accordance with U.S. federal income tax principles. U.S. Holders therefore should expect that distributions generally will be treated as dividends for U.S. federal income tax purposes.

Subject to certain exceptions for short-term positions, dividends received by an individual with respect to the shares will be subject to taxation at a preferential rate if the dividends are “qualified dividends.” Dividends paid on the shares will be treated as qualified dividends if:

- the shares are readily tradable on an established securities market in the United States, or we are eligible for the benefits of a comprehensive tax treaty with the United States that the U.S. Treasury determines is satisfactory for purposes of this provision and that includes an exchange of information program; and
- we were not, in the year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a passive foreign investment company (a “PFIC”).

The ordinary shares are listed on Nasdaq, and will qualify as readily tradable on an established securities market in the United States so long as they are so listed. Based on our financial statements and relevant market and shareholder data, we believe that we were not treated as a PFIC for U.S. federal income tax purposes with respect to our 2023 and 2024 taxable years. In addition, based on our financial statements and our current expectations regarding the value and nature of our assets, the sources and nature of our income, and relevant market and shareholder data, we do not anticipate becoming a PFIC for our current taxable year or in the foreseeable future. Holders should consult their own tax advisors regarding the availability of the reduced dividend tax rate in light of their own particular circumstances.

Dividend distributions with respect to our shares generally will be treated as “passive category” income from sources outside the United States for purposes of determining a U.S. Holder’s U.S. foreign tax credit limitation.

U.S. Holders that receive distributions of additional shares or rights to subscribe for shares as part of a pro rata distribution to all our shareholders generally will not be subject to U.S. federal income tax in respect of the distributions, unless the U.S. Holder has the right to receive cash or property instead, in which case the U.S. Holder will be treated as if it received cash equal to the fair market value of the distribution.

Taxation of Dispositions of Shares

Subject to the discussion below under “[Item 10. Additional Information](#)—E. Taxation—United States Federal Income Taxation—Passive Foreign Investment Company Status,” upon a sale, exchange or other taxable disposition of the shares, U.S. Holders will realize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realized on the disposition and the U.S. Holder’s adjusted tax basis in the shares, as determined in U.S. dollars as discussed below. Such gain or loss will be capital gain or loss, and will generally be long-term capital gain or loss if the shares have been held for more than one year. Long-term capital gain realized by a U.S. Holder that is an individual generally is subject to taxation at a preferential rate. The deductibility of capital losses is subject to limitations.

Gain, if any, realized by a U.S. Holder on the sale or other disposition of the shares generally will be treated as U.S. source income.

Passive Foreign Investment Company Status

Special U.S. tax rules apply to companies that are considered to be PFICs. We will be classified as a PFIC in a particular taxable year if either:

- 75% or more of our gross income for the taxable year is passive income; or
- the average percentage of the value of our assets that produce or are held for the production of passive income is at least 50%.

For this purpose, passive income generally includes dividends, interest, gains from certain commodities transactions, rents, royalties and the excess of gains over losses from the disposition of assets that produce passive income.

We believe, and this discussion assumes, that we were not a PFIC for our taxable year ending December 31, 2024 and that, based on the present composition of our income and assets and the manner in which we conduct our business, we will not be a PFIC in our current taxable year or in the foreseeable future. Whether we are a PFIC is a factual determination made annually, and our status could change depending, among other things, upon changes in the composition of our gross income and the relative quarterly average value of our assets. If we were a PFIC for any taxable year in which you hold ordinary shares, you generally would be subject to additional taxes on certain distributions and any gain realized from the sale or other taxable disposition of the ordinary shares regardless of whether we continued to be a PFIC in any subsequent year. You are encouraged to consult your own tax advisor as to our status as a PFIC, the tax consequences to you of such status, and the availability and desirability of making a mark-to-market election to mitigate the unfavorable rules mentioned in the preceding sentence.

Foreign Financial Asset Reporting

Individual U.S. Holders that own “specified foreign financial assets” with an aggregate value in excess of US\$50,000 on the last day of the taxable year or US\$75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. “Specified foreign financial assets” include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on objective criteria. U.S. Holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors are encouraged to consult with their own tax advisors regarding the possible application of these rules, including the application of the rules to their particular circumstances.

Backup Withholding and Information Reporting

Dividends paid on, and proceeds from the sale or other disposition of, the shares to a U.S. taxpayer generally may be subject to the information reporting requirements of the Code and may be subject to backup withholding unless the U.S. taxpayer provides an accurate taxpayer identification number and makes any other required certification or otherwise establishes an exemption. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. taxpayer will be allowed as a refund or credit against the U.S. taxpayer’s U.S. federal income tax liability, provided the required information is furnished to the U.S. Internal Revenue Service in a timely manner.

A holder that is not a U.S. taxpayer may be required to comply with certification and identification procedures in order to establish its exemption from information reporting and backup withholding.

F. Dividends and Paying Agents

Not applicable.

G. Statements by Experts

Not applicable.

H. Documents on Display

The SEC maintains a website www.sec.gov that contains reports and other information regarding registrants, including the Company, that file electronically with the SEC. Please note that copies of the Company’s annual reports on Form 20-F and reports on Form 6-K filed by us can be inspected at the website set forth above and are also available on our website at www.gf.com (the website does not form part of this Annual Report on Form 20-F).

I. Subsidiary Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates and foreign currency exchange rates. See [Note 29. Financial Risk Management Objectives and Policies](#) to our Annual Consolidated Financial Statements for additional details.

Foreign Currency Risk—As a result of foreign operations, we have costs, assets and liabilities denominated in foreign currencies, primarily the Euro, the Singapore dollar and the Japanese yen. Therefore, movements in exchange rates could cause foreign currency-denominated expenses to increase as a percentage of net revenue, which are denominated in U.S. dollars, affecting profitability and cash flows. We use foreign currency forward contracts to reduce exposure to foreign currency fluctuations. We also incur a certain portion of our interest expenses in Euro and Singapore Dollar, exposing us to exchange rate fluctuations between U.S. dollar and Euro and Singapore Dollar. We use cross currency swaps to reduce our exposure to variability from foreign exchange impacting cash flows arising from our foreign currency-denominated debt cash flows to the extent that it is practicable and cost effective to do so. As of December 31, 2024, we do not believe that a hypothetical 10% change in the relative value of the U.S. dollar to currencies other than the Euro, Japanese Yen, and Singapore Dollar would have a material effect on our operating results.

Interest Rate Risk—The Company's exposure to market risk for changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. The Company's interest-earning financial assets are mostly highly liquid investments and includes money market funds, marketable securities and time deposits. As these financial assets have weighted-average maturity of less than one year with majority of the assets in fixed-rate instruments, the Company's exposure to interest risk is not material. The Company's interest-bearing financial liabilities include fixed and floating rate loans and lease obligations. Floating rate loans bear interest at Base Rate SOFR or EURIBOR plus a premium, which is fixed. The Company uses pay-fixed / receive-float interest rate swaps to protect the Company against adverse fluctuations in interest rates and to reduce its exposure to variability in cash flows on the Company's forecasted floating-rate debt facility to the extent that it is practicable and cost effective to do so. As of December 31, 2024, a hypothetical 10% change in existing interest rates would not have a material impact on our consolidated financial statements (see [Note 29. Financial Risk Management Objectives and Policies](#) to our Annual Consolidated Financial Statements).

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

None.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

A. Material Modifications to Instruments

Not applicable.

B. Material Modifications to Rights

Not applicable.

C. Withdrawal or Substitution of Assets

Not applicable.

D. Change in Trustees or Paying Agents

Not applicable.

E. Use of Proceeds

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures.

Our management, with the participation of our CEO and CFO, has evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2024, which is the end of the period covered by this Annual Report on Form 20-F. Based on such evaluation, our CEO and CFO have concluded that as of December 31, 2024, our disclosure controls and procedures were not effective because of the material weaknesses described below. Notwithstanding the material weaknesses in ICFR described below, and based on the additional analyses and other procedures management performed, management has concluded that the consolidated financial statements included in this Annual Report on Form 20-F fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with IFRS as issued by the IASB.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. As such, there is a risk of errors occurring even when a company's disclosure controls and procedures are determined to be effective. Accordingly, effective disclosure controls and procedures can provide only reasonable assurance of achieving their control objectives.

B. Management's Annual Report on Internal Control over Financial Reporting (ICFR)

Our management is responsible for establishing and maintaining adequate ICFR as defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act. ICFR is a process designed by, or under the supervision of our CEO and CFO, or persons performing similar functions, and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the IASB. Our ICFR includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company.
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, ICFR may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has evaluated the effectiveness of the Company's ICFR as of December 31, 2024, in accordance with the criteria established in the *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, management concluded that, as of December 31, 2024, our ICFR was not effective because of the material weaknesses described below.

A material weakness is a deficiency, or a combination of deficiencies, in ICFR, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. The Company did not maintain an effective control environment due to the lack of the retention of personnel with an appropriate level of expertise, knowledge and training in internal control over financial reporting. Further, changes to existing controls or the implementation of new controls have not been sufficient to respond to changes to the risks of material misstatement to financial reporting, which resulted in the Company not designing and maintaining effective controls across its business processes. The deficiencies include inadequate review and documentation of financial and other information used in manual controls over financial statement accounts and disclosures.

The material weaknesses resulted in immaterial errors to various accounts and disclosures during the years ended December 31, 2023 and December 31, 2024. Additionally, the material weaknesses could result in misstatements to the consolidated financial statements that would result in a material misstatement of the annual or interim financial statements that would not be prevented or detected in a timely manner.

Our independent registered public accounting firm, PricewaterhouseCoopers LLP, who audited the consolidated financial statements as of and for the year ended December 31, 2024, included in this Annual Report on Form 20-F and audited the effectiveness of our ICFR as of December 31, 2024, issued an adverse opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2024, as stated in their report which is included herein (See Item 18).

C. Remediation Efforts and Status of Remediation of Remaining Material Weaknesses

Significant progress has been made in management's efforts to remediate the material weaknesses discussed above. However, additional activities remain for management to conclude that appropriate actions have been taken to remediate the identified material weaknesses and determine effective internal control over financial reporting exists. We are in the process of executing a remediation plan that includes the following actions:

- a. Hiring and retaining personnel with an appropriate level of expertise, knowledge and training in ICFR, including engaging an external advisement firm with the corresponding qualifications.
- b. Implementing new controls and redesigning certain existing manual review controls over financial statement accounts and disclosures, establishing policies and procedures to effectively deploy controls as designed, and establishing documentation requirements to sufficiently evidence the performance of the Company's key controls.
- c. Conducting additional training activities dedicated to control owners to ensure control awareness and compliance with Sarbanes-Oxley requirements, with particular regard to formalized review of financial and other information used in manual controls over financial statement accounts and disclosures.

These actions and any additional actions we intend to implement in the future are subject to ongoing management evaluation and will require validation and testing of the design, implementation, and operating effectiveness of internal controls over a sustained period of time. The above actions and any additional actions we intend to implement in the future are designed to effectively remediate the material weaknesses, and we believe that our successful completion of such actions will improve our ICFR. However, the material weaknesses in our ICFR will not be considered remediated (and we cannot come to any such conclusion) until our remediation plan has been fully implemented and the operation of the remediated controls are sufficiently tested.

D. Remediation of Previously Reported Material Weakness

We previously reported a material weakness in our internal control over financial reporting as of December 31, 2023 related to the design and implementation of general IT user access controls for information systems that are relevant to the preparation of the consolidated financial statements. During 2024, we completed the following remediation activities with regards to this material weakness:

- Established policies and procedures to effectively deploy controls as designed and established documentation requirements to sufficiently evidence the performance of the Company's key controls, including the periodic review of passwords to ensure compliance with the policies.
- Conducted training activities dedicated to control owners to ensure control awareness and compliance with Sarbanes-Oxley requirements.
- Periodically evaluated the appropriateness of shared credentials and monitored the use of certain privileged access.
- Performed periodic reviews on all user access, including database and ERP systems.

As a result of the remediation actions outlined above and the testing of the design and operating effectiveness of the newly designed and enhanced controls, management concluded that the controls have been in place and have operated effectively for a sufficient period of time to demonstrate the material weakness relating to general IT user access controls for information systems has been remediated as of December 31, 2024.

E. Attestation Report of Independent Registered Public Accounting Firm

Report of the Independent Registered Public Accounting Firm

See Item 18.

F. Changes in Internal Control over Financial Reporting.

Other than as described above, there were no changes in our internal control over financial reporting that occurred during the period covered by this Annual Report on Form 20-F that have materially affected, or that are reasonably likely to materially affect, our ICFR.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

We have one financial expert serving on our Audit Committee as of the date hereof. Our Board of Directors has determined that Jack Lazar qualifies as an "audit committee financial expert" as defined in SEC rules and satisfies the financial sophistication requirements of the Nasdaq. In addition, our Board of Directors has determined that Jack Lazar is "independent" for Audit Committee purposes as that term is defined in the rules of the SEC and the applicable rules of Nasdaq.

ITEM 16B. CODE OF ETHICS

Our Board has adopted a code of conduct that applies to all of our directors, officers and employees (the "Code of Conduct"). Our Board has also adopted a code of ethics applicable to our executive officers and senior finance executives (the "Code of Ethics"), who must also comply with the Code of Conduct. Both the Code of Conduct and the Code of Ethics are available on our website: www.gf.com. We intend to disclose any amendments to the Code of Ethics, and any waivers of the Code of Ethics or the Code of Conduct for our directors, executive officers and senior finance executives, on our website to the extent required by applicable U.S. federal securities laws and the corporate governance rules of Nasdaq.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees in connection with certain professional services provided to us by PricewaterhouseCoopers LLP ("PwC") (PCAOB 238), our independent registered public accounting firm during the year ended December 31, 2024 and KPMG LLP (PCAOB ID 1051), our independent registered public accounting firm during the year ended December 31, 2023.

(in thousands)	2024	2023
Audit fees	\$ 5,715	\$ 5,644
Audit-related fees	50	—
Tax fees	82	—
All other fees	4	6
Total	\$ 5,851	\$ 5,650

Audit fees

Audit fees are fees billed for professional services rendered by the principal accountant for the audit of the registrant's annual combined financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years. It includes the audit of our financial statements, interim reviews and other services that generally only the independent accountant reasonably can provide, such as comfort letters, statutory audits, consents and assistance with and review of documents filed with the SEC.

Audit-related fees

Audit-related fees are fees billed for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the registrant's financial services.

Tax fees

Tax fees are fees billed for professional services for tax compliance, tax advice and tax planning.

All other fees

All other fees are fees billed for payroll processing, human resources administration and immigration services.

Audit Committee Pre-Approval Policies and Procedures

In accordance with applicable requirements of the Sarbanes-Oxley Act and rules issued by the SEC, the policy of our Audit Committee is to pre-approve all audit and non-audit services provided by PwC since their appointment as the independent registered public accounting firm, including audit-related services, tax services and other services.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Period	Total number of shares ordinary shares	Average price paid per ordinary share	Total number of ordinary shares purchased as part of publicly announced plans or program	Maximum number of ordinary shares that may yet be purchased
May 1-31, 2024 ⁽¹⁾	3,940,886	\$ 50.75	\$ 3,940,886	0

⁽¹⁾ On May 22, 2024, the Company announced a share repurchase of 3.9 million ordinary shares from MTIC, a majority shareholder, at the price of \$50.75 per share, for an aggregate purchase amount of \$200 million. We completed the share repurchase on May 28, 2024, following which the shares were cancelled.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

We are a “foreign private issuer” under the securities laws of the United States and the rules of Nasdaq. Nasdaq listing rules include certain accommodations in the corporate governance requirements that allow foreign private issuers, such as us, to follow “home country” corporate governance practices in lieu of the otherwise applicable corporate governance standards of Nasdaq. The application of such exceptions requires that we disclose each Nasdaq corporate governance standard that we do not follow and describe the Cayman Islands corporate governance practices we do follow in lieu of the relevant Nasdaq corporate governance standard. We currently follow Cayman Islands corporate governance practices in lieu of the corporate governance requirements of Nasdaq in respect of the following:

- the requirement under Section 5605(e) of the Nasdaq listing rules that director nominees be selected or recommended for selection by either a majority of the independent directors or a nominations committee comprised solely of independent directors; and
- the Shareholder Approval Requirements under Section 5635 of the Nasdaq listing rules.

On a voluntary basis, we have adopted corporate governance principles, policies and practices, which are set out primarily in our Corporate Governance Framework, Board Charter, committee charters, Code of Conduct, Code of Ethics and Director Conflict of Interest Policy, the current versions of which are published on our Investors Relations website (www.investors.gf.com). We note in particular the following policies and practices that we have voluntarily adopted to align more with Nasdaq’s corporate governance standards for domestic issuers:

- A majority of our Board of Directors is comprised of independent directors pursuant to applicable Nasdaq rules.
- Our independent, non-executive directors who are not affiliated with or appointed by Mubadala meet in executive sessions at Board meetings. Our lead independent director presides over such executive sessions.
- We have a separation of the CEO and Board chairman roles, with our CEO focused on managing the Company and our Board chairman driving accountability to shareholders at the Board level.
- Annually, the Board of Directors, its committees and individual directors undertake a self-evaluation, including one-on-one interviews.
- Our Board Charter also addresses, among other things, (i) periodic meetings among committee chairs and the Board chairman, (ii) overboarding, (iii) duties of the lead independent director, (iv) periodic assessment of processes facilitating communications between shareholders and directors and financial and non-financial information, (v) effective implementation and operation of information and reporting systems or controls designed to inform of material risks, (vi) the Board being apprised of the Company’s positions on corporate social responsibility, public policy and philanthropy, (vii) change in director circumstances, (viii) the minimum number of times the Board of Directors will meet each year, (ix) each committee chair setting an annual schedule of meetings for their respective committees, and (x) each director’s ability to provide input on the Board or any committee agenda.
- Our Board members and executive officers are subject to stock ownership guidelines that help align their interests with GF’s long-term performance. Within five years of becoming a covered individual, such covered individual is expected to own, outright or beneficially, (a) for a non-employee Board member, five times his or her annual retainer, (c) for the CEO, six times his base salary, (d) for a C-level executive, three times his or her base salary, and (e) for a senior vice president, one time his or her base salary.
- We adopted a Director Conflict of Interest Policy, which complements GF’s Code of Conduct.
- The head of internal audit reports to the Audit Committee. Any employee concerns regarding questionable accounting or auditing matters may be submitted anonymously through our third-party operated Ethics Whistleblower hotline. The Audit Committee oversees the ethics and compliance program and reviews claims submitted through the hotline.

In October 2024, rating agency ISS again recognized GF for “Prime” corporate ESG performance. GF’s ESG efforts were also evaluated by Morningstar Sustainalytics, which recognized GF with a “Low Risk” rating and included the Company in its 2024 “ESG Industry Top-rated” list for the semiconductor industry group.

Our Board of Directors consists of both underrepresented minority and female Board members.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

The Company has adopted an insider trading policy and procedures (the “Insider Trading Policy”) governing the sale, purchase and disposition of the Company’s securities by directors, senior management and employees. The Company believes the Insider Trading Policy is reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and Nasdaq listing standards applicable to foreign issuers. The Insider Trading Policy is filed as an exhibit hereto.

ITEM 16K. CYBERSECURITY

In the ordinary course of our business, we maintain sensitive data on our networks, including our intellectual property and proprietary or confidential business information relating to our business and that of our customers and business partners. Our and our service providers’ IT and computer systems store and transmit customer information, trade secrets, corporate data and personal information, and are otherwise essential to the operation of our production lines, which has in the past from time to time and may continue in the future to make us a target for cyberattacks. The secure maintenance of this information is critical to our business and reputation.

Risk Management and Strategy

GF’s cybersecurity strategy focuses on implementing effective and efficient controls, technologies, and other processes to assess, identify, and manage material cybersecurity risks. We maintain a comprehensive process for assessing, identifying and managing material risks from cybersecurity threats, including risks relating to disruption of business operations or financial reporting systems, intellectual property theft; fraud; extortion; harm to employees or customers; violation of privacy laws and other litigation and legal risk; and reputational risk, as part of our overall risk management system and processes. We carry insurance that provides protection against the potential losses arising from a cybersecurity incident.

GF maintains a comprehensive, company-wide commitment and program to engage every employee to safeguard and protect our and our customers’ intellectual property and products. The program integrates information security, product security, operational security and cybersecurity into a comprehensive program that covers all phases of the customer experience. Annually, we conduct comprehensive security training for all employees, as well as more focused role-specific training for employees whose job roles require an enhanced level of security awareness and control as well as data and government product security. The program leverages and embraces GF’s experience as a Trusted Foundry and supplier of advanced semiconductors to the U.S. government and the aerospace and defense industry, as well as GF’s experience as a certified international Common Criteria standard (ISO 15408, CC Version 3.1) manufacturer, and adopts many of those stringent security capabilities to all GF locations and customers. We also work with outside consultants and external legal counsel to support our program in assessing, identifying and managing material risks from, and internal controls and processes relating to, cybersecurity threats, and ensuring compliance with all applicable related laws, regulations and rules (including notice, disclosure and remediation requirements).

As part of our security programs, we have mechanisms to detect and monitor unusual network activity and other cybersecurity threats, along with containment and incident response tools. We monitor issues that are internally discovered or externally reported that may affect our products and have processes to assess those issues for potential cybersecurity impact or risk. Our dedicated cybersecurity team continually monitor cybersecurity threats to GF, and any incidents or potential incidents are flagged in our systems and escalated in accordance with our cybersecurity incident response policies and procedures. Our cybersecurity team receives regular reports on any incidents and potential incidents, with anything requiring further escalation to be reported to our Chief Executive Officer and Chief Legal Officer. We also have processes in place to manage cybersecurity risks associated with our third-party service providers, including our suppliers, vendors and other partners, as well as our outside consultants, legal counsel and auditors who help us with our cybersecurity risk management and strategy processes. We impose security requirements upon our suppliers, including maintaining an effective security management program, abiding by information handling and asset management requirements, and notifying us in the event of any known or suspect cyber incident. Although we continue to make significant investments in cybersecurity and data security, as well as other efforts to combat breach and misuse of our systems and unauthorized access to our and our customers’ data by third parties, there can be no assurance that we will be able to mitigate all risks of cyberattacks or data security breaches.

Governance

The governance structure for GF’s comprehensive information protection and overall cybersecurity program includes frequent reviews with GF’s senior leadership team, at least quarterly reviews by our Audit Committee and annual reviews by the Board. These reviews include alignment on our comprehensive information security and cybersecurity strategy, risk management, and execution to program plans. As part of our cybersecurity and information protection program, GF’s Chief Information Security Officer (“CISO”) executes, enforces and maintains GF’s global information and cybersecurity strategy, policies and procedures. In addition, GF maintains a global IT security policy detailing acceptable use of GF information resources. Our CISO reports to our Chief Information Officer (“CIO”), who reports to our COO. Our CISO and CIO have extensive experience assessing and managing cybersecurity programs and cybersecurity risk. Prior to joining GF, our CISO served in similar positions at GE Renewable Energy since 2017. Our CIO has more than two decades of experience in enterprise-wide technology transformations and digital thought leadership. Prior to joining GF, our CIO served in senior management positions leading corporate information and compliance processes and strategies.

In consultation with the Audit Committee, GF has adopted a framework for making and reporting cybersecurity materiality determinations. The materiality assessment framework has been incorporated into our overall global crisis management process and utilizes the NIST FIPS 199 Framework, in combination with other factors noted in the Commission's cybersecurity rule-making process.

We employ certain third-party service providers for us and our affiliates worldwide with whom we need to share highly sensitive and confidential information to enable them to provide the relevant services. Some of our third-party service providers have experienced cyberattacks of which we have been made aware.

We cannot provide assurance that our business strategy, results of operations and financial conditions will not be materially affected in the future by cybersecurity threats, including as a result of previous cybersecurity incidents, and any future material incidents.

PART III

ITEM 17. FINANCIAL STATEMENTS

See "[Item 18. Financial Statements.](#)"

ITEM 18. FINANCIAL STATEMENTS

See pages F-[1](#) through F-[49](#), incorporated herein by reference.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements of GLOBALFOUNDRIES Inc. and Subsidiaries

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of GLOBALFOUNDRIES Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statement of financial position of GLOBALFOUNDRIES Inc. and its subsidiaries (the "Company") as of December 31, 2024, and the related consolidated statements of operations, of comprehensive income (loss), of changes in equity and of cash flows for the year then ended, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO because material weaknesses in internal control over financial reporting existed as of that date as the Company did not (i) maintain an effective control environment due to the lack of the retention of personnel with an appropriate level of expertise, knowledge and training in internal control over financial reporting and (ii) design and maintain effective controls across its business processes, including inadequate review and documentation of financial and other information used in manual controls over financial statement accounts and disclosures.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses referred to above are described in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 15. We considered these material weaknesses in determining the nature, timing, and extent of audit tests applied in our audit of the 2024 consolidated financial statements, and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in management's report referred to above. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audit of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Property, Plant and Equipment Impairment Assessment – Fabrication Facility in Malta, New York

As described in Notes 4 and 8 to the consolidated financial statements, the Company's property, plant and equipment, net balance was \$7,762 million as of December 31, 2024, and the Company recorded an impairment loss associated with the fabrication facility in Malta, New York of \$935 million for the year ended December 31, 2024. The Company reviews, at each reporting date, the carrying amount of the Company's property, plant and equipment, and finite lived intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on a discounted cash flow analysis that a potential buyer would perform in determining a transaction value of the CGU less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The significant assumptions used to estimate the fair value were based on weighted average cost of capital and expected revenue growth rates.

The principal considerations for our determination that performing procedures relating to the property, plant and equipment impairment assessment of the fabrication facility in Malta, New York is a critical audit matter are (i) the significant judgment by management when developing the estimate of the recoverable amount of the fabrication facility in Malta, New York; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to the weighted average cost of capital and expected revenue growth rates; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge. As described in the "Opinions on the Financial Statements and Internal Control over Financial Reporting" section, material weaknesses were identified related to this matter.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others (i) testing management's process for developing the estimate of the recoverable amount of the fabrication facility in Malta, New York; (ii) evaluating the appropriateness of the discounted cash flow model used by management; (iii) testing the completeness and accuracy of underlying data used in the discounted cash flow model; and (iv) evaluating the reasonableness of the significant assumptions used by management related to the weighted average cost of capital and expected revenue growth rates. Evaluating management's assumption related to expected revenue growth rates involved evaluating whether the assumption used by management was reasonable considering (i) the current and past performance of the fabrication facility in Malta, New York; (ii) the consistency with external market and industry data; and (iii) whether the assumption was consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the discounted cash flow model and (ii) the reasonableness of the weighted average cost of capital assumption.

/s/ PricewaterhouseCoopers LLP

San Jose, California

March 20, 2025

We have served as the Company's auditor since 2024.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors

GLOBALFOUNDRIES Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statement of financial position of GLOBALFOUNDRIES Inc. and subsidiaries (the Company) as of December 31, 2023, the related consolidated statements of operations, other comprehensive income (loss), changes in equity, and cash flows for each of the years in the two-year period ended December 31, 2023, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2023, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We served as the Company's auditor from 2021 to 2023.

Singapore

April 29, 2024

GLOBALFOUNDRIES Inc.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions, except share amounts)	As of December 31,	
	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,192	\$ 2,387
Marketable securities	1,194	1,033
Receivables, prepayments and other assets	1,406	1,420
Inventories	1,624	1,487
Total current assets	6,416	6,327
Non-current assets:		
Property, plant and equipment, net	7,762	9,829
Right-of-use assets	498	335
Goodwill and intangible assets, net	660	391
Marketable securities	839	468
Deferred tax assets	188	241
Receivables, prepayments and other assets	351	343
Other non-current financial assets	85	110
Total non-current assets	10,383	11,717
Total assets	\$ 16,799	\$ 18,044
LIABILITIES AND EQUITY		
Current liabilities:		
Trade payables and other current liabilities	\$ 2,092	\$ 2,349
Current portion of long-term debt	753	571
Current portion of lease obligations	90	32
Provisions	17	54
Current portion of deferred income from government grants	92	93
Total current liabilities	3,044	3,099
Non-current liabilities:		
Non-current portion of long-term debt	1,053	1,801
Other non-current liabilities	1,022	1,190
Non-current portion of lease obligations	424	350
Provisions	197	186
Non-current portion of deferred income from government grants	235	267
Total non-current liabilities	2,931	3,794
Total liabilities	\$ 5,975	\$ 6,893
Equity:		
Share capital		
Ordinary shares, \$0.02 par value, 552,912,823 and 553,548,190 shares issued and outstanding as of December 31, 2024 and 2023, respectively	\$ 11	\$ 11
Additional paid-in capital	24,014	24,027
Accumulated deficit	(13,266)	(13,001)
Accumulated other comprehensive income	17	67
Equity attributable to the shareholders of GLOBALFOUNDRIES Inc.	10,776	11,104
Non-controlling interests	48	47
Total equity	10,824	11,151
Total liabilities and equity	\$ 16,799	\$ 18,044

See accompanying notes to consolidated financial statements

GLOBALFOUNDRIES Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per share amounts)	Year Ended December 31,		
	2024	2023	2022
Net revenue	\$ 6,750	\$ 7,392	\$ 8,108
Cost of revenue	5,099	5,291	5,869
Gross profit	1,651	2,101	2,239
Research and development expenses	496	428	482
Selling, general and administrative expenses	427	473	496
Restructuring charges	7	71	94
Impairment charges	935	—	—
Operating expenses	1,865	972	1,072
Income (loss) from operations	(214)	1,129	1,167
Finance income	201	149	51
Finance expense	(145)	(137)	(111)
Gain on sale of East Fishkill (“EFK”) business	—	—	403
Other income (expense), net	(12)	(57)	22
Income (loss) before income taxes	(170)	1,084	1,532
Income tax expense	(92)	(66)	(86)
Net income (loss)	\$ (262)	\$ 1,018	\$ 1,446
Attributable to:			
Shareholders of GLOBALFOUNDRIES Inc.	\$ (265)	\$ 1,020	\$ 1,448
Non-controlling interests	3	(2)	(2)
Net income (loss)	\$ (262)	\$ 1,018	\$ 1,446
Net earnings (loss) per share (“EPS”) attributable to the equity holders of the Company:			
Basic	\$ (0.48)	\$ 1.85	\$ 2.69
Diluted	\$ (0.48)	\$ 1.83	\$ 2.62
Weighted average ordinary shares outstanding:			
Basic	553	552	539
Diluted	553	556	552

See accompanying notes to consolidated financial statements

GLOBALFOUNDRIES Inc.
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME (LOSS)

(in millions)	Year Ended December 31,		
	2024	2023	2022
Net income (loss)	\$ (262)	\$ 1,018	\$ 1,446
Attributable to:			
Shareholders of GLOBALFOUNDRIES Inc.	(265)	1,020	1,448
Non-controlling interests	3	(2)	(2)
Net income (loss)	\$ (262)	\$ 1,018	\$ 1,446
Other comprehensive income (loss), net of tax:			
Items that may be reclassified subsequently to income or loss:			
Foreign exchange fluctuation reserve	\$ (8)	\$ 14	\$ (23)
Effective portion of changes in the fair value of cash flow hedges	(45)	(27)	187
Fair value gain (loss) on investments measured at fair value through other comprehensive income	3	9	(9)
Income tax effect	(2)	(19)	(18)
	\$ (52)	\$ (23)	\$ 137
Total other comprehensive income (loss)			
Attributable to:			
Shareholders of GLOBALFOUNDRIES Inc.	\$ (50)	\$ (25)	\$ 146
Non-controlling interests	(2)	2	(9)
Total other comprehensive income (loss)	\$ (52)	\$ (23)	\$ 137
Total comprehensive income (loss)			
Attributable to:			
Shareholders of GLOBALFOUNDRIES Inc.	\$ (315)	\$ 995	\$ 1,594
Non-controlling interests	1	—	(11)
Total comprehensive income (loss)	\$ (314)	\$ 995	\$ 1,583

See accompanying notes to consolidated financial statements

GLOBALFOUNDRIES Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)	Year Ended December 31,		
	2024	2023	2022
OPERATING ACTIVITIES			
Net income (loss)	\$ (262)	\$ 1,018	\$ 1,446
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	1,568	1,451	1,623
Impairment charges	935	—	—
Share-based payments	186	150	181
Finance income	(201)	(149)	(51)
Finance expense	145	137	111
Amortization of deferred income from government grants	(31)	(29)	(28)
Deferred income taxes	72	50	82
(Gain) Loss on disposal of property, plant and equipment and other	(89)	13	(103)
Gain on the sale of a business	—	—	(403)
Change in assets and liabilities:			
Receivables, prepayments and other assets	(71)	(169)	35
Inventories	(137)	(148)	(261)
Trade and other payables	(411)	(190)	60
Net change in working capital	(619)	(507)	(166)
Interest received	167	123	32
Interest paid	(118)	(121)	(96)
Income taxes paid	(31)	(11)	(4)
Net cash provided by operating activities	\$ 1,722	\$ 2,125	\$ 2,624
INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangible assets	\$ (625)	\$ (1,804)	\$ (3,059)
Acquisitions, net of cash acquired	(69)	—	—
Proceeds from government grants	10	138	—
Advances and proceeds from sale of property, plant and equipment and intangible assets	56	24	41
Purchases of marketable securities	(1,876)	(1,419)	(1,302)
Proceeds from sale of marketable securities	88	10	5
Proceeds from maturities of marketable securities	1,292	935	301
Proceeds from sale of a business	—	236	—
Other investing activities	(1)	(2)	(44)
Net cash used in investing activities	\$ (1,125)	\$ (1,882)	\$ (4,058)
FINANCING ACTIVITIES			
Proceeds from issuance of equity instruments	\$ 23	\$ 42	\$ 168
Purchase of treasury stock	(200)	—	—
Net proceeds from borrowings	31	46	971
Repayments of debt and lease obligations	(637)	(305)	(390)
Proceeds from government grants	—	5	93
Other financing activities	(2)	—	—
Net cash provided by (used in) financing activities	\$ (785)	\$ (212)	\$ 842
Effect of exchange rate changes on cash and cash equivalents	(7)	4	5
Net increase (decrease) in cash and cash equivalents	\$ (195)	\$ 35	\$ (587)
Cash and cash equivalents at the beginning of the year	2,387	2,352	2,939
Cash and cash equivalents at the end of the year	\$ 2,192	\$ 2,387	\$ 2,352

See accompanying notes to consolidated financial statements

GLOBALFOUNDRIES Inc.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Equity Attributable to Shareholders of GlobalFoundries Inc.

(in millions)	Ordinary Shares		Additional Paid-In Capital	Accumulated Deficit	Hedging Reserve	Foreign Currency Translation and Investments Reserves	Total	Non-controlling Interests	Total Equity
	Shares	Amount							
As of December 31, 2021	532	\$ 11	\$ 23,487	\$ (15,469)	\$ (57)	\$ 3	\$ 7,975	\$ 58	\$ 8,033
Proceeds from issuance of equity instruments	6	—	163	—	—	—	163	—	163
Share-based compensation	10	—	181	—	—	—	181	—	181
Net income (loss)	—	—	—	1,448	—	—	1,448	(2)	1,446
Other comprehensive income (loss)	—	—	—	—	160	(14)	146	(9)	137
As of December 31, 2022	548	\$ 11	\$ 23,831	\$ (14,021)	\$ 103	\$ (11)	\$ 9,913	\$ 47	\$ 9,960
Proceeds from issuance of equity instruments	6	—	46	—	—	—	46	—	46
Share-based compensation	—	—	150	—	—	—	150	—	150
Net income (loss)	—	—	—	1,020	—	—	1,020	(2)	1,018
Other comprehensive income (loss)	—	—	—	—	(37)	12	(25)	2	(23)
As of December 31, 2023	554	\$ 11	\$ 24,027	\$ (13,001)	\$ 66	\$ 1	\$ 11,104	\$ 47	\$ 11,151
Proceeds from issuance of equity instruments	3	—	1	—	—	—	1	—	1
Treasury shares	(4)	—	(200)	—	—	—	(200)	—	(200)
Share-based compensation	—	—	186	—	—	—	186	—	186
Net income (loss)	—	—	—	(265)	—	—	(265)	3	(262)
Other comprehensive income (loss)	—	—	—	—	(47)	(3)	(50)	(2)	(52)
As of December 31, 2024	553	\$ 11	\$ 24,014	\$ (13,266)	\$ 19	\$ (2)	\$ 10,776	\$ 48	\$ 10,824

GLOBALFOUNDRIES Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in millions except per share amounts or otherwise specified)

1. Organization

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”, “GF”, “GFS”, “we”, “us” or “our”) is one of the world’s largest pure-play 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, microcontrollers and power management units.

GlobalFoundries is a majority owned subsidiary of Mubadala Technology Investments LLC (“Shareholder”) through its subsidiaries, Mubadala Technology Investment Company (“MTIC”) and MTI International Investment Company LLC. Mubadala Technology Investments LLC is a subsidiary of Mamoura Diversified Global Holding PJSC (“MDGH”). Mubadala Investment Company PJSC (“MIC”) is the ultimate parent company. See [Note 28. Related Party Disclosures](#) for further discussion of the Company’s related party disclosures.

The Company previously entered into an agreement with Semiconductor Components Industries, LLC (“ON Semiconductor”) to sell the Company’s business in East Fishkill, New York (“EFK”), including buildings, facilities, certain equipment, inventories and certain contracts. Under the agreement the Company will manufacture 300mm wafers for ON Semiconductor until the end of 2025 for additional fees, allowing ON Semiconductor to increase its 300mm production at the EFK fabrication facility over several years, and ON Semiconductor committed to minimum fixed cost payments in each year through 2023. On December 31, 2022, the Company completed the sale of the EFK business for a total purchase price of \$406 million, and recognized a gain amounting to \$403 million.

The consolidated financial statements were authorized by the GlobalFoundries’ Board of Directors on March 20, 2025 to be issued and subsequent events have been evaluated for their potential effect on the consolidated financial statements through March 20, 2025.

2. Basis of Presentation

The consolidated financial statements of the Company have been presented in United States (“U.S.”) dollars, and prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) These financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

Basis of Consolidation – The consolidated financial statements comprise the financial statements of GlobalFoundries and its subsidiaries. Subsidiaries are fully consolidated from the date of acquisition, being the date on which GlobalFoundries obtains control, and continue to be consolidated until the date when such control ceases. All intercompany transactions, balances, income and expenses are eliminated in full upon consolidation. Wholly-owned subsidiaries and controlled entities included in these consolidated financial statements are disclosed in [Note 28. Related Party Disclosures](#).

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Specifically, the Company controls a subsidiary if the Company (a) has power over the subsidiary, (b) is exposed, or has rights, to variable returns from its involvement with the subsidiary and (c) has the ability to use the power to affect its returns.

Profit or loss and each component of other comprehensive income (loss) (“OCI”) are attributed to the shareholders of GlobalFoundries and to the non-controlling interests.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Company loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resulting gain or loss is recognized in the consolidated statements of operations. Any investment retained is recognized at fair value.

Foreign Currency Translation – Assets and liabilities of foreign operations having a functional currency other than the U.S. dollar are translated at the rate of exchange prevailing at the reporting date and revenue and expenses at the rate of exchange prevailing at the dates of the transactions during the period. Gains or losses on translation of foreign operations are included in OCI.

Notes to the Consolidated Financial Statements

In preparing the consolidated financial statements of the Company, foreign currency-denominated monetary assets and liabilities are translated into the functional currency using the closing rate at the applicable consolidated statement of financial position dates. Non-monetary assets and liabilities, denominated in a foreign currency and measured at fair value, are translated at the rate of exchange prevailing at the date when the fair value was determined and non-monetary assets measured at historical cost are translated at the historical rate. Revenue and expenses are measured in the functional currency at the rates of exchange prevailing at the dates of the transactions with gains or losses included in the statements of operations.

3. Summary of Material Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, unless otherwise indicated.

Revenue Recognition—The Company generates revenue primarily from fabricating semiconductor wafers for its customers using the manufacturing processes based on its own or third parties' proprietary integrated circuit designs and, to a lesser extent, the Company generates revenue from engineering and other pre-fabrication services such as non-recurring engineering ("NRE") services, which include design services and mask production.

The Company recognizes revenue when performance obligations are satisfied. The performance obligations are satisfied at the point in which control of the wafers is transferred to the customer, which is determined to be at the point of wafer shipment from the Company's facilities or delivery to the customer location. NRE services are recognized over time as the Company performs the services based on a percentage of costs incurred over total expected costs. As a practical expedient, the Company does not adjust the amount of consideration for the effects of a significant financing component as payment is received shortly from the time the performance obligations are satisfied, which is typically between 30 and 60 days from the invoice date.

The Company provides assurance-type warranty arrangement with the customers assuring that the delivered wafers are as specified in the contract and the related costs of satisfying this warranty are accrued accordingly.

The Company generally requires a purchase order from all of its customers, to which the Company responds with an order acknowledgement and a copy of the Company's standard terms and conditions. The Company also enters into master supply agreements ("MSA") with certain customers that may specify additional terms and conditions, such as pricing formulas based on volume, volume discounts, calculation of yield adjustments, indemnifications, transfer of title and risk of loss and payment terms. The Company also requires a purchase order from its customers with which it has MSAs for specific products and quantities. As a result, the Company has concluded that the combination of a purchase order and order acknowledgement, including the Company's standard terms and conditions, and the MSA, if applicable, create enforceable rights and obligations between the Company and its customers. For certain customers under long-term supply agreements ("LTAs") with minimum volume requirements that are subject to a certain breakage fee if such commitment is not met, the Company has concluded that LTAs' terms and conditions generally constitute enforceable rights and obligations for revenue recognition purposes, unless the underlying facts and circumstances vary and indicate otherwise.

Typically, goods and services provided under the Company's contracts are accounted for as a single performance obligation. However, in some contracts, the Company provides multiple distinct goods or services to a customer. In those cases, the Company accounts for the distinct contract deliverables as separate performance obligations at the stated contract value, which appropriately represents the individual performance obligation's estimated standalone selling price.

The Company estimates for the breakage fee arising from not meeting the minimum purchase requirements under certain LTAs with customers as variable consideration and includes such fee in the contract transaction price if not constrained, and accordingly, recognizes as revenue upon satisfaction of performance obligations for wafers over the expected term of the agreement. Given the volumes under these arrangements are usually not guaranteed and subject to subsequent negotiations or changes, breakage fees that are constrained are not included in the contract transaction price for revenue recognition purposes.

The Company estimates the variable consideration related to volume rebates and yield adjustments for certain contracts that may be refundable to customers through the issuance of a credit note, and accordingly, recognizes revenue in accordance with the pattern applicable to the performance obligation, subject to a constraint. The Company determines the amounts to be recognized based on the amount of potential refund required by the contract, historical experience and other surrounding facts and circumstances. These potential revenue adjustments are accrued and netted against accounts receivable on the consolidated statements of financial position.

Our contracts may be subsequently modified to reflect changes in scope or customer requirements. Generally, our contract modifications are for goods or services that are distinct from the existing contract and are accounted for as a new contract and performance obligation, which are recognized prospectively. If contract modifications are for goods or services that are not distinct from the existing contract, they are accounted for as if they are part of the original contract with the effect of the contract modification recognized as an adjustment to revenue on a cumulative catch-up basis.

Notes to the Consolidated Financial Statements

A contract asset ("unbilled accounts receivable") is recognized when the Company has recognized revenue, but not issued an invoice for payment. The Company has determined that unbilled accounts receivable are not considered a significant financing component of the Company's contracts. Contract assets are included in receivables, prepayments and other assets on the consolidated statements of financial position and are transferred to trade receivables when invoiced (see [Note 6. Receivables, Prepayments and Other Assets](#)).

A contract liability is recognized when the Company receives payments in advance of the satisfaction of performance obligations and is included as deferred revenue on the consolidated statements of financial position (see [Note 11. Trade Payables and Other Liabilities](#)). This includes upfront non-refundable capacity access fees under certain LTAs with customers which are accounted for as additional wafer price considerations and recognized as revenue upon satisfaction of performance obligations for wafers over the expected term of the agreements. The Company has determined that advanced payments from the customers do not have significant financing components.

Financial Instruments:**Category of financial instruments and measurement**

Recognition and Initial Measurement—Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability that is not measured at fair value in profit and loss ("FVPL") is initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and Measurement—All recognized financial assets are measured based on amortized cost or fair value. The classification is based on two criteria, the Company's business model for managing the assets and whether the instrument's contractual cash flows represent solely payments of principal and interest ("SPPI").

The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest is made based on the facts and circumstances at the initial recognition of assets.

Financial assets include trade and other receivables. These are recorded at amortized cost when such financial assets are held with the objective of collecting contractual cash flows that meet the SPPI criterion.

Financial assets recorded at FVPL comprise unquoted equity instruments which the Company had not irrevocably elected, at initial recognition, to classify at fair value through other comprehensive income ("FVOCI").

Financial assets recorded at FVOCI comprise marketable securities that are quoted debt instruments when such financial assets are held with the objectives of both collecting contractual cash flows and selling these financial assets, and meet the SPPI criterion. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest income which are recognized in the consolidated statements of operations. Interest income from these financial assets is included in finance income using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Cash and Cash Equivalent—Cash and cash equivalents consist of highly liquid time deposits and investments that are readily convertible into cash, which are not subjected to significant risk of changes in value, and have original maturities of three months or less at the time of purchase.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity. On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the consolidated statements of operations.

On derecognition of an investment in a debt instrument at FVOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in OCI is recognized in the consolidated statements of operations.

Impairment of financial assets

The Company will record an allowance for expected credit losses ("ECL") for all loans to related parties, marketable securities (that are quoted debt instruments), contract assets and trade receivables and other receivables not recorded at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted using the asset's effective interest rate.

The Company estimated its ECL for its contract assets and trade receivables at an amount equal to lifetime credit losses, while marketable securities and other receivables are measured at 12-months ECL if they are determined to have low credit risk at the reporting date.

Notes to the Consolidated Financial Statements

Offsetting of Financial Instruments—Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position when there is an enforceable legal right to offset the recognized amounts, and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Derivative Financial Instruments and Hedge Accounting—Through its operating, investing and financing activities in the normal course of business, the Company is exposed to various types of market risk including foreign exchange risk, interest rate risk and risks associated with changes in the market price of certain commodities. The Company uses derivative financial instruments, such as foreign currency forward contracts, interest rate swaps, cross currency swaps and commodity swaps to mitigate a portion of the risks associated with changes in foreign currency exchange rates, interest rates and commodity prices. The Company's objective for holding derivatives includes reducing, eliminating and efficiently managing the economic impact of these exposures as effectively as possible. The Company's derivative programs include strategies that both qualify and do not qualify for hedge accounting treatment. However, the Company does not use derivative financial instruments for trading or speculative purposes.

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Foreign currency forward contracts are used to hedge a portion of certain foreign currency-denominated forecasted operating expenditures, primarily in Euro ("EUR"), Japanese Yen ("JPY") and Singapore Dollar ("SGD"). The Company also hedges future cash flows for certain foreign currency-denominated forecasted capital expenditures, primarily in EUR and JPY. Certain foreign currency forward contracts not designated as hedging instruments are also used to manage the variability in foreign exchange rates on certain balance sheet amounts and to manage other foreign currency exposures.

The Company uses interest rate swaps, cross-currency interest rate swaps and cross-currency swaps to protect itself against fluctuations in interest rates and foreign currency exchange rates and to reduce its exposure to variability in forecasted cash flows associated with the Company's floating-rate and foreign currency-denominated debt.

The Company also uses commodity swaps to hedge forecasted electricity and natural gas purchases to minimize the impact of commodity price movements on the reported earnings of the Company and on future cash flows related to fluctuations of the contractually specified, separately identifiable and reliably measurable commodity risk component.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge, and on an ongoing basis, the Company documents whether there continues to be an economic relationship between the hedged item and the hedging instruments. The Company designates these derivative instruments in cash flow hedges of forecasted operating and capital expenditures or floating-rate and foreign currency-denominated debt, as applicable, and evaluates hedge effectiveness prospectively.

The effective portion of the gain or loss on these contracts is reported as a component of OCI and reclassified to the consolidated statements of operations in the same line item and in the same period during which the associated hedged forecasted transaction affects earnings. For hedges of capital expenditures, the amount in OCI is incorporated into the initial carrying amounts of the non-financial assets and depreciated over the average useful life of the associated assets. Any ineffective portion of hedges or changes in fair value from excluded components of the hedge are immediately recorded in the consolidated statements of operations.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or when it no longer meets the criteria for hedge accounting. When a forecasted transaction is no longer expected to occur, the gain or loss accumulated in OCI is recognized immediately in the consolidated statements of operations.

See [Note 10. Other Financial Assets And Liabilities](#) for information on derivative financial instruments and [Note 29. Financial Risk Management Objectives and Policies](#) for further information on hedged risks.

Inventories—Inventories are stated at standard cost adjusted to the lower of cost or net realizable value. The Company measures the cost of its inventory based on a standard cost process with appropriate adjustments for purchasing and manufacturing variances, which approximates weighted average cost.

Inventory allowances are made on an item-by-item basis, except where it may be appropriate to group similar or related items. An allowance is made for the estimated losses due to obsolescence based on expected future demand and market conditions. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Impairment of Non-Financial Assets—The Company reviews, at each reporting date, the carrying amount of the Company's property, plant and equipment, and finite lived intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Notes to the Consolidated Financial Statements

If any indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of an impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit (“CGU”) to which the asset belongs. Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The recoverable amount of an asset or CGU is estimated to be the higher of an asset’s or CGU’s fair value less costs to dispose and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. The Company also evaluates, and adjusts, if appropriate, the asset’s useful lives at each reporting date or when impairment indicators exist.

In assessing value in use, the estimated future post-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Impairment losses are recognized in the consolidated statements of operations to the extent the recoverable amount, measured at the present value of discounted cash flows attributable to the assets, is less than their carrying value.

If the recoverable amount subsequently increases, the impairment loss previously recognized will be reversed to the extent of the increase in the recoverable amount, provided that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. The impairment loss reversal is recognized immediately in the consolidated statements of operations.

Property, Plant and Equipment—Construction in progress and property, plant and equipment are stated at historical cost, net of accumulated depreciation and impairment charges. The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Major additions and improvements are capitalized as appropriate, only when it is probable that future economic benefits associated with the item and the cost of the item can be measured reliably; minor replacements and repairs are charged to the consolidated statements of operations. The Company also capitalizes interest on borrowings related to eligible capital expenditures. Capitalized interest is added to the cost of qualified assets and depreciated together with that asset cost. The Company also records capital-related government grants as a reduction to property, plant and equipment.

Commencement of depreciation related to construction in progress and property, plant and equipment involves determining when the assets are available for their intended use. The Company considers various factors which include functionality, engineering specifications, nature and usage of assets among others, in assessing the conditions necessary for the assets to be capable of operating in the manner intended by management. The Company also factors in the length of time it takes for the assets to reach the tooling qualification criteria from the initial point of when the assets are received. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Building and leasehold/land improvements	Up to 50 years (or the remaining lease term of related land on which the buildings are erected, if shorter)
Equipment	2 to 10 years
Computers	5 years

The Company periodically assesses the estimated useful lives of property, plant and equipment. As a result of a review completed in early 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 income before income taxes of \$76 million for the year ended December 31, 2023.

Leases—The Company determines if an arrangement is a lease or contains a lease at inception. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets—Right-of-use (“ROU”) assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities—At the commencement date of the lease, the Company recognizes lease liabilities at the present value of the lease payments to be made over the lease term. The lease payments comprise of fixed payments (including in-substance fixed payments) and variable lease payments that depend on an index or a rate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is remeasured if there is a lease modification that is not accounted for as a separate lease, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying assets. The Company’s lease liabilities are separately reported in the consolidated statements of financial position under current portion of lease obligations and non-current portion of lease obligations.

Notes to the Consolidated Financial Statements

The lease term is determined as the non-cancellable period of the lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain of exercising that option, and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company revises the lease term if there is a change in the non-cancellable period of the lease.

Short-term leases and leases of low-value assets—The Company applies the short-term lease recognition exemption to leases that have a lease term not exceeding 12 months, or for leases of low-value assets. The payment for such leases is recognized in the Company's consolidated statements of operations on a straight-line basis over the lease term.

Intangible Assets—Technology, patent, software licenses and similar rights acquired separately, and development costs recognized as intangible assets, are stated at cost less accumulated amortization and impairment charge. Intangible assets acquired through business combinations which include customer relationships and manufacturing and process technology, are recorded at estimated fair value at the date of acquisition. Intangible assets are amortized based on the pattern in which the economic benefits of the respective intangible asset are consumed, which is, in general, on a straight-line basis over their estimated useful lives of between 3 and 10 years. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Goodwill—Goodwill arising from the acquisition of a business is included in intangible assets. Goodwill is not amortized but it is tested for impairment.

Provisions—Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are mainly made up of site restoration obligations, as well as restructuring charges. The associated site restoration costs are capitalized as part of the carrying amount of the underlying asset and depreciated over the estimated useful life of the related long-lived assets.

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both necessarily entailed by the restructuring, and not associated with the ongoing activities of the Company. Future operating losses are not provided for.

The Company records site restoration obligations based on the estimated costs of dismantlement, removal, site reclamation and similar activities associated with facilities built on land. The site restoration obligations are recorded as a liability at the estimated present value of the related long-lived asset's inception discounted using a pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the site restoration obligations. After initial recognition, the liability is increased for the passage of time, with the increase being reflected as accretion expense in the line item "finance expenses" in the consolidated statements of operations. The associated site restoration costs are capitalized as part of the carrying amount of the underlying asset and depreciated over the estimated useful life of the related long-lived asset. Subsequent adjustments in the discount rates, estimated amounts, timing and probability of the estimated future costs and changes resulting from the passage of time are recognized as an increase or decrease in the carrying amount of the liability and the related site restoration cost capitalized as part of the carrying amount of the related long-lived asset on a prospective basis. If the decrease in the liability exceeds the remaining carrying amount of the related long-lived assets, the excess is recognized in the consolidated statements of operations.

Emission certificates—The Company recognizes emission certificates as intangible assets which are presented under receivables, prepayments and other assets on its consolidated statements of financial position. Emission certificates purchased are initially measured at cost. Emission certificates received from the government are initially measured at fair value and accounted for as government grants. Subsequent to initial recognition, the emission certificates are measured at cost less any accumulated impairment losses. The cost of emission certificates is based on average cost method. The emission certificates are not amortized but are derecognized when used to offset against the related provision.

The Company recognizes a liability for its obligation to surrender emission certificates as it emits pollutants. The liability is measured based on the carrying amount of the certificates on hand that are required to be surrendered, and at the current market value of certificates to the extent that the Company would be required to purchase additional certificates to settle the obligation. The liability is presented as a provision and derecognized when the certificates are surrendered to the authorities.

Equity—Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are recognized as a deduction from equity, net of tax.

Share repurchase and cancellation—When the Company repurchases and cancels its own equity shares (treasury shares), the amount of consideration, including directly attributable costs, is recognized as a deduction of equity. This is deducted against the issued ordinary share capital based on the par value of shares cancelled and the additional paid-in capital for the remaining amount.

Notes to the Consolidated Financial Statements

Earnings Per Share—Basic earnings per share is calculated by dividing the net income (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net income (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding, adjusted for the effects of all potentially dilutive ordinary shares. The weighted average number of ordinary shares outstanding is increased by the number of additional ordinary shares that would have been issued by the Company assuming exercise of all equity instruments with exercise prices below the average market price for the year.

Share-based compensation—Share-based compensation expense related to share awards is recognized based on the fair value of the awards granted.

The grant date fair value of equity-settled share-based payment awards granted to employee is recognized as employee benefit expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual performance.

Research and Development Costs—Research costs are expensed as incurred. Development costs are recognized as intangible assets if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the assets.

Borrowing Costs—Borrowing costs directly attributable to the construction phase of property, plant and equipment are capitalized as part of the cost of assets which are constructed by the Company and for which a considerable period of time (at least six months) is planned for construction. Borrowing costs are capitalized from the start of construction until the date the asset is ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

Government Grants—Government grants are recognized when there is reasonable assurance that the grant will be received and the Company will be in compliance with all attached conditions. When the grant relates to an expense item it is recognized initially as deferred income and subsequently released to the consolidated statements of operations over the period necessary on a systematic basis to match the costs that the grant is intended to compensate and is presented as a reduction of those costs. Where the grant relates to acquisition of assets, it is recognized as a reduction in the basis of the asset and released as a reduction to depreciation expense in equal amounts over the expected useful life of the related asset. Grants the Company received are primarily provided in connection with construction and operation of the Company's manufacturing facilities, employment and research and development.

Investments in Joint Operations—A joint operation is an arrangement in which the Company has joint control whereby the Company has rights to assets, and obligations for the liabilities, relating to an arrangement. The Company accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

Current Income Tax—Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred Tax Assets—We consider the probability that a portion of or all of the deductible temporary differences, carryforward of unused tax losses and carryforward of unused tax credit can be utilized against future taxable profits in the recognition of deferred tax assets. In assessing recoverability of deferred tax assets, we consider the scheduled reversal of deferred tax liabilities, projected future taxable profit and tax planning strategies. Uncertainty of estimates of future taxable profit could increase due to changes in the economic environment surrounding us, effects by market conditions, effects of currency fluctuations or other factors.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Recent Accounting Pronouncements and Developments**Recent Accounting Pronouncements, Adopted:**

On January 1, 2024, the Company adopted the following amendments, which did not have a material impact on the consolidated financial statements.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1, *Presentation of Financial Statements*)—The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, including compliance with loan covenants before or at the reporting date. The amendments also require disclosures for liabilities subject to future covenants that an entity must comply with after the reporting period, which help users to understand the risk that those liabilities could become repayable within twelve months after the reporting period.

Lease Liability in a Sales and Leaseback (Amendments to IFRS 16, *Leases*)—The amendments specify the requirements that the seller-lessee must meet when measuring the lease liability arising in a sale and leaseback transaction, to ensure that the seller-lessee does not recognize any amount of profit or loss that relates to the right-of-use that it retains.

Supplier Finance Arrangements (Amendments to IAS 7, *Statement of Cash Flows* and IFRS 7, *Financial Instruments: Disclosures*)—The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist the users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Recent Accounting Pronouncements, Not Adopted:

The Company has not adopted the following new, revised or amended IFRS standards that have been issued by the IASB but are not yet effective:

Classification and Measurement of Financial Instruments (Amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures*)—The amendments clarify the requirements for the timing of recognition and derecognition of certain financial assets and liabilities, add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion and add new disclosures for certain instruments with contractual terms that can change cash flows. The effective date for adoption of these amendments is annual periods beginning on or after January 1, 2026.

IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18")—This new standard will replace IAS 1, *Presentation of Financial Statements*. The key concepts in IFRS 18 relate to the structure of the statement of profit and loss, required disclosures in the financial statements for certain management-defined performance measures and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

- IFRS 18 introduces new requirements for presentation within the statement of profit and loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit and loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.
- It also requires disclosure of management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.
- In addition, narrow-scope amendments have been made to IAS 7, *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

The effective date for adoption of IFRS 18 is annual periods beginning on or after January 1, 2027, and early adoption is permitted. Retrospective application is required.

Annual Improvements to IFRS Accounting Standards—Volume 11— These narrow-scope amendments relate to clarifications, simplifications, corrections or changes to improve consistency in the following IFRS statements: IFRS 7, *Financial Instruments: Disclosures*, IFRS 9, *Financial Instruments*, IFRS 10, *Consolidated Financial Instruments* and IAS 7, *Statement of Cash Flows*. The effective date for adoption of these amendments is annual periods beginning on or after January 1, 2026.

Contracts Referencing Nature-dependent Electricity—Amendments to IFRS 9 and IFRS 7— These amendments help entities better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements. The amendments include clarifying the application of the own-use requirements, permitted hedge accounting if these contracts are used as hedging instruments and adding new disclosure requirements to enable investors to understand the effect of these contracts on an entity's financial performance and cash flows. The amendments are effective for annual periods beginning on or after January 1, 2026.

Notes to the Consolidated Financial Statements

As of the date the accompanying financial statements were authorized for issue, the Company continues to evaluate the impact on its financial position and performance as a result of the initial adoption of the aforementioned standards or interpretations and related applicable period.

New Legislation:

In August 2022, the CHIPS and Science Act was signed into U.S. law. Designed to boost investment in domestic high tech-research and development and catalyze investment in domestic semiconductor manufacturing capacity, the CHIPS and Science Act provides a 25% refundable advanced manufacturing investment tax credit under Internal Revenue Code Section 48D ("AMITC") on certain investment and other financial incentives to promote investments in domestic semiconductor manufacturing beginning in 2023. The Company has analyzed the provisions of the law and determined that certain capital expenditures qualified under the law and claimed a \$105 million refundable tax credit to the Company on its 2023 U.S. federal tax return. The Company is analyzing final treasury regulations related to the AMITC published in October 2024 and has not identified any material changes to its AMITC position.

In August 2022, the U.S. Inflation Reduction Act (the "IRA") was signed into law. The IRA establishes a new corporate alternative minimum tax ("CAMT") of 15% for corporations with an average global adjusted financial statement income in excess of \$1 billion over a consecutive three year period, as well as a 1% excise tax on qualifying stock repurchases. The CAMT is effective for tax years beginning after December 31, 2022. The Company recorded \$11 million of CAMT in 2024 and \$0 in 2023. We may continue to be subject to this tax in future periods.

Legislation and administrative guidance continue to evolve under the Organization for Economic Co-operation and Development's ("OECD") international tax reform centering on a global minimum tax regime ("Pillar 2") effective beginning in fiscal year 2024. The Pillar 2 regime seeks to collect additional top-up taxes from multinational groups whose effective tax rates are lower than 15% at a jurisdictional level. Pillar 2 is being accounted for under the scope of IAS 12, *Income Taxes*, which includes an amendment in May 2023 granting temporary relief from accounting for deferred taxes arising from jurisdictions implementing Pillar 2 minimum taxes. Under the amendment, the Company is applying the exception of neither recognizing nor disclosing deferred tax adjustments related to Pillar 2 income taxes.

The Company's effective tax rate for which Pillar 2 tax is computed is primarily driven by earnings from jurisdictions in which we conduct business, including Germany, Singapore and the U.S. As of December 31, 2024, Germany and Singapore have enacted Pillar 2 rules. We will continue to evaluate and monitor as additional guidance and clarification becomes available.

In late 2023, the Netherlands adopted tax legislation amending tax classification rules for domestic and foreign legal entities beginning as of January 1, 2025. This legislation can result in a change in recognition of an entity as either opaque or transparent for Netherlands corporate tax purposes. The Company's German legal entity structure includes a Netherlands holding entity for which this new law may have an impact, including the German entities held beneath it. The Company is analyzing the potential impact to our tax positions in the Netherlands and Germany, but does not anticipate a material tax expense effect due to tax treaties between Germany and the Netherlands which mitigate potential double taxation in cases where German and Dutch entity classifications may clash.

4. Critical Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses as well as the disclosure of commitments and contingencies. Actual results may differ from these estimates and such differences may be material to the consolidated financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Determination of useful lives of property, plant and equipment—The Company periodically assesses the estimated useful lives of property, plant and equipment. See [Note 3. Summary of Material Accounting Policies](#).

Inventory Valuation—Inventory is based on a standard cost process with appropriate adjustments for purchasing and manufacturing variances, which approximates weighted average cost. The cost of raw materials is determined using applicable raw material purchase prices. The cost of supplies is determined based on a weighted-average cost formula. Work in process and finished goods are valued at the cost of direct materials and a proportion of manufacturing labor and overhead costs based on normal operating capacity.

Inventory allowances are made on an item-by-item basis, except where it may be appropriate to group similar or related items. An allowance is made for the estimated losses due to obsolescence based on expected future demand and market conditions. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Impairment Assessment of Non-Financial Assets—The Company reviews, at each reporting date, the carrying amount of the Company's property, plant and equipment, and finite lived intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on a discounted cash flow analysis that a potential buyer would perform in determining a transaction value of the CGU less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. When preparing the discounted cash flow analysis, the Company makes judgments in determining the independent cash flows that can be related to a specific CGU based on its asset usage model and manufacturing capabilities in addition to the discount rate used in the analysis. In addition, because judgments are made regarding the remaining useful lives of assets and expected future revenue and expenses associated with the assets, changes in these estimates based on changes in economic conditions or business strategies could result in material impairment charges in future periods. See [Note 8. Property, Plant and Equipment](#).

Provisions for Asset Retirement Obligations ("AROs")—The Company records a provision for site restoration costs as required by legal and contractual obligations if it is determined to be probable that it will incur such costs. The Company has estimated costs based on available information about the extent of restoration work required. The provision has been calculated using discount rates based on the risk-free rates in the jurisdiction of the liability. The site restoration costs are expected to be incurred on site abandonment for owned property and on lease expiration for land held under lease. The expected timing of incurring site restoration costs has considered various factors, including the remaining useful lives of the underlying property, plant and equipment. The Company makes judgements in determining the likelihood and timing of settlement of the AROs, the costs to be incurred and the discount rates to be used. The ultimate site restoration costs are uncertain, as costs can vary in response to internal and external factors, and the expected timing of expenditure can also change. Changes to these estimates could result in adjustments to the provision established in the future. See [Note 14. Provisions](#) for the carrying amount of the provision for AROs.

Income Taxes and Realization of Deferred Tax Assets—In determining taxable income for financial statement reporting purposes, management makes certain estimates and judgments specific to taxation issues. These estimates and judgments are applied in the calculation of certain tax liabilities and in the determination of the recoverability of deferred tax assets, which arise from temporary differences between the recognition of assets and liabilities for income tax and financial statement reporting purposes.

Deferred taxes are recognized for unused losses, among other factors, to the extent that it is probable that taxable profit will be available against which the losses can be utilized.

This evaluation requires the exercise of judgment with respect to, among other things, benefits that could be realized from available tax strategies and future taxable income, as well as other positive and negative factors. The ultimate realization of deferred tax assets is dependent upon, among other things, the Company's ability to generate future taxable income that is sufficient to utilize loss carry-forwards or tax credits before their expiration or the Company's ability to implement prudent and feasible tax planning strategies.

If estimates of projected future taxable income and benefits from available tax strategies are reduced as a result of a change in the assessment or due to other factors, or if changes in current tax regulations are enacted that impose restrictions on the timing or extent of the Company's ability to utilize net operating losses and tax credit carry-forwards in the future, the Company may be required to reduce the amount of total deferred tax assets resulting in a decrease of total assets. Likewise, a change in the tax rates applicable in the various jurisdictions or unfavorable outcomes of any ongoing tax audits could have a material impact on the future tax provisions in the periods in which these changes could occur.

In addition, the calculation of tax liabilities involves dealing with uncertainties in the application of complex tax rules and the potential for future adjustment of uncertain tax positions by the tax authorities in the countries in which the Company operates. If estimates of these taxes are greater or less than actual results, an additional tax benefit or charge may result.

Notes to the Consolidated Financial Statements

Share-based compensation—Share-based compensation expense is recognized based on the grant date fair value of the awards. The fair value of Restricted Share Units (“RSUs”) is determined based on the closing price of the ordinary stock on the date of grant. The fair value of share options is estimated using the Black-Scholes option pricing model for options. The fair value of Performance Share Units (“PSUs”) is estimated using a Monte Carlo simulation. Both models require management to make certain assumptions of future expectations based on historical and current data. The assumptions include the estimated fair value of the Company’s stock, expected term of the awards, expected volatility, dividend yield and risk-free interest rate. These estimates involve inherent uncertainties and the application of management’s judgment.

The principles of modification accounting are applied when a new share-based payment is granted as a replacement for another share-based payment that is cancelled. When modification accounting is applied, the entity accounts for any incremental fair value in addition to the grant-date fair value of the original award. In the case of a replacement, the incremental fair value is the difference between the fair value of the replacement award and the net fair value of the cancelled award, both measured at the date on which the replacement award is issued. The net fair value is the fair value of the cancelled award measured immediately before the cancellation, less any payment made to the employees on cancellation.

A package of modifications might include several changes to the terms of a grant, some of which are favorable to the employee and some not. In the event the net effect is not beneficial to the employee, cancellation accounting will be applied. Cancellations or settlements of equity-settled share-based payments during the vesting period by the Company are accounted for as accelerated vesting; therefore, the amount that would otherwise have been recognized for services received is recognized immediately.

In September 2023, the People and Compensation Committee of GlobalFoundries approved a modification to the 2023 PSUs, to adjust the return on invested capital (“ROIC”) performance threshold. The modification did not increase the fair value of the 2023 PSUs as the non-market performance condition was not considered when determining the fair value on the modification date. The Company cumulatively adjusted the expense based on the number of shares probable of vesting based on ROIC metrics and the grant date fair value.

5. Cash And Cash Equivalents

(in millions)	December 31, 2024	December 31, 2023
Cash balances on hand and at banks	\$ 1,018	\$ 490
Other cash and cash equivalents	1,174	1,897
Total	\$ 2,192	\$ 2,387

Movements in cash and cash equivalents are presented in the Company’s consolidated statements of cash flows.

The following table presents the reconciliation of assets, liabilities and equity arising from financing activities:

(in millions)	As of December 31, 2022 Assets (Liabilities and Equity)	Cash Flows from Financing Activities (Inflows)/ Outflows	Cash Flows from Operating Activities (Inflows)/ Outflows	Non-cash changes			As of December 31, 2023 Assets (Liabilities and Equity)
				Addition	Foreign exchange movement	Other	
Government grants receivable ⁽¹⁾	\$ 52	\$ (5)	\$ —	\$ 23	\$ 1	\$ 101	\$ 172
Debt ⁽²⁾	(2,511)	182	—	(17)	(30)	4	\$ (2,372)
Lease obligations	(345)	77	21	(117)	(5)	(13)	\$ (382)
Share capital	(11)	—	—	—	—	—	\$ (11)
Additional Paid-In Capital	(23,831)	(42)	—	—	—	(154)	\$ (24,027)
Other	—	—	—	—	1	—	\$ 1
Total	\$ (26,646)	\$ 212	\$ 21	\$ (111)	\$ (33)	\$ (62)	\$ (26,619)

Notes to the Consolidated Financial Statements

(in millions)	As of December 31, 2023 Assets (Liabilities and Equity)	Cash Flows from Financing Activities (Inflows)/ Outflows	Cash Flows from Operating Activities (Inflows)/ Outflows	Non-cash changes			As of December 31, 2024 Assets (Liabilities and Equity)
				Addition	Foreign exchange movement	Other	
Debt ⁽²⁾	\$ (2,372)	\$ 544	\$ —	\$ (16)	\$ 42	\$ (4)	\$ (1,806)
Lease obligations	(382)	62	24	(389)	23	148	(514)
Share capital	(11)	—	—	—	—	—	(11)
Additional Paid-In Capital	(24,027)	177	—	—	—	(164)	(24,014)
Other	1	2	—	—	—	(3)	—
Total	\$ (26,791)	\$ 785	\$ 24	\$ (405)	\$ 65	\$ (23)	\$ (26,345)

(1) Government grants receivable of \$172 million is included in receivables, prepayments and other assets in the consolidated statements of financial position as of December 31, 2023. In 2024, cash flows from government grants receivable is included in cash from operating activities due to a methodology change in 2023.

(2) Accrued interest is included in accrued liabilities in the consolidated statement of financial positions. Interest paid relating to the Company's debt of \$91 million and \$100 million is included in cash flow from operating activities on the consolidated statement of cash flows as of December 31, 2024 and 2023, respectively.

Geographical concentration of cash and cash equivalents is as follows:

(in millions)	December 31, 2024	December 31, 2023
United States of America	\$ 1,637	\$ 481
Republic of Singapore	341	1,666
Other	214	240
Total	\$ 2,192	\$ 2,387

6. Receivables, Prepayments and Other Assets

(in millions)	December 31, 2024	December 31, 2023
Current:		
Trade receivables, other than related parties ⁽¹⁾	\$ 906	\$ 1,002
Other receivables	307	255
Unbilled accounts receivable ⁽²⁾	38	33
Receivables from government grants	133	66
Receivables from related parties (Note 28. Related Party Disclosures)	9	12
Other current financial assets	13	52
Total	\$ 1,406	\$ 1,420
Non-current:		
Advances to suppliers ⁽³⁾	180	213
Receivables from government grants	124	106
Other	47	24
Total	\$ 351	\$ 343

(1) The Company's trade receivables, other than related parties, are all classified as current and are expected to be collected within one year. The Company's provision for sales returns was not material for either of the years ended December 31, 2024 and 2023. See the table below for the aging of the Company's trade receivables, other than related parties.

(2) 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 upon shipment of products or rendering services.

(3) Primarily represents advances to suppliers to offset against future purchases.

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Notes to the Consolidated Financial Statements

The following table presents the activity in unbilled accounts receivable:

(in millions)	December 31, 2024	December 31, 2023
Beginning balance	\$ 33	\$ 24
Revenue recognized during the year	118	101
Amounts invoiced	(113)	(92)
Ending balance	\$ 38	\$ 33

The following table presents the aging of accounts receivable:

(in millions)	December 31, 2024	December 31, 2023
Receivables neither past due nor impaired	\$ 850	\$ 880
Less than 30 days	49	114
31 to 60 days	—	4
61 to 90 days	—	4
91 to 120 days	7	—
Total	\$ 906	\$ 1,002

7. Inventories

Inventories consist of the following:

(in millions)	December 31, 2024	December 31, 2023
Work in progress	\$ 1,088	\$ 1,005
Raw materials and supplies	665	625
Inventory reserves	(129)	(143)
Total	\$ 1,624	\$ 1,487

During the year ended December 31, 2024, the Company recognized \$32 million within cost of revenue to write down certain inventories to their estimated net realizable value. There were no significant reversals of any write-down of inventories.

Notes to the Consolidated Financial Statements

8. Property, Plant and Equipment

(in millions)	Land and Land Improvements	Buildings and Leasehold Improvements	Equipment	Computers	Construction in Progress	Total
Cost						
As of December 31, 2022	\$ 78	\$ 7,026	\$ 22,566	\$ 439	\$ 3,384	\$ 33,493
Additions ⁽¹⁾	14	7	19	4	745	789
Transfers from construction in progress	—	616	1,979	7	(2,602)	—
Disposals	—	(16)	(298)	(2)	(15)	(331)
Effects of exchange rate changes	—	2	11	—	—	13
As of December 31, 2023	92	7,635	24,277	448	1,512	33,964
Additions ⁽¹⁾	—	11	36	3	202	252
Transfers from construction in progress	—	127	1,361	8	(1,496)	—
Disposals	—	—	(406)	(1)	(4)	(411)
Effect of exchange rate changes	(1)	(4)	(20)	—	—	(25)
As of December 31, 2024	\$ 91	\$ 7,769	\$ 25,248	\$ 458	\$ 214	\$ 33,780
Accumulated Depreciation						
As of December 31, 2022	\$ 26	\$ 3,954	\$ 18,801	\$ 391	\$ 7	\$ 23,179
Additions ⁽¹⁾	2	267	976	20	—	1,265
Disposals	—	(17)	(298)	(2)	—	(317)
Effects of exchange rate changes	—	1	7	—	—	8
As of December 31, 2023	28	4,205	19,486	409	7	24,135
Additions ⁽¹⁾	2	269	1,081	18	—	1,370
Impairments	1	566	362	1	5	935
Disposals	—	—	(404)	(1)	—	(405)
Effect of exchange rate changes	—	(2)	(15)	—	—	(17)
As of December 31, 2024	\$ 31	\$ 5,038	\$ 20,510	\$ 427	\$ 12	\$ 26,018
Net book value as of December 31, 2023	\$ 64	\$ 3,430	\$ 4,791	\$ 39	\$ 1,505	\$ 9,829
Net book value as of December 31, 2024	\$ 60	\$ 2,731	\$ 4,738	\$ 31	\$ 202	\$ 7,762

⁽¹⁾ The Company earned investment tax credits related to the construction of a wafer fabrication facility in Saratoga County, New York (which were netted against additions relating to Building and Leasehold Improvements and Equipment). These credits were generally earned based on when the related assets were placed in service. The Company recorded the investment tax credits as a reduction of property, plant and equipment costs. As of December 31, 2024 and 2023, the investment tax credits included in property, plant and equipment amounted to \$174 million and \$226 million, respectively.

Construction in progress includes property, plant and equipment that is still in progress of construction and qualification process for equipment, necessary for these assets to be operating in the manner for their intended use. When these assets are completed and placed in service, they are transferred to property, plant and equipment and depreciation commences. The Company transferred \$1.5 billion and \$2.6 billion in 2024 and 2023, respectively, from construction in progress to the respective property, plant and equipment category.

Depreciation expense on property, plant and equipment is as follows:

(in millions)	2024	2023	2022
Cost of revenue	\$ 1,300	\$ 1,207	\$ 1,303
Research and development expenses	51	38	40
Selling, general and administrative expenses	19	20	22
Total	\$ 1,370	\$ 1,265	\$ 1,365

Notes to the Consolidated Financial Statements

The Company performed its fourth quarter 2024 impairment assessment, and as a result, identified impairment indicators present on certain long-lived assets relating to legacy investments in production capacity at its fabrication facility in Malta, New York. The impairment indicators were identified by re-evaluating the diversification of the Company's long-term manufacturing technology platform roadmap in Malta, consistent with our current technology capabilities and transfer strategy necessary to meet expected long-term market demand.

Assessing the impairment of long-lived assets involves comparing their respective carrying value with their recoverable values. Management determined the recoverable value of the assets by assessing both the fair value less cost of disposal and value in use. The recoverable amount was assessed to be the value in use which was greater than the fair value less cost of disposal. The Company estimated the value in use of its long-lived assets using a discounted cash-flow model. The significant assumptions used to estimate the fair value were based on an 11.5% weighted average cost of capital and expected revenue growth rates. Based on the impairment analysis conducted, the Company determined that the carrying value of the long-lived assets exceeded its recoverable amount, and as a result, recorded an impairment charge of \$935 million during the quarter ended December 31, 2024, which is included within operating expenses in the consolidated statements of operations.

9. Goodwill and Intangible Assets

Cost (in millions)	Technology, Licenses and Similar Rights	Software	Patents	Goodwill	Other	Total
As of December 31, 2022	\$ 1,217	\$ 368	\$ 226	\$ 18	\$ 137	\$ 1,966
Additions	61	96	—	—	—	157
Disposals	(40)	—	—	—	—	(40)
As of December 31, 2023	1,238	464	226	18	137	2,083
Additions	240	53	2	57	43	395
Disposals	(138)	—	—	—	—	(138)
As of December 31, 2024	\$ 1,340	\$ 517	\$ 228	\$ 75	\$ 180	\$ 2,340
Accumulated Amortization						
As of December 31, 2022	\$ 971	\$ 276	\$ 225	\$ —	\$ 131	\$ 1,603
Additions	121	7	—	—	1	129
Disposals	(40)	—	—	—	—	(40)
As of December 31, 2023	1,052	283	225	—	132	1,692
Additions	122	3	—	—	1	126
Disposals	(138)	—	—	—	—	(138)
As of December 31, 2024	\$ 1,036	\$ 286	\$ 225	\$ —	\$ 133	\$ 1,680
Net book value as of December 31, 2023	\$ 186	\$ 181	\$ 1	\$ 18	\$ 5	\$ 391
Net book value as of December 31, 2024	\$ 304	\$ 231	\$ 3	\$ 75	\$ 47	\$ 660

Amortization expense on intangible assets is as follows:

(in millions)	2024	2023	2022
Cost of revenue	\$ 58	\$ 61	\$ 91
Research and development expenses	66	63	70
Selling, general and administrative expenses	2	5	15
Total	\$ 126	\$ 129	\$ 176

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10. Other Financial Assets And Liabilities

The following derivative contracts are outstanding at December 31, 2024 and 2023 (in millions unless otherwise specified):

Derivative Instruments	Fair Value of Derivative Instruments				Notional Amount	Average Foreign Currency/ US\$	Average Strike Rate / Price	Maturity
	Other Current Financial Assets	Other Non-current Financial Assets	Other Current Financial Liabilities	Other Non-current Financial Liabilities				
Outstanding as of December 31, 2023:								
Forward contracts:								
Euro forward contracts (receive euros/pay US\$)	\$ 14	\$ —	\$ (4)	\$ —	\$ 845	0.91	—	2024 - 2025
Singapore dollar forward contracts (receive Singapore\$ / pay US\$)	8	—	(1)	—	483	1.33	—	2024 - 2025
Japanese yen forward contracts (receive Japanese yen / pay US\$)	6	1	(7)	—	116	140.20	—	2024 - 2025
	28	1	(12)	—	1,444			
Interest rate swaps	17	5	—	—	653	—	0.442% - 1.761%	2024 - 2026
Cross currency interest rate swaps (receive euros / pay US\$)	5	1	(3)	—	519	0.89	3.834% - 4.182%	2024 - 2026
Cross currency swaps (receive Singapore \$ / pay US\$)	—	73	—	—	1,127	1.37	1.830% - 1.941%	2028
Commodity swaps	2	—	(27)	(14)	237	0.91	73.59	2024 - 2025
Total	\$ 52	\$ 80	\$ (42)	\$ (14)	\$ 3,980			
Outstanding as of December 31, 2024:								
Forward contracts:								
Euro forward contracts (receive euros/pay US\$)	\$ 2	\$ —	\$ (33)	\$ (5)	\$ 1,082	0.92	—	2025 - 2026
Singapore dollar forward contracts (receive Singapore\$ / pay US\$)	—	—	(9)	—	516	1.33	—	2025 - 2026
Japanese yen forward contracts (receive Japanese yen / pay US\$)	2	—	(5)	—	42	144.30	—	2025 - 2026
	4	—	(47)	(5)	1,640			
Interest rate swaps	—	2	—	—	76	—	1.731% - 1.761%	2026
Cross currency interest rate swaps (receive euros / pay US\$)	—	—	—	(1)	32	0.90	4.182% - 4.182%	2026
Cross currency swaps (receive Singapore \$ / pay US\$)	—	49	—	—	1,127	1.37	1.83% - 1.941%	2028
Commodity swaps	9	4	(7)	(2)	214	—	66.50	2025 - 2026
Total	\$ 13	\$ 55	\$ (54)	\$ (8)	\$ 3,089			

Notes to the Consolidated Financial Statements

The following table presents the fair values and locations of these derivative instruments recorded in the consolidated statements of financial position:

Derivative Instruments	Fair Value of Derivative Instruments			
	Other Current Financial Assets	Other Non-current Financial Assets	Other Current Financial Liabilities	Other Non-current Financial Liabilities
Outstanding as of December 31, 2023:				
Derivatives designated as hedging instruments				
Foreign currency forwards	\$ 24	\$ —	\$ (9)	\$ —
Interest rate swaps	17	5	—	—
Cross currency swaps and cross currency interest rate swaps	5	74	(3)	—
Commodity swaps	2	—	(22)	(11)
Derivatives not designated as hedging instruments				
Foreign currency forwards	4	1	(3)	—
Commodity swaps	—	—	(5)	(3)
Total	\$ 52	\$ 80	\$ (42)	\$ (14)
Outstanding as of December 31, 2024:				
Derivatives designated as hedging instruments				
Foreign currency forwards	\$ 4	\$ —	\$ (44)	\$ (5)
Interest rate swaps	—	2	—	—
Cross currency swaps and cross currency interest rate swaps	—	49	—	(1)
Commodity swaps	9	4	(7)	(2)
Derivatives not designated as hedging instruments				
Foreign currency forwards	—	—	(3)	—
Total	\$ 13	\$ 55	\$ (54)	\$ (8)

The following table presents the effect of derivatives designated as hedging instruments on the consolidated statements of operations and comprehensive income (loss) (net of tax):

Notes to the Consolidated Financial Statements

(in millions)	Gains (Losses) Recognized in Accumulated OCI on Derivatives (effective Portion)	Gains (Losses) Reclassified from Accumulated OCI to cost of Property, Plant and Equipment	Location of Gains (Losses) Reclassified from Accumulated OCI into Income	Gains (Losses) Reclassified from Accumulated OCI into Income (Effective Portion)	Gains (Losses) Reclassified into Income (Missed Forecast)	Location of Gains (Losses) Recognized into Income (Ineffective Portion)	Gains (Losses) Recognized into Income (Ineffective Portion)
Year ended December 31, 2023							
Derivatives designated as hedging instruments— Forward currency forward contracts	\$ 17	\$ (17)	Cost of revenue and operating expenses	\$ 34		Other income (expense)	\$ —
Derivatives designated as hedging instruments— Interest rate swaps	8	—	Finance expense	28		Other income (expense)	—
Derivatives designated as hedging instruments— Cross currency swaps and cross currency interest rate swaps	31	—	Finance expense	6		Other income (expense)	(4)
			Other income (expense)	31		—	—
Derivatives designated as hedging instruments – Commodity swaps	(32)	—	Cost of revenue and operating expenses	(4)		Other income (expense)	—
			Other income (expense)	—	(13)	—	—
Year ended December 31, 2024							
Derivatives designated as hedging instruments— Forward currency forward contracts	\$ (59)	\$ (1)	Cost of revenue and operating expenses	\$ 8		Other income (expense)	—
Derivatives designated as hedging instruments— Interest rate swaps	4	—	Finance expense	24		Other income (expense)	—
Derivatives designated as hedging instruments— Cross currency swaps and cross currency interest rate swaps	(47)	—	Finance expense	(1)		Other income (expense)	—
			Other income (expense)	(45)		—	—
Derivatives designated as hedging instruments – Commodity swaps	23	—	Cost of revenue and operating expenses	(17)		Other income (expense)	—
			Other income (expense)	—		—	—

Notes to the Consolidated Financial Statements

The following table presents the effect of derivatives not designated as hedging instruments on the consolidated statements of operations:

(in millions)	Location of Gains (Losses) Recognized in Income on Derivatives	Amount of Gains (Losses) Recognized in Income on Derivatives
Year ended December 31, 2022		
Derivatives not designated as hedging instruments—foreign currency forwards contracts	Other income (expense)	\$ (22)
Total gain/(loss)		\$ (22)
Year ended December 31, 2023		
Derivatives not designated as hedging instruments—foreign currency forwards contracts	Other income (expense)	\$ (16)
Derivatives not designated as hedging instruments—commodity swaps	Other income (expense)	\$ (8)
Total gain/(loss)		\$ (24)
Year ended December 31, 2024		
Derivatives not designated as hedging instruments—foreign currency forwards contracts	Other income (expense)	\$ (24)
Derivatives not designated as hedging instruments—commodity swaps	Other income (expense)	\$ (1)
Total gain/(loss)		\$ (25)

11. Trade Payables and Other Liabilities

(in millions)	December 31, 2024	December 31, 2023
Current:		
Trade payables	\$ 406	\$ 511
Accrued expenses	522	496
Contract liabilities ⁽¹⁾	840	895
Advances and deposits ⁽²⁾	66	68
Payables for property, plant and equipment and intangible assets	161	282
Other ⁽³⁾	97	97
Total	\$ 2,092	\$ 2,349
Non-current:		
Payables for intangible assets	193	76
Contract liabilities ⁽¹⁾	744	1,088
Other ⁽³⁾	85	26
Total	\$ 1,022	\$ 1,190

(1) Contract liabilities comprises contract liabilities for payments received in advance of the satisfaction of performance obligations for wafers, as well as NRE services.

(2) Advances and deposits include advances from customers of \$36 million (2023: \$22 million) collected for purchase orders.

(3) Other includes other financial liabilities, due from related parties, deferred tax liabilities and non-current advances and deposits. See [Note 10. Other Financial Assets And Liabilities](#) for further details on other financial liabilities.

Notes to the Consolidated Financial Statements

The following table presents the activities in contract liabilities for the years ended December 31, 2024 and 2023:

(in millions)	December 31, 2024	December 31, 2023
Beginning contract liabilities balance	\$ 1,983	\$ 1,918
Cash receipts in advance of satisfaction of performance obligations	381	805
Released to the consolidated statements of operations ⁽¹⁾	(749)	(759)
Amounts credited to customers	(13)	—
Other ⁽²⁾	(18)	19
Ending contract liabilities balance	\$ 1,584	\$ 1,983
Current	\$ 840	\$ 895
Non-current	744	1,088
Total	\$ 1,584	\$ 1,983

⁽¹⁾ Of revenue released to the consolidated statements of operations for the years ended December 31, 2024 and 2023, \$618 million and \$476 million, respectively were included in the beginning balance of contract liabilities.

⁽²⁾ Includes \$18 million reclassification from contract liabilities to unbilled accounts receivable for the year ended December 31, 2024, and \$19 million reclassification from accrued liabilities to contract liabilities for the year ended December 31, 2023.

12. Long-Term Debt

(in millions)	December 31, 2024	December 31, 2023
Current:		
Term loans	\$ 753	\$ 571
Non-current:		
Term loans	1,053	1,801
Total	\$ 1,806	\$ 2,372

Movements in interest bearing borrowings for the years ended December 31, 2024 and 2023 were as follows:

(in millions)	December 31, 2024	December 31, 2023
Opening balance	\$ 2,372	\$ 2,511
New loans and borrowings	31	46
Repayments	(575)	(228)
Other	(22)	43
Ending balance	\$ 1,806	\$ 2,372

Notes to the Consolidated Financial Statements

Terms and Debt Repayment Schedule

The following table summarizes term loan facilities. The below arrangements are all considered to be secured.

Description	Currency	Nominal Interest Rate	Interest Payment Terms	Principal Payment Terms	Year of Maturity	2024 Carrying Amount	2023 Carrying Amount
USD Term Loan A	USD	SOFR + 2.90%	Quarterly	Semi-Annual	2025	\$ 586	\$ 64
EUR Term Loan A	EUR	EURIBOR + 2.60%	Quarterly	Semi-Annual	2025	78	9
2019 USD Dresden Equipment Financing ⁽¹⁾	USD	SOFR + 2.25%	Semi-Annual	Semi-Annual	2026	36	36
2020 USD Equipment Financing ⁽²⁾	USD	SOFR + 1.90%	Quarterly	Quarterly	2025	34	60
2019 EUR Dresden Equipment Financing ⁽²⁾	EUR	EURIBOR + 2.25%	Semi-Annual	Semi-Annual	2026	14	368
Various	EUR, USD	Various			2025-2031	5	34
Current total						753	571
2019 USD Dresden Equipment Financing ⁽¹⁾	USD	SOFR + 2.25%	Semi-Annual	Semi-Annual	2026	36	72
2020 USD Equipment Financing ⁽²⁾	USD	SOFR + 1.90%	Quarterly	Quarterly	2025	—	34
USD Term Loan A	USD	SOFR + 2.90%	Quarterly	Semi-Annual	2025	—	586
EUR Term Loan A	EUR	EURIBOR + 2.60%	Quarterly	Semi-Annual	2025	—	82
2019 EUR Dresden Equipment Financing ⁽²⁾	EUR	EURIBOR + 2.25%	Semi-Annual	Semi-Annual	2026	14	30
2021 SGD EDB Loan	SGD	1.40%	Semi-Annual	Semi-Annual	2041	974	987
Various	EUR, USD	Various			2025-2031	29	10
Non-current total						1,053	1,801
Total						\$ 1,806	\$ 2,372

⁽¹⁾ On October 31, 2019, the Company, GLOBALFOUNDRIES Dresden Module One Limited Liability Company & Co., KG. and GLOBALFOUNDRIES Dresden Module Two Limited Liability Company & Co. KG. entered into a term facilities agreement with Bank of America Merrill Lynch International Designated Activity Company and ING Bank, a branch of ING-DIBA AG, as coordinating mandated lead arrangers, and Bank of America Merrill Lynch International Designated Activity Company as facility and security agent, which provides a maximum incremental facility commitment totaling \$750 million secured by certain qualifying equipment assets.

⁽²⁾ On April 23, 2020, GFS entered into several Equipment Purchase Agreements and Lease Agreements with four banks to sell and leaseback certain semiconductor manufacturing equipment located in GFS' fabrication facilities in Singapore for a total of \$300 million.

2021 SGD EDB Loan—On September 3, 2021, the Company entered into a loan agreement with Singapore Economic Development Board (“EDB”), which provided loan facilities with maximum drawdown of \$1,149 million (SGD 1,541 million) at a fixed nominal interest rate of 1.4%. The difference between the nominal interest rate of the loan and the market interest rate for an equivalent loan is recognized as a government grant. The loan matures on June 1, 2041, with interest-only payments for the first 5 years and principal repayments commencing thereafter, payable on a semi-annual basis.

As of December 31, 2024, the Company's total drawdown was \$1.1 billion, all of which was drawn down in 2023.

As of December 31, 2024 and 2023, \$974 million and \$987 million, respectively, were recorded in long-term debt based on an effective interest rate of 3.20% and \$158 million and \$179 million, respectively, were recorded in deferred income from government grants.

5-year Revolving and Letter of Credit Facilities Agreement—On October 13, 2021, the Company entered into an amendment to the 5-year Revolving and Letter of Credit Facilities Agreement to increase the commitment to \$1.0 billion.

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

(in millions)	December 31, 2024	December 31, 2023
Revolving Credit Facility	\$ 1,012	\$ 1,012
Uncommitted Credit Facilities ⁽¹⁾	102	46
Total	\$ 1,114	\$ 1,058

⁽¹⁾ Credit facility made available to the Company, but the lender is not obligated to loan funds.

Notes to the Consolidated Financial Statements

Assets pledged as security— Various assets have been pledged to secure borrowings under pledged agreements for the Company. Cash and cash equivalents, trade accounts receivables, property, plant and equipment, inventories and financial assets have been pledged to secure borrowings under pledged agreements for the Company. The Company is not allowed to pledge these assets as security for other borrowings or to sell them outside normal course of business.

Compliance and Waivers— In November 2024, the Company obtained waivers to certain loan agreements, lease agreements and equipment purchase agreements, pursuant to which the lenders agreed to waive potential automatic events of default due to breach of any Sanctions. The breach related to shipments made in error to a company on the U.S. Bureau of Industry and Security's Entity List due to a data entry error. The November 2024 waivers eliminated the possibility of automatic events of default that would have otherwise existed as of and prior to the date the waivers were obtained.

13. Leases

The Company has various lease agreements for certain of its offices, facilities and equipment. Leases may include one or more options to renew. Renewals are not in the determination of the lease term unless the renewals are deemed to be reasonably certain at lease commencement. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. All leases were measured under a single criterion with the exception of those with terms not exceeding 12 months and low-value leases.

(in millions)	December 31, 2024	December 31, 2023
Amortization of right-of-use assets	\$ 72	\$ 57
Interest expense on lease liabilities	26	21
Total net lease cost	\$ 98	\$ 78
Weighted average remaining lease term	14.5 years	12.4 years
Weighted average discount rate	4.36%	5.16%

The following is a schedule, by years, of maturities of lease liabilities as of December 31, 2024 and 2023:

(in millions)	December 31, 2024		December 31, 2023	
	Minimum Lease Payments	Present Value of Payments	Minimum Lease Payments	Present Value of Payments
Within 1 year	\$ 110	\$ 90	\$ 44	\$ 32
2-5 years	206	146	194	128
After 5 years	350	278	283	222
	\$ 666	\$ 514	\$ 521	\$ 382
Less: amounts representing finance charges	(152)	—	(139)	—
Present value of minimum lease payments	\$ 514	\$ 514	\$ 382	\$ 382
Current		\$ 90		\$ 32
Non-current		424		350
Total		\$ 514		\$ 382

Supplemental cash flow information related to leases is as follows:

(in millions)	December 31, 2024	December 31, 2023
Cash flows used in operating activities:		
Interest paid	\$ (24)	\$ (21)
Cash flows used in financing activities:		
Payment of lease obligations	(62)	(77)

The following table outlines the carrying amounts of ROU assets:

(in millions)	December 31, 2024	December 31, 2023
Land and improvements	\$ 63	\$ 31
Building and leasehold improvements	435	304
Total	\$ 498	\$ 335

Notes to the Consolidated Financial Statements

The following table summarizes the movement of ROU assets which primarily relates to building and leasehold improvements during the years ended December 31, 2024 and 2023:

(in millions)	December 31, 2024	December 31, 2023
Beginning balance	\$ 335	\$ 282
Additions	236	117
Disposals	(1)	(7)
Amortization	(72)	(57)
Ending balance	\$ 498	\$ 335

14. Provisions

The movement in provisions for asset retirement obligations and restructuring charges during the years ended December 31, 2024 and 2023 is as follows:

(in millions)	December 31, 2024	December 31, 2023
Beginning balance	\$ 240	\$ 298
Arising/reassessed during the period	(1)	2
Accretion cost	4	5
Restructuring charges	7	71
Utilized ⁽¹⁾	(36)	(136)
Ending balance	\$ 214	\$ 240

⁽¹⁾ Includes \$2 million and \$10 million related to asset retirement obligations and \$34 million and \$126 million related to restructuring charges for the years ended December 31, 2024 and 2023, respectively.

The Company records a provision for site restoration costs as required by legal and contractual obligations if assessed to be probable that it will incur such costs. The Company has estimated costs based on available information about the extent of restoration work required.

The provision has been calculated using discount rates of 2.00% to 2.67% (2023: 1.72% to 3.35%), which is the risk-free rate in the jurisdiction of the liability. The site restoration costs are expected to be incurred on site abandonment for owned property and on lease expiration for leasehold land. The expected timing of incurring site restoration costs is consistent with the remaining useful lives of the underlying property, plant and equipment.

See [Note 21. Restructuring](#) for information regarding the Company's restructuring initiative.

15. Government Grants

The following table presents the movement in deferred income from government grants for the years ended December 31, 2024 and 2023:

(in millions)	December 31, 2024	December 31, 2023
Beginning balance	\$ 360	\$ 404
Received/receivable during the period	34	81
Fair value of EDB loan	—	7
Capitalized to fixed assets	—	(74)
Released to the consolidated statements of operations	(67)	(58)
Ending balance	\$ 327	\$ 360
Current	92	93
Non-current	235	267
Total	\$ 327	\$ 360

Notes to the Consolidated Financial Statements

Government grants were recognized in the consolidated statements of operations as follows:

(in millions)	December 31, 2024	December 31, 2023	December 31, 2022
Cost of revenue	\$ 31	\$ 29	\$ 30
Research and development expenses	36	29	11
Selling, general and administrative expenses	—	—	1
Total balance	\$ 67	\$ 58	\$ 42

The Company has received government support in the form of investment grants, research and development subsidies, refundable credits, subsidized loans and miscellaneous receipts for employee support. Amounts receivable from the government but not yet received have been included in receivables, prepayments and other assets. Certain investment grants are subject to forfeiture in declining amounts over the life of the agreement if the Company does not maintain agreed upon conditions specified in the relevant grant agreements. The Company continues to comply with the government grant conditions mainly relating to qualifying property, plant and equipment and employment levels.

16. Issued Capital

Share Capital—On September 12, 2021, the Company effected a 1-for-2 reverse share split, which was approved by our Board of Directors on September 9, 2021.

On October 27, 2021, the Company completed an initial public offering, issuing 30.3 million ordinary shares, as well as 1.6 million ordinary shares in a concurrent private placement agreement.

On May 22, 2024, the Company announced a share repurchase of 3.9 million ordinary shares from MTIC, a majority shareholder, at the price of \$50.75 per share, for an aggregate purchase amount of \$200 million. We completed the share repurchase on May 28, 2024.

On May 28, 2024, our Board of Directors resolved to cancel the 3.9 million shares.

As of December 31, 2024, there were 1,300 million ordinary shares and 200 million preferred shares both with a par value of \$0.02 authorized, and 553 million ordinary shares issued and outstanding.

Additional Paid-In Capital—Additional paid-in capital represents the excess of assets less liabilities contributed to GlobalFoundries by shareholders over the share capital issued in exchange for those contributions and share-based compensation charges for share-based payments.

17. Net Revenue

The following table presents the Company's revenue disaggregated based on revenue source and timing of revenue recognition. The Company believes these categories best depict the nature and timing of revenue.

(in millions)	2024	2023	2022
Type of goods and services:			
Wafer revenue ⁽¹⁾⁽²⁾	\$ 6,098	\$ 6,536	\$ 7,301
Non wafer revenue ⁽¹⁾⁽²⁾	652	856	807
Total	\$ 6,750	\$ 7,392	\$ 8,108
Timing of revenue recognition:			
Revenue recognized over time	\$ 484	\$ 471	\$ 445
Revenue recognized at a point in time	6,266	6,921	7,663
Total	\$ 6,750	\$ 7,392	\$ 8,108

⁽¹⁾ Beginning in 2024, access fees and other have been reclassified from wafer revenue to non wafer revenue. Prior period amounts have been recast to conform to the current presentation.

⁽²⁾ Beginning in the fourth quarter 2023, underutilization charges have been included in wafer revenue. Prior period amounts have been recast to conform to the current presentation.

Notes to the Consolidated Financial Statements

The Company recognizes revenue when wafers are transferred to the customer, which is determined to be at the point of wafer shipment from the Company's facilities or delivery to the customer location, as determined by the agreed shipping terms.

The Company's remaining performance obligations that are completely or partially unsatisfied as of December 31, 2024, was approximately \$14 billion pertaining to wafer products under certain long-term supply arrangements with customers. Generally, the amount and timing of recognition of the remaining performance obligations are subject to change and are affected by several factors, including terminations, subsequent modifications in the scope of contracts and uncertainty in meeting volume commitments. Based on the current terms of the contracts, 45% of these performance obligations is expected to be recognized in the next 24 months, with the remaining 55% substantially satisfied within the following three years.

The following table presents the Company's revenue disaggregated based on end markets for the year ended December 31, 2024:

(in millions):	2024
Smart Mobile Devices	\$ 3,048
Communications Infrastructure & Datacenter	577
Home and Industrial IoT	1,267
Automotive	1,206
Non wafer revenue and other	652
Total	\$ 6,750

18. Cost of Revenue

(in millions)	2024	2023	2022
Depreciation of property, plant and equipment and amortization of intangible assets ⁽¹⁾	\$ 1,424	\$ 1,321	\$ 1,468
Inventory changes materials costs and other	1,469	1,742	1,834
Staff costs, maintenance costs and utilities ⁽²⁾	2,206	2,228	2,567
Total	\$ 5,099	\$ 5,291	\$ 5,869

⁽¹⁾ Amounts are net of amortization of government grants relating to assets. See [Note 8. Property, Plant and Equipment](#) for the detailed movements of property, plant and equipment.

⁽²⁾ Staff costs, maintenance costs and utilities costs include share-based compensation of \$58 million, \$48 million and \$64 million for share options for the years ended December 31, 2024, 2023 and 2022, respectively.

19. Research and Development Expenses

(in millions)	2024	2023	2022
Staff costs, maintenance costs and utilities ⁽¹⁾	\$ 245	\$ 230	\$ 247
Depreciation of property, plant and equipment and amortization of intangible assets	118	119	110
Other ⁽²⁾	133	79	125
Total	\$ 496	\$ 428	\$ 482

⁽¹⁾ Staff costs, maintenance costs and utilities costs include share-based compensation of \$31 million, \$25 million and \$27 million for share options for the years ended December 31, 2024, 2023 and 2022, respectively.

⁽²⁾ Other primarily includes material costs and net (income) expenses related to research funding agreements and wafer, labor and software license costs allocated (to) and from cost of revenue.

20. Selling, General and Administrative Expenses

(in millions)	2024	2023	2022
Staff costs, maintenance costs and utilities ⁽¹⁾	\$ 389	\$ 342	\$ 417
Depreciation of property, plant and equipment and amortization of intangible assets	26	25	45
Other ⁽²⁾	12	106	34
Total	\$ 427	\$ 473	\$ 496

⁽¹⁾ Staff costs, maintenance costs and utilities costs include share-based payments of \$98 million, \$96 million and \$92 million for share options for the years ended December 31, 2024, 2023 and 2022, respectively.

Notes to the Consolidated Financial Statements

- (2) Other primarily includes net professional charges, real estate transfer taxes, marketing expenses and facility costs, (gain) loss on tool sales and certain contract cancellation fees.

21. Restructuring

In December 2022, the Company's management approved and commenced a restructuring plan aimed at realigning 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 met the recognition criteria for the provisioning of phase one restructuring costs in the fourth quarter of 2022.

In February 2023, the Company announced phase two to the restructuring plan. Costs arising from this restructuring program comprised of termination benefits and costs associated with direct transition works.

The Company incurred \$7 million and \$71 million of restructuring charges for the years ended December 31, 2024 and 2023, respectively. These charges are included in restructuring charges in the Company's consolidated statements of operations, and unpaid amounts are included in provisions within current liabilities on the consolidated statements of financial position.

The changes to the restructuring provisions recorded on the consolidated statements of financial position as of December 31, 2024 and 2023 are summarized as follows:

(in millions)	2024		2023	
Beginning balance	\$	31	\$	86
Provision		7		71
Amounts paid		(34)		(126)
Ending balance	\$	4	\$	31

The actual costs that the Company will incur may differ from these estimates based on the timing required to complete the restructuring plan, the number of people impacted and the final termination benefits.

22. Share-Based Compensation

The Company incurred share-based compensation expenses of \$187 million, \$148 million, and \$173 million during the years ended December 31, 2024, 2023 and 2022, respectively. As of December 31, 2024 and 2023, the additional paid-in capital related to the share proceeds, including withholding tax, amounted to \$1 million and \$46 million, respectively. The Company incurred \$2 million, \$21 million and \$10 million of payroll taxes associated with the share-based compensation expense for the years ended December 31, 2024, 2023 and 2022, respectively.

As of December 31, 2024 and 2023, the Company has 3.6 million shares and 3.5 million shares respectively, available for future grant under the 2018 Share Incentive Plan (as described below).

As of December 31, 2024 and 2023, the Company has 14.7 million shares and 17.0 million shares respectively, available for future grant under the 2021 Equity Compensation Plan.

RSUs

In 2024 and 2023, the Company granted RSUs under the 2021 Equity Compensation Plan. The RSUs have a time-based vesting requirement, which provides that the RSUs will generally vest in three annual installments, with 33.33% vesting on each one-year anniversary of the vesting commencement date subject to the employee's continued employment with the Company.

	Number of RSUs (in millions)	Weighted average grant date fair value
Outstanding as of December 31, 2022	3.2	\$ 54.39
Granted	2.4	\$ 62.94
Forfeited	(0.4)	\$ 55.35
Vested	(1.1)	\$ 55.28
Outstanding as of December 31, 2023	4.1	\$ 58.87
Granted	3.5	\$ 52.37
Forfeited	(0.3)	\$ 54.64
Vested	(2.2)	\$ 56.82
Outstanding as of December 31, 2024	5.1	\$ 55.57

Notes to the Consolidated Financial Statements

As of December 31, 2024, 2023 and 2022, there was \$115 million, \$107 million and \$88 million, respectively, of total unrecognized compensation cost related to outstanding RSUs.

PSUs

In 2024 and 2023, the Company granted performance stock units (“PSUs”) under the 2021 Equity Compensation Plan to certain senior level employees. Each PSU represents a contingent right to receive shares of the Company’s stock if the Company meets certain performance measures over the requisite performance period. The PSU awards entitle recipients to receive, upon vesting, a number of shares that ranges from 0% to 200% of the number of PSUs awarded, depending on the level of achievement of the specified performance conditions over a three year performance period.

	Number of PSUs (in millions)	Weighted average grant date fair value
Outstanding as of December 31, 2022	0.5	\$ 70.91
Granted	0.9	\$ 69.73
Forfeited	(0.2)	\$ 69.90
Outstanding as of December 31, 2023	1.2	\$ 69.96
Granted	0.8	\$ 53.50
Forfeited	—	\$ 69.88
Vested	(0.2)	\$ 70.23
Outstanding as of December 31, 2024	1.8	\$ 62.46

The Company uses the Monte Carlo simulation model to estimate the fair value of the PSUs at the date of grant. The equity volatility was determined based on the historical volatility of comparable publicly traded companies over a look-back period of 2.84 years in both 2024 and 2023, commensurate with the remaining term of the PSUs. The risk-free interest rate is based on the United States Treasury with a remaining term equivalent to the remaining performance measurement period. Dividends are not paid on the Company’s stock.

The assumptions used to value the Company’s PSUs granted during the period presented and their expected lives were as follows:

	December 31, 2024	December 31, 2023
Expected volatility	49.10%	50.93%
Risk-free interest rate	4.48%	4.60%

Compensation expense is recognized for the PSU awards based on a graded attribution basis over the vesting period. As of December 31, 2024 and 2023, there was \$36 million and \$22 million, respectively, of total unrecognized compensation expense related to the PSUs.

Share Options

In 2017, the Company approved the Share Incentive Plan, which was intended to attract and retain talented employees and align shareholder and employee interests. Share options under the Share Incentive Plan vested over a five-year period.

In 2019, the Company offered to exchange the share options under the Share Incentive Plan with new share options under the “2018 Share Incentive Plan,” under which the Company may grant up to 25 million options to purchase shares in the Company with an exercise price of \$10.00 per share. The options vest based on service over four or five years, depending on the timing of the grant, and contingent upon a liquidity event (change in control or IPO) with the earliest vesting date on the one-year anniversary of a liquidity event. On April 19, 2019, the Company issued the share options subject to the tender offer. The exchange of 2017 plan options into 2018 plan options resulted in a total incremental fair value of \$64 million, of which \$39 million was recognized in the second quarter of 2021 when an IPO became probable. The remainder was attributed prospectively. In the fourth quarter of 2021, the Company modified the earliest vesting date from one year post-anniversary of a liquidity event to six-months post-anniversary of a liquidity event, and shortened the contractual term for options held by US taxpayers to be the calendar year end after or within the year of vest. The options that remain outstanding at expiration will be auto-exercised through the broker.

The share options are effective for a term of 10 years from the grant date. Because the vesting and exercisability of these share options were dependent on a qualified liquidity event, the Company had to assess the probability of such an event in order to determine the expenses related to the share-based payments for the period. On June 30, 2021, the Company deemed an IPO to be probable under IFRS.

Notes to the Consolidated Financial Statements

Upon the tender offer, the Company measured the pre-modification value of the old share options and compared that to the fair value of the new share options using the Black-Scholes option pricing model. The equity volatility was determined based on the historical volatilities of comparable publicly traded companies over a period equal to the expected average share-based payments life. The risk-free rate of interest was interpolated from the U.S. Constant Maturity Treasury rate curve to reflect the remaining expected life of share options. The fair value of the ordinary shares underlying the share options has historically been determined by the Company's Board of Directors. Because there had been no public market for the ordinary shares, the Board of Directors determined the fair value of the ordinary shares at the time of grant of the option by contemporaneous valuations performed by unrelated third-party valuation firms as well as a number of objective and subjective factors including valuation of comparable companies, operating and financial performance, the lack of liquidity of capital stock and general and industry specific economic outlook, among other factors.

The Company did not grant any share options in 2024 or 2023.

The following table shows a summary of the share option's activity for the years ended December 31, 2024 and 2023.

	Number of Share options (in millions)	Weighted average exercise price per Share
Outstanding as of December 31, 2022	6.3	\$ 10.02
Exercised	(4.5)	\$ 10.02
Forfeited	(0.2)	\$ 10.00
Outstanding as of December 31, 2023	1.6	\$ 10.02
Exercised	(1.1)	\$ 10.02
Outstanding as of December 31, 2024	0.5	\$ 10.04
Exercisable balance as of December 31, 2024	0.5	\$ 10.04

The following summarizes information about employees' share options outstanding as of December 31, 2024:

Range of exercise prices	Outstanding	
	Number Outstanding (in millions)	Weighted average remaining contractual life (in years)
\$ 10.04	0.5	3.89

The weighted average remaining contractual life is calculated based on the 10-year contract terms of the options and the weighted average exercise price is calculated using the exercise price of the outstanding options, which pertain to the 2018 Share Incentive Plan.

As of December 31, 2024, 2023 and 2022, there was \$0, \$1 million and \$7 million, respectively, of total unrecognized compensation cost related to outstanding share options.

ESPP

In connection with, and prior to the consummation of the Company's initial public offering in 2021, the Company's Board of Directors adopted the GLOBALFOUNDRIES Inc. 2021 Employee Stock Purchase Plan (the "ESPP"). The ESPP is administered by the Company's Board of Directors or, as applicable, its delegate (the "ESPP Administrator").

The ESPP provides eligible employees with an opportunity to purchase ordinary shares through payroll deduction of up to 10% of their eligible compensation. A participant may purchase a maximum of 2,500 ordinary shares during a purchase period. Amounts deducted and accumulated by the participant are used to purchase ordinary shares at the end of each six-month purchase period. Participants in the ESPP receive a one-time grant of 50 RSUs upon enrollment in the ESPP. The Company matches 20% of each employee's contributions on an after-tax basis.

Subject to certain equitable adjustments in connection with certain events affecting the outstanding ordinary shares reserved for issuance as awards, the maximum aggregate number of ordinary shares that may be issued or transferred under the ESPP with respect to awards is 7.5 million ordinary shares; provided that the share reserve under the ESPP will, unless otherwise determined by the Board of Directors, automatically increase on January 1 of each year for 8 years commencing on January 1, 2023 and ending on (and including) January 1, 2031 in an amount equal to 0.25% of the total number of ordinary shares outstanding on December 31 of the preceding year. In no event will the number of ordinary shares that may be issued or transferred pursuant to rights granted under the ESPP exceed 18.8 million, in the aggregate, subject to the adjustments described above.

As of December 31, 2024, of the Company has issued 0.7 million shares under this plan reflecting employees' contributions and the 20% Company match.

Notes to the Consolidated Financial Statements

23. Finance Income and Expense

Finance Income

(in millions)	2024	2023	2022
Interest income - deposits	\$ 106	\$ 92	\$ 31
Interest income on FVOCI investments	61	30	8
Accretion income	34	27	12
Total finance income	\$ 201	\$ 149	\$ 51

Finance Expense

(in millions)	2024	2023	2022
Interest on long-term debt	\$ 80	\$ 80	\$ 69
Interest on lease obligations	26	21	23
Commitment fees and amortization of debt issuance costs	11	13	13
Accretion costs and other	28	23	6
Total finance expense	\$ 145	\$ 137	\$ 111

24. Other Income (Expense), Net

(in millions)	2024	2023	2022
Loss on hedging activities	\$ (82)	\$ (78)	\$ —
Other ⁽¹⁾	70	21	22
Total other income (expense), net	\$ (12)	\$ (57)	\$ 22

⁽¹⁾ Relates primarily to foreign currency gains and losses, share of profits of joint ventures and gains on the sale of property, plant and equipment and intangible assets.

25. Income Taxes

For tax reporting purposes, the Company consolidates its entities under GLOBALFOUNDRIES Inc., a Cayman Islands entity as described in [Note 1, Organization](#). Accordingly, the Company has presented the domestic portion of the disclosures below based on its country of domicile in the Cayman Islands.

As a Cayman Islands corporation, the Company's domestic statutory income tax rate is 0.00%. The difference between the Company's domestic statutory income tax rate and its (expense) benefit for income taxes is due to the effect of the tax rates in the other jurisdictions in which the Company operates. Principally, for the years ended December 31, 2024 and 2023, the Company is subject to United States' federal and state taxes with a combined statutory tax rate of 21.8% and 21.6%, respectively, German corporation and trade taxes with a combined statutory tax rate of 31.6%, and Singapore's statutory tax rate of 17.0%.

Income tax expense consisted of the following:

(in millions)	December 31, 2024	December 31, 2023	December 31, 2022
Current income tax expense:			
Current income tax benefit (expense)	\$ (21)	\$ (13)	\$ (14)
Adjustments in respect of current income tax of previous year	(6)	(3)	(5)
Deferred tax			
Net operating and investment allowance carryforwards	(20)	(74)	(44)
Currency effect on non-monetary assets of subsidiary	(45)	23	(12)
Other change in temporary differences	—	1	(11)
Income tax expense reported in the consolidated statements of operations	\$ (92)	\$ (66)	\$ (86)

Notes to the Consolidated Financial Statements

A reconciliation between tax expense and accounting profit multiplied by the Company's statutory rate of 0.0% is as follows:

(in millions)	December 31, 2024	December 31, 2023	December 31, 2022
Income (Loss) before income taxes	\$ (170)	\$ 1,084	\$ 1,532
Tax at Enacted Statutory Rate	\$ —	\$ —	\$ —
Foreign tax rate differential	80	(65)	(98)
Adjustments in respect to current income tax of previous years	(6)	(1)	(5)
Government grants exempt from tax	7	7	7
Deductible expense for tax purpose	(2)	(2)	—
Impact of unrecognized deferred tax assets	(116)	(20)	57
Non-deductible expenses for tax purposes	(23)	—	(21)
Effects of foreign exchange gains (loss)	(35)	10	(14)
Impact of change in liability for uncertain tax positions	—	3	1
Withholding Tax	—	—	(11)
Other effects	3	2	(2)
Income tax (expense) benefit	\$ (92)	\$ (66)	\$ (86)
Effective income tax rate	54.1 %	(6.1)%	(5.6)%

In 2024, the Company became subject to the Pillar 2 model rules ("Pillar 2") as published by the Organization for Economic Cooperation and Development ("OECD"). These rules are designed to ensure large multinational Companies within the scope of the rules pay a minimum level of tax in each jurisdiction where they operate. In general, Pillar 2 applies a system of top-up taxes to bring the Company's effective tax rate in each jurisdiction to a minimum of 15%. We have performed an assessment of the Company's potential exposure to Pillar 2 income taxes based on the most recent financial information available for the jurisdictions in which the Company operates. Based on the assessment, the Pillar 2 effective tax rates in most of the jurisdictions in which the Company operates are above 15% and the Company was not subject to any top-up taxes in 2024. We estimate that the combined impact of the implementation by countries of Pillar 2 minimum tax regimes including but not limited to qualified domestic minimum top-up taxes and the income inclusion rule may result in an approximately 5% increase to the global ETR for 2025, primarily due to Singapore.

The Company has determined it is probable that deferred tax assets will be realized in Singapore and it is not probable that deferred tax assets will be realized in the U.S. or Germany.

Components of the Company's deferred tax assets and liabilities are attributable as follows:

(in millions)	December 31, 2024	December 31, 2023
Accelerated depreciation on property, plant and equipment	\$ (33)	\$ (12)
Losses, credits and investment allowances available for offsetting against future taxable income	180	231
Accrued expenses	9	11
Other	7	5
Net deferred tax assets	\$ 163	\$ 235

The classification of the net deferred tax assets in the statements of financial position is as follows:

(in millions)	December 31, 2024	December 31, 2023
Deferred tax assets	\$ 188	\$ 241
Deferred tax liabilities ⁽¹⁾	(25)	(6)
Net deferred tax assets	\$ 163	\$ 235

⁽¹⁾ Included in Other non-current liabilities in the statements of financial position.

Total unrecognized deferred tax assets as of December 31, 2024 and 2023 were \$3,800 million and \$3,665 million, respectively. The Company does not anticipate any significant changes to the total amount of unrecognized deferred tax assets within the next 12 months following the reporting date. Deferred tax assets have not been recognized with respect to these items, because it is not probable that future taxable profit will be available against which the Company can utilize the benefits.

Notes to the Consolidated Financial Statements

As of December 31, 2024 and 2023, the Company has accumulated corporate losses in Germany of \$990 million and \$1,119 million, respectively, and trade tax losses in Germany of \$724 million and \$830 million, respectively. Except for a fully deductible base amount, utilization of German net operating loss carryforwards is limited to 60.0% (up to 70% for corporate tax losses in the years 2024 - 2027) of taxable income in any one year. German net operating losses do not expire with the passage of time but may forfeit partially or completely as a result of legal entity restructurings. These carryforward attributes may be recognized as deferred tax assets in the foreseeable future however, the Company has determined it is not probable that the entire amount will be realized.

As of December 31, 2024 and 2023, the Company has unutilized capital allowances on the property, plant and equipment held in Singapore of \$150 million and \$440 million, respectively, and unutilized tax losses available for carryforward of \$58 million and \$58 million, respectively. Under Singapore tax law, unutilized capital allowances and unutilized tax losses are deductible to the extent of income available. Unutilized capital allowances and unutilized tax losses can be carried forward indefinitely subject to compliance with the conditions that there is no substantial change in shareholders and no change in the Company's principal activities, where applicable. As of December 31, 2024 and 2023, the Company has investment allowances of \$843 million and \$843 million, respectively in Singapore which can be carried forward indefinitely. These carryforward tax attributes have been fully recognized as deferred tax assets.

As of December 31, 2024 and 2023, the Company has gross operating loss carryforwards in the United States of \$5,724 million and \$5,984 million, respectively; \$4,169 million will expire in years 2036 through 2038 for US federal tax purposes. As of December 31, 2024 and 2023, the Company has \$821 million and \$821 million, respectively of California gross operating loss carryforwards and; in the other states in which it operates, the Company has gross operating loss carryforwards of \$888 million and \$868 million, respectively. The state carryforwards expire beginning in 2025. In addition, the Company has U.S. federal research and development tax credit carryforwards of \$175 million and \$186 million for the years December 31, 2024 and 2023, respectively, that will expire in years 2032 through 2045. The Company has California research and development tax credits of \$21 million and \$22 million as of December 31, 2024 and 2023, respectively, that do not expire. The Company has foreign tax credit carryforward in the United States of \$31 million and \$0 for 2024 and 2023, respectively. The credits will begin to expire in 2031. The Company has Corporate Alternative Minimum Tax (CAMT) credit carryforwards of \$11 million and \$0 for 2024 and 2023, respectively. The CAMT credit carryforward will not expire. In addition, the Company has nonrefundable New York Empire Zone credit carryforwards of \$947 million and \$947 million as of December 31, 2024 and 2023, respectively, that do not expire. Five other states have research and development tax credits - Texas, Minnesota, Vermont, North Carolina and New Jersey for which the Company has calculated a total credit carryforward of \$11 million and \$10 million for the years ended December 31, 2024 and 2023, respectively. These credits have a carryforward that expires between 2025 through 2044. These carryforward attributes have not been recognized as deferred tax assets.

At December 31, 2024 and 2023, no deferred tax liabilities were recorded for taxes that would be payable on the undistributed earnings of the Company's subsidiaries. It is the Company's intention to indefinitely reinvest the undistributed earnings of its foreign subsidiaries except in certain limited cases, which are not expected to have a material tax effect on the consolidated financial statements. The cash that is permanently reinvested is typically used to expand operations.

A reconciliation of deferred taxes, net is as follows:

(in millions)	December 31, 2024	December 31, 2023
Beginning balance	\$ 235	\$ 266
Tax (expense) benefit recognized to consolidated statements of operations	(65)	(50)
Tax (expense) benefit recognized to other comprehensive income (loss)	2	19
Deferred tax liabilities recognized from acquisition purchase accounting	(9)	—
Ending balance	\$ 163	\$ 235

All current tax expense is recorded to the statement of operations. For the years ended December 31, 2024 and 2023, the Company recognized a deferred tax benefit of \$2 million and \$19 million, respectively, in other comprehensive income related to the revaluation of cash flow hedges. In the year ended December 31, 2024, the Company also recorded a \$9 million deferred tax liability through Goodwill related to the acquisition of Tagore related to identified intangible assets.

As of December 31, 2024 and 2023, the Company has an \$8 million and \$0 million current tax receivable position, respectively, related to its subsidiaries in Europe and the United States.

As of December 31, 2024 and 2023, the Company has a \$21 million and \$19 million current tax liability position, comprised of \$13 million and \$10 million in Europe for December 31, 2024 and 2023, \$2 million and \$4 million in the United States/Cayman Islands for December 31, 2024 and 2023, and \$6 million and \$5 million in Singapore for December 31, 2024 and 2023, respectively. The current income tax payable amounts include the following uncertain tax provisions: \$2 million and \$2 million in the United States for December 31, 2024 and 2023; \$4 million and \$5 million in Singapore for December 31, 2024 and 2023, respectively; \$5 million and \$2 million in Europe for December 31, 2024 and 2023, respectively, for exposure arising from unutilized capital allowances and domestic related party transactions.

Notes to the Consolidated Financial Statements

26. Earnings Per Share

Basic and diluted earnings per share has been calculated for the years ended December 31, 2024, 2023, and 2022 as follows:

(in millions, except per share amounts)	2024	2023	2022
Numerator			
Net income (loss) attributable to equity shareholders of the Company	\$ (265)	\$ 1,020	\$ 1,448
Denominator			
Basic weighted average ordinary shares outstanding	553	552	539
Effect of potentially dilutive shares from employee equity plans	—	4	13
Diluted weighted average ordinary shares outstanding	553	556	552
Total basic and diluted earnings (loss) per share attributable to equity shareholders			
Basic	\$ (0.48)	\$ 1.85	\$ 2.69
Diluted	\$ (0.48)	\$ 1.83	\$ 2.62

For the years ended December 31, 2024, 2023 and 2022, there were 1 million, 1 million and 6 million share options outstanding, respectively. For the year ended December 31, 2024, 3 million potentially dilutive shares from employee equity plans were excluded from the calculation of diluted earnings per share as their inclusion would have been anti-dilutive.

27. Employee Benefits Plans

Retirement Savings Plans—The Company has a retirement savings plan, commonly known as a 401(k) plan, which allows participating employees in the United States to contribute a portion of their pre-tax salary up to Internal Revenue Service limits. The Company matches employee contributions dollar for dollar for the first 3% of participants' contributions and 50 cents on each dollar of additional 3% of participants' contributions, to a maximum of 4.5% of eligible compensation. The Company's contributions to the 401(k) plan were \$23 million, \$25 million and \$32 million for the years ended December 31, 2024, 2023 and 2022, respectively.

The Company also has an employee benefits plan that requires the Company to make monthly contributions based on the statutory funding requirement into a Central Provident Fund for substantially all Singapore citizens and permanent residents. The Company's contributions under this plan were \$22 million, \$29 million and \$31 million for the years ended December 31, 2024, 2023 and 2022, respectively.

See [Note 22. Share-Based Compensation](#) for our Employee Stock Purchase Plan.

Notes to the Consolidated Financial Statements

28. Related Party Disclosures

The consolidated financial statements include the following subsidiaries which are all wholly owned, except for Advanced Mask Technology Centre GmbH & Co. KG, Maskhouse Building Administration GmbH & Co. KG, Advanced Mask Technology Center Verwaltungs GmbH, and Maskhouse Building Administration Verwaltungs GmbH which are fully consolidated in our financial statements as GlobalFoundries has controlling power over their operations.:

Subsidiary	Jurisdiction of Incorporation or Organization	December 31, 2024	December 31, 2023	December 31, 2022
GLOBALFOUNDRIES Dresden Module One LLC	United States	X	X	X
GLOBALFOUNDRIES Dresden Module Two LLC	United States	X	X	X
GLOBALFOUNDRIES Innovation LLC (formerly GLOBALFOUNDRIES Innovation Investments LLC)	United States	X	X	X
GLOBALFOUNDRIES Investments LLC	United States	X	X	X
GLOBALFOUNDRIES U.S. Inc.	United States	X	X	X
GLOBALFOUNDRIES U.S. 2 LLC	United States	X	X	X
GLOBALFOUNDRIES Borrower LLC	United States	X	X	X
Hudson Valley Research Park Sewage Works Corporation	United States	N/A	N/A	X
Hudson Valley Research Park Water-Works Corporation	United States	N/A	N/A	X
GF Power LLC	United States	X	X	X
Tagore Technology Inc.	United States	X	N/A	N/A
GLOBALFOUNDRIES Finance Inc.	Cayman Islands	X	X	X
GLOBALFOUNDRIES France SAS	France	X	X	X
GLOBALFOUNDRIES Dresden Module One Holding GmbH	Germany	X	X	X
GLOBALFOUNDRIES Dresden Module One LLC & Co. KG	Germany	X	X	X
GLOBALFOUNDRIES Dresden Module Two LLC & Co. KG	Germany	X	X	X
GLOBALFOUNDRIES Dresden Module Two Holding GmbH	Germany	X	X	X
GLOBALFOUNDRIES Management Services LLC & Co. KG	Germany	X	X	X
Advanced Mask Technology Center GmbH & Co. KG (50%)	Germany	X	X	X
Maskhouse Building Administration GmbH & Co. KG (50%)	Germany	X	X	X
Advanced Mask Technology Center Verwaltungs GmbH (50%)	Germany	X	X	X
Maskhouse Building Administration Verwaltungs GmbH (50%)	Germany	X	X	X
GLOBALFOUNDRIES Europe Sales & Support GmbH	Germany	X	X	X
GLOBALFOUNDRIES Engineering Private Limited	India	X	X	X
Tagore Technology Private Limited	India	X	N/A	N/A
GLOBALFOUNDRIES Japan Ltd.	Japan	X	X	X
GLOBALFOUNDRIES Malaysia Sdn. Bhd.	Malaysia	X	X	X
GLOBALFOUNDRIES Netherlands Cooperatief U.A.	The Netherlands	X	X	X
GLOBALFOUNDRIES Netherlands Holding B.V.	The Netherlands	X	X	X
GLOBALFOUNDRIES Bulgaria EAD	Bulgaria	X	X	X
GF Asia Investments Pte. Ltd.	Singapore	X	X	X
GF Asia Sales Pte. Ltd.	Singapore	X	X	X
GLOBALFOUNDRIES Singapore Pte. Ltd.	Singapore	X	X	X
GLOBALFOUNDRIES Taiwan Ltd.	Taiwan	X	X	X
GLOBALFOUNDRIES Europe Ltd.	United Kingdom	X	X	X
GA (Chengdu) Technology Co., Limited	China	X	X	X
GLOBALFOUNDRIES China (Beijing) Co., Limited	China	X	X	X
GLOBALFOUNDRIES China (Shanghai) Co., Limited	China	X	X	X

Related parties represent associated companies, MIC, directors and key management personnel of the Company and entities controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Audit, Risk and Compliance Committee or the Company's management, as applicable.

Notes to the Consolidated Financial Statements

Below are the related parties which the Company has entered into transactions with:

Related Party Name	December 31, 2024	December 31, 2023
Silicon Manufacturing Partners Pte Ltd. ("SMP")	Joint venture	Joint venture
MIC	Shareholder entity	Shareholder entity
MTIC	Shareholder entity	Shareholder entity
MDC General Services Holding Company LLC	Shareholder entity	Shareholder entity
Mamoura Holdings (US) LLC	Shareholder entity	Shareholder entity

Balances with related parties included in the consolidated statements of financial positions are as follows:

(in millions)	December 31, 2024		December 31, 2023	
	Due from Related Parties	Due to Related Parties	Due from Related Parties	Due to Related Parties
SMP	\$ 9	\$ 12	\$ 12	\$ 10
MDC General Services Holding Company LLC	—	4	—	—
Mamoura Holdings (US) LLC	—	4	—	—
Total⁽¹⁾	\$ 9	\$ 20	\$ 12	\$ 10

⁽¹⁾ The total amounts of \$9 million and \$12 million due from related parties as of the years ended December 31, 2024 and 2023, respectively, have been included in receivables, prepayments and other assets (see [Note 6. Receivables, Prepayments and Other Assets](#)). The total amounts of \$20 million and \$10 million due to related parties' balance for the years ended December 31, 2024 and 2023, respectively, have been included in trade and other payables (see [Note 11. Trade Payables and Other Liabilities](#)).

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

(in millions)	December 31, 2024	December 31, 2023	December 31, 2022
Purchases and recharges from:			
SMP ⁽¹⁾	\$ 52	\$ 61	\$ 60
Total	\$ 52	\$ 61	\$ 60
Other transactions with:			
SMP (reimbursement of expenses and contribution of tools)	\$ 53	\$ 61	\$ 52
MDC General Services Holding Company LLC (recharge of expenses)	4	5	—
Mamoura Holdings (US) LLC (consulting service fees)	8	—	—
Total	\$ 65	\$ 66	\$ 52

⁽¹⁾ Purchases from SMP were primarily comprised of wafers.

Terms and Conditions of Transactions with Related Parties

Outstanding balances at the year-end are unsecured, interest free, repayable on demand and settlement occurs in cash. The Company has not recorded any allowance relating to amounts owed by related parties for the years ended December 31, 2024 and 2023. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. See Note 31 Equity for additional related party transactions.

Compensation of Key Management Personnel

The compensation of key management personnel during the following years were as follows:

(in millions)	2024	2023	2022
Chief Executive Officer, Chief Financial Officer, Chief Business Officer, Chief Operating Officer			
Short-term benefits ⁽¹⁾	\$ 11	\$ 9	\$ 5
Share-based payments ⁽¹⁾	27	21	19
Board of Directors	4	3	5
Total	\$ 42	\$ 33	\$ 29

Notes to the Consolidated Financial Statements

⁽¹⁾ For the years ended December 31, 2024 and December 31, 2023, the amounts include short-term benefits and share-based payments for the Chief Business Officer and Chief Operating Officer.

29. Financial Risk Management Objectives and Policies

GlobalFoundries has implemented a cash investment policy which determines the overall objectives of the Company's investment strategy. This policy is aimed to ensure the preservation of capital and the maintenance of sufficient liquidity necessary to fund operations while balancing the needs for appropriate returns. The cash investment policy limits permissible investments and credit quality.

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. There are no regulatory-imposed requirements on the level of share capital which the Company is required to maintain.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio within a range to meet the business needs of the Company.

The Company includes within net debt, interest bearing loans and borrowings and obligations under leases, less bank balances, cash and marketable securities. Capital includes total equity including non-controlling interests less cumulative changes in fair value.

The Company's interest-bearing loans and borrowings have certain financial covenants. Restrictive covenants in the Company's credit facilities may prevent the Company from pursuing certain transactions or business strategies, including by limiting the Company's ability to, in certain circumstances:

- incur additional indebtedness
- pay dividends or make distributions
- acquire assets or make investments outside of the ordinary course of business
- sell, lease, license, transfer or otherwise dispose of assets
- enter into transactions with the affiliates
- create or permit liens
- guarantee indebtedness
- engage in certain extraordinary transactions

As of December 31, 2024, the Company is in compliance with the financial covenants.

Risks Arising from Financial Instruments—The main risks arising from the Company's financial instruments are market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The Board of Directors reviews and approves policies for managing each of these risks which are summarized below.

Market Risk—Market price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise: interest rate risk, foreign currency risk and commodity price risk.

Commodity Risk—Although the Company operates facilities that consume commodities, the Company's exposure to commodity price risk is not material. The Company has established forecasted transaction risk management programs to protect against fluctuations in commodity prices and may use commodity derivatives contracts, such as commodity swaps, in these hedging programs. However, in countries where there is increased dependency on imported energy, the potential for unexpected supply-driven price spikes in the short term exists. Our hedging programs generally protect us against short-term spikes in prices due to higher near-term minimum and maximum hedging requirements. In addition, the Company has sourcing plans in place that are designed to mitigate the risk of a potential supplier concentration for its key commodities.

Interest Rate Risk—The Company's exposure to market risk for changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. The Company's interest-earning financial assets are mostly highly liquid investments and include money market funds, marketable securities and time deposits. As these financial assets have weighted-average maturity of less than one year, the Company's exposure to interest risk is not material. The Company's interest-bearing financial liabilities include fixed and floating rate loans and lease obligations. Floating rate loans bear interest at Base Rate or SOFR or EURIBOR plus a fixed premium. The Company uses pay-fixed / receive-float interest rate swaps to protect itself against adverse fluctuations in interest rates and to reduce its exposure to variability in cash flows from forecasted interest payments on its floating-rate debt facility to the extent that it is practicable and cost effective to do so.

Notes to the Consolidated Financial Statements

Cash Flow Sensitivity Analysis for Variable Rate Instruments—Net income (loss) in the consolidated statements of operations is sensitive to the effects of the assumed changes in interest rates on the Company's net income (loss) for one year, based on the floating rate financial liabilities held on December 31, 2024, after taking into account interest rate hedges.

A hypothetical change in benchmark interest rates of 10% from current rates would not have a material impact on the consolidated statements of operations for the years ended December 31, 2024, 2023 and 2022, after taking into account interest rate hedges.

Foreign Currency Risk—As a result of foreign operations, the Company has non-US-dollar denominated costs, assets and liabilities, primarily denominated in the EUR, JPY and SGD. Unfavorable movements in foreign exchange rates could cause foreign currency denominated expenses to increase as a percentage of net revenue, affecting the Company's profitability and cash flows. The Company uses foreign currency forward contracts to reduce exposure to foreign currency fluctuations from its foreign currency denominated expenditures. The Company may also economically hedge foreign currency risk related to its non-US-dollar denominated assets and liabilities with currency forward contracts.

The Company also incurs a certain portion of its interest expense in EUR and SGD, exposing the Company to exchange rate fluctuations between US dollar and the EUR or SGD. The Company uses cross-currency swaps and cross-currency interest rate swaps to reduce its exposure to variability from foreign exchange rates impacting cash flows arising from Company's foreign currency denominated debt to the extent that it is practicable and cost effective to do so.

A hypothetical 10% change in the relative value of the U.S. dollar to other currencies would not have a material impact on the consolidated statements of operations for the years ended December 31, 2024, 2023 and 2022, after taking into account foreign currency hedges.

Credit Risk—Credit risk can be defined as the risk of suffering financial loss from financial instruments due to the failure by a counterparty to fulfill an obligation. Financial instruments that subject the Company to concentrations of credit risk include investments and cash equivalents, accounts receivable and derivatives. The Company generally places investments with high-credit-quality counterparties and, by policy, limits the amount of credit exposure to any one counterparty based on an analysis of that counterparty's relative credit standing. As required per the investment policy, substantially all of the Company's investments in debt instruments are in investment-grade instruments. Counterparty credit-rating criteria for derivatives are similar to those for other investments.

The Company generally does not require collateral to secure accounts receivable. Credit risk with respect to trade receivables is mitigated by credit evaluations the Company performs on its customers, the short duration of payment terms for the significant majority of its customer contracts and by the diverse nature of the Company's customer base. The expected credit losses of trade and other receivables are not significant.

The Company's ten largest customers account for approximately 80% and 79% of the outstanding trade receivables balance as of December 31, 2024 and 2023, respectively. The Company considers the concentration of credit risk for the remaining accounts receivable not material.

Exposure to Credit Risk—The carrying amount of financial assets represents the assets' maximum credit exposure.

The aging of financial assets including trade receivables is as follows:

(in millions)	Total	Neither Past Due Nor Impaired	Past Due but Not Impaired			
			< 30 Days	31-90 Days	91-120 Days	Greater than 120 Days
December 31, 2023	\$ 2,785	\$ 2,651	\$ 127	\$ 7	\$ —	\$ —
December 31, 2024	\$ 3,322	\$ 3,263	\$ 51	\$ 1	\$ 7	\$ —

Liquidity Risk—The Company monitors its risk of a shortage of funds by monitoring its cash flow situation. Ongoing cash forecasting and review processes have been set up to determine the amount of internal and external funding needed in order to meet the Company's financial obligations as they become due. The Company has set up a process of mid- and long-term financial planning. The Company's financing structure, including maturities of debt, is determined in response to the financing requirements identified with the long-term business planning process.

Notes to the Consolidated Financial Statements

The following table summarizes the maturity profile of the Company's financial liabilities:

(in millions)	Carrying Value	Contractual Cash Flows	1 Year or Less	2 to 5 Years	Greater than 5 Years
December 31, 2023					
Loans and borrowings	\$ 2,372	\$ 2,558	\$ 575	\$ 971	\$ 1,012
Lease obligations	382	521	44	194	283
Derivative liabilities	56	56	42	14	—
Trade payables and other liabilities	1,438	1,438	1,354	55	29
Total	\$ 4,248	\$ 4,573	\$ 2,015	\$ 1,234	\$ 1,324
December 31, 2024					
Loans and borrowings	\$ 1,806	\$ 1,967	\$ 755	\$ 416	\$ 796
Lease obligations	514	666	110	206	350
Derivative liabilities	62	62	54	8	—
Trade payables and other liabilities	1,353	1,353	1,112	222	19
Total	\$ 3,735	\$ 4,048	\$ 2,031	\$ 852	\$ 1,165

In preparing the maturity profile, undiscounted interest payments are calculated based on contractual interest rates where these are fixed, or in the case of discounted liabilities for leases, based on the interest rate implicit in the financing arrangement. For variable interest arrangements, undiscounted payments are determined based on the interest rate prevailing at the reporting date.

Assets and Liabilities Measured at Fair Value—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

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 utilizing Level 1 and Level 2 inputs 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.

For assets and liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Foreign currency forward contracts are classified within Level 2. The fair values of foreign currency forward contracts are determined using quantitative models that require the use of multiple market inputs, including interest rates, prices and maturity dates to generate pricing curves, which are used to value the positions. The market inputs are generally actively quoted and can be validated through external sources. For foreign currency forward contract asset and liability positions with maturity dates which fall between the dates of quoted prices, interpolation of rate or maturity scenarios are used in determining fair values. During the years ended December 31, 2024 and 2023, there were no transfers between Level 1, 2 and Level 3 fair value measurements.

Notes to the Consolidated Financial Statements

Financial Instruments Measured at Fair Value on a Recurring Basis

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

(in millions)	Fair Value Measurement at Reporting Date Using			
	Total	Quoted Prices Identical Assets / Liabilities (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2023				
Assets:				
Cash equivalents ⁽¹⁾	\$ 1,897	\$ 1,626	\$ 271	\$ —
Investments in equity instruments ⁽²⁾	\$ 19	\$ —	\$ —	\$ 19
Investment in marketable securities ⁽³⁾	\$ 1,501	\$ 1,189	\$ 312	\$ —
Derivatives ⁽⁴⁾	\$ 132	\$ —	\$ 132	\$ —
Liabilities:				
Derivatives ⁽⁴⁾	\$ 56	\$ —	\$ 56	\$ —
December 31, 2024				
Assets:				
Cash equivalents ⁽¹⁾	\$ 1,174	\$ 1,174	\$ —	\$ —
Investments in equity instruments ⁽²⁾	\$ 25	\$ —	\$ —	\$ 25
Investments in marketable securities ⁽³⁾	\$ 2,033	\$ 537	\$ 1,496	\$ —
Derivatives ⁽⁴⁾	\$ 68	\$ —	\$ 68	\$ —
Liabilities:				
Derivatives ⁽⁴⁾	\$ 62	\$ —	\$ 62	\$ —

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

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

(3) Consists of investments in marketable debt securities such as government, agency, and corporate bonds. Included in current and non-current marketable securities on the Company's consolidated statements of financial position.

(4) Consists of foreign currency forward contracts, interest rate swaps, cross currency swaps and commodity swaps. Included in other current and non-current financial assets and liabilities, as applicable, on the Company's consolidated statements of financial position.

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

Certain assets 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 non-marketable equity securities measured at cost, and grants receivable, loans receivable, lease obligations and the current and non-current portions of the Company's long-term debt which are measured at amortized cost.

The following shows the carrying and fair values of the Company's financial liabilities at amortized cost ("FLAC") not recorded at fair value on a recurring basis. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(in millions)	Category	December 31, 2024		December 31, 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Other long-term debt	FLAC	\$ 1,806	\$ 1,736	\$ 2,372	\$ 2,319
Total		\$ 1,806	\$ 1,736	\$ 2,372	\$ 2,319

Notes to the Consolidated Financial Statements

Estimated fair values of loans and borrowings is 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 loan and maturity. The Company estimates the fair value using market interest rates for the Company's debts with similar maturities.

30. Commitments and Contingencies

Commitments—The Company's unconditional purchase commitments are as follows:

(in millions)	December 31, 2024	December 31, 2023
Contracts for capital expenditures	\$ 635	\$ 1,136
Total	\$ 635	\$ 1,136
Due within the next 12 months	\$ 434	\$ 349

In addition to the above, the Company obtained letters of credit to primarily guarantee payments for utility supplies and foreign statutory payroll related charges. The Company has obtained letters of credit of \$30 million and \$23 million at December 31, 2024 and 2023, respectively, and bank guarantees of \$99 million and \$54 million at December 31, 2024 and 2023, respectively.

In connection with a joint venture between a subsidiary of the Company and Lucent Technologies Inc. ("Lucent"), in 1998 the Company and Lucent entered into a patent cross license agreement. Pursuant to a provision of the agreement providing for an offset of payment for royalties in exchange for the Company providing wafer capacity flexibility to Lucent, no royalty payments by the Company have been due or paid to Lucent. The patent license agreement was to continue for as long as the joint venture agreement between the Company and Lucent existed.

The Company has been engaged in litigation with International Business Machines Corporation ("IBM") since 2021 regarding certain breach of contract, trade secrets and intellectual property claims. This litigation has been resolved pursuant to a settlement agreement between the parties announced on January 2, 2025 (see [Note 34. Subsequent Event](#)).

The Company has determined that due to the complexity of calculation of the advanced manufacturing investment credit under the Internal Revenue Code Section 48D, and uncertainties regarding compliance with program conditions, it is probable that a portion of the Income Tax Credit ("ITC") computed and claimed in the United States may be repayable. Management's recorded its best estimate of the amount of the ITC that may be repayable totaling \$31 million as of December 31, 2024. The amount of the reserve may change depending on future assessments by tax authorities.

31. Equity

On May 22, 2024, the Company announced a share repurchase of 3.9 million ordinary shares from MTIC, a majority shareholder, at the price of \$50.75 per share, for an aggregate purchase amount of \$200 million. We completed the share repurchase on May 28, 2024.

On May 28, 2024, our Board of Directors resolved to cancel the 3.9 million shares.

32. Operating Segments Information

(a) Operating segments, segment revenue, operating results

The Company's chief operating decision-maker is the Company's Chief Executive Officer who makes resource allocation decisions and assesses performance based on financial information presented on a consolidated basis. There are no segment managers who are held accountable by the chief operating decision-maker, or anyone else, for operations, operating results and planning for levels or components below the consolidated unit level. Accordingly, the Company has determined that the Company has a single reportable segment and operating segment structure.

(b) Revenue based on customers' headquarters and non-current assets by geography were as follows:

Revenue by Geography (in millions)	Year ended December 31,		
	2024	2023	2022
United States	\$ 3,713	\$ 4,262	\$ 4,898
Europe, the Middle East and Africa	1,423	1,533	1,182
Other	1,614	1,597	2,028
Total	\$ 6,750	\$ 7,392	\$ 8,108

Notes to the Consolidated Financial Statements

Non-current Assets by Geography (in millions)	As of December 31,	
	2024	2023
United States	\$ 3,575	\$ 4,738
Germany	2,289	2,400
Singapore	3,975	3,801
Other	301	457
Total	\$ 10,140	\$ 11,396

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets, investments in joint venture and associates, restricted cash, marketable securities and receivables, prepayments and other assets.

33. Customer And Supplier Concentration

Significant customers and suppliers are those that account for greater than 10% of the Company's revenue and purchases in any of the years presented.

The Company earned a substantial portion of revenue from two customers in 2024, 2023 and 2022: Customer A amounted to 16%, 17% and 16% of total wafer revenue, respectively and Customer B amounted to 11%, and less than 10% for 2023 and 2022 of total wafer revenue respectively. As of December 31, 2024 and 2023, the amounts due from Customer A included in accounts receivable were \$176 million and \$237 million, respectively and the amounts due from Customer B included in accounts receivable was \$145 million and \$0.1 million, respectively. The loss of the significant customers or the failure to attract new customers could have a material adverse effect on the Company's business, results of operations and financial condition.

Revenue by Major Customer (in millions)	Year ended December 31,					
	2024		2023		2022	
	Amount	%	Amount	%	Amount	%
Customer A	\$ 1,061	16	\$ 1,279	17	\$ 1,329	16
Customer B	\$ 722	11	\$ 612	8	\$ 590	7

The Company purchased 61%, 63% and 54% of its SOI wafers, a key input into its products, from a single supplier in 2024, 2023 and 2022, respectively. As of December 31, 2024 and 2023, the net amount due to the supplier was \$9 million and \$61 million, respectively. Any failure in the supplier's ability to provide SOI wafers could materially and adversely affect the Company's results of operations, financial condition, business and prospects.

34. Subsequent Events

On January 2, 2025, the Company and IBM announced that they had entered into a settlement agreement (see [Note 30. Commitments and Contingencies](#)) resolving all litigation matters between the two companies, inclusive of breach of contract, trade secrets and intellectual property claims. The terms of the settlement agreement are confidential. As this settlement reflects conditions arising after the reporting date of December 31, 2024, it has been classified as a non-adjusting subsequent event under IAS 10. Management has assessed that the settlement does not have a material impact on the Company's financial position as of December 31, 2024.

On January 2, 2025, the Company prepaid all of its outstanding loans under the Term Loan A. The total amount of the prepayment was \$664 million, comprising all outstanding loans and interest accrued through the date of prepayment. Upon the prepayment, assets pledged as common security under certain of the Company's senior facilities and the revolving credit facility were irrevocably and unconditionally released in accordance with the terms. The Revolving Credit Facility continues to be available to the Company on an unsecured basis following the release of the common security.

ITEM 19. EXHIBITS

Documents filed as exhibits to this Form 20-F:

- 1.1 [Second Amended and Restated Memorandum and Articles of Association of the Registrant \(incorporated by reference to Exhibit 4.1 of the Registrant's Registration Statement on Form S-8 \(File No. 333-260674\) filed with the SEC on November 2, 2021\)](#)
- 2.1 [Shareholder's Agreement among the Registrant and other parties thereto \(incorporated by reference to Exhibit 2.1 of the Annual Report on Form 20-F \(File No.001-40974\) filed with the SEC on March 31, 2022\)](#)
- 2.2 [Registration Rights Agreement among the Registrant and other parties thereto \(incorporated by reference to Exhibit 2.2 of the Annual Report on Form 20-F \(File No.001-40974\) filed with the SEC on March 31, 2022\)](#)
- 2.3 [Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 \(incorporated by reference to Exhibit 2.3 of the Annual Report on Form 20-F \(File No.001-40974\) filed with the SEC on March 31, 2022\)](#)
- 4.1 [2017 Share Incentive Plan \(incorporated by reference to Exhibit 10.7 of the Registrant's Registration Statement on Form F-1 \(File No. 333-260003\) filed with the SEC on October 4, 2021\)](#)
- 4.2 [2018 Share Incentive Plan \(incorporated by reference to Exhibit 10.8 of the Registrant's Registration Statement on Form F-1 \(File No. 333-260003\) filed with the SEC on October 4, 2021\)](#)
- 4.3 [2021 Share Incentive Plan \(incorporated by reference to Exhibit 10.1 of the Registrant's Registration Statement on Form F-1 \(File No. 333-260003\) filed with the SEC on October 4, 2021\)](#)
- 4.4 [2021 Amendment of the GLOBALFOUNDRIES Inc. 2018 Share Incentive Plan Share Option Agreement \(incorporated by reference to Exhibit 10.9 of the Registrant's Registration Statement on Form F-1 \(File No. 333-260003\) filed with the SEC on October 4, 2021\)](#)
- 4.5 [2021 Amendment of the GLOBALFOUNDRIES Inc. 2018 Share Incentive Plan \(incorporated by reference to Exhibit 10.10 of the Registrant's Registration Statement on Form F-1 \(File No. 333-260003\) filed with the SEC on October 4, 2021\)](#)
- 4.6 [2021 Employee Stock Purchase Plan \(incorporated by reference to Exhibit 10.11 of the Registrant's Registration Statement on Form F-1 \(File No. 333-260003\) filed with the SEC on October 4, 2021\)](#)
- 4.7† [Materials Supply Agreement, dated April 25, 2017, between GLOBALFOUNDRIES U.S. Inc. and Soitec S.A. \(incorporated by reference to Exhibit 10.3 of the Registrant's Registration Statement on Form F-1 \(File No. 333-260003\) filed with the SEC on October 4, 2021\)](#)
- 4.8† [Addendum to Materials Supply Agreement, dated November 2, 2020, between GLOBALFOUNDRIES U.S. Inc. and Soitec S.A. \(incorporated by reference to Exhibit 10.4 of the Registrant's Registration Statement on Form F-1 \(File No. 333-260003\) filed with the SEC on October 4, 2021\)](#)
- 4.9† [Amended and Restated Exhibit 3 to the Long Term Addendum, dated July 1, 2021, between GLOBALFOUNDRIES U.S. Inc. and Soitec S.A. \(incorporated by reference to Exhibit 10.5 of the Registrant's Registration Statement on Form F-1 \(File No. 333-260003\) filed with the SEC on October 4, 2021\)](#)
- 4.10† [Amendment #1 to the Amended and Restated Exhibit 3 to the Long Term Addendum, dated September 11, 2017 between GLOBALFOUNDRIES U.S. Inc. and Soitec S.A. \(incorporated by reference to Exhibit 4.10 of the Registrant's Annual Report on Form 20-F \(File No. 001-40974\) filed with the SEC on April 14, 2023\)](#)
- 4.11† [2023 Addendum to Materials Supply Agreement, dated November 10, 2022, between GLOBALFOUNDRIES U.S. Inc. and Soitec S.A. \(incorporated by reference to Exhibit 4.11 of the Registrant's Annual Report on Form 20-F \(File No. 001-40974\) filed with the SEC on April 14, 2023\)](#)
- 4.12† [Addendum to Materials Supply Agreement, dated December 14, 2023, between GLOBALFOUNDRIES U.S. Inc. and Soitec S.A. \(incorporated by reference to Exhibit 4.12 of Registrant's Annual Report on Form 20-F \(File No.001-40974\) filed with the SEC on April 29, 2024\)](#)
- 4.13*† [Addendum to Materials Supply Agreement, dated October 9, 2024, between GLOBALFOUNDRIES U.S. Inc. and Soitec S.A.](#)
- 4.14 [Term Loan Facility Agreement, dated September 3, 2021, between GLOBALFOUNDRIES Singapore Pte. Ltd., the Company and Economic Development Board \(incorporated by reference to Exhibit 10.6 of the Registrant's Registration Statement on Form F-1 \(File No. 333-260003\) filed with the SEC on October 4, 2021\)](#)
- 4.15 [2019 Revolving and L/C Facilities Agreement, dated October 18, 2019, between the Registrant and Citibank, N.A., London Branch and DBS Bank Ltd. \(incorporated by reference to Exhibit 4.11 of the Registrant's Annual Report on Form 20-F \(File No.001-40974\) filed with the SEC on March 31, 2022\)](#)
- 4.16 [2020 Amendment Agreement to Revolving and L/C Facilities Agreement, dated November 11, 2020, between Registrant and Bank of America, N.A., Citibank, N.A., DBS Bank Ltd. and JPMorgan Chase Bank, N.A, Intesa Sanpaolo S.p.A., London Branch, Morgan Stanley Senior Funding, Inc., Deutsche Bank AG, ING Bank, Commerzbank AG and Credit Suisse AG, Cayman Islands Branch \(incorporated by reference to Exhibit 4.12 of Registrant's Annual Report on Form 20-F \(File No.001-40974\) filed with the SEC on March 31, 2022\)](#)
- 4.17 [2021 Amendment to Revolving and L/C Facilities Agreement, dated October 13, 2021, between Registrant and Bank of America, N.A., DBS Bank Ltd., Intesa Sanpaolo S.p.A., London Branch, JPMorgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc., Citibank, N.A., Deutsche Bank AG, Credit Suisse AG, Cayman Islands Branch, HSBC Bank USA, National Association and First Abu Dhabi Bank PJSC \(incorporated by reference to Exhibit 4.13 of Registrant's Annual Report on Form 20-F \(File No.001-40974\) filed with the SEC on March 31, 2022\)](#)
- 4.18 [2023 Amendment Agreement to Revolving and L/C Facilities Agreement dated June 28, 2023, between Registrant and Citibank Europe PLC, UK Branch \(incorporated by reference to Exhibit 4.17 of Registrant's Annual Report on Form 20-F \(File No.001-40974\) filed with the SEC on April 29, 2024\)](#)

4.19	Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.2 of the Registrant's Registration Statement on Form F-1 (File No. 333-260003) filed with the SEC on October 4, 2021).
4.20	2023 Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 4.19 of Registrant's Annual Report on Form 20-F (File No.001-40974) filed with the SEC on April 29, 2024).
8*	List of subsidiaries of Registrant (as of December 31, 2024).
11.1*	Insider Trading Policy
12.1*	CEO Certification pursuant to Rule 13a-14(a)/15d-14(a).
12.2*	CFO Certification pursuant to Rule 13a-14(a)/15d-14(a).
13.1*	Certification pursuant to Rule 13a-14(b)/15d-14(b) and 18 U.S.C. §1350
15.1*	Consent of KPMG LLP, Independent Registered Public Accounting Firm
15.2*	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm
97	Compensation Recoupment Policy (incorporated by reference to Exhibit 97 of Registrant's Annual Report on Form 20-F (File No.001-40974) filed with the SEC on April 29, 2024).
101.INS*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

† Pursuant to Item 601(b)(10) of Regulation S-K, certain confidential portions of this exhibit have been omitted by means of marking such portions with asterisks [***] as the identified confidential information is both (i) not material and (ii) is the type that the registrant treats as private or confidential.

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE OF INFORMATION THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

2024-2025 Addendum for 300mm RFSOI and FD Products to Materials Supply Agreement dated April 25, 2017

This 2024-2025 Addendum for 300mm RFSOI and FD Products to GlobalFoundries' contract number 00037735.0 (the "**2024-2025 Mixed Product Addendum**") to the Materials Supply Agreement dated April 25, 2017, GlobalFoundries contract number 00037735.0, and as amended (the "**Agreement**") is effective as of 10/9/2024 _____ (the

"**Commencement Date**") by and between GlobalFoundries U.S. Inc., a corporation organized under the laws of the State of Delaware with its principal place of business at 400 Stonebreak Road Extension, Malta, NY 12020, USA ("**GF**") and SOITEC S.A., a Societe Anonyme organized under the laws of France with its principal office at Parc Technologique des Fontaines, Bernin 38926 Crolles Cedex (the "**Supplier**"). Both GF and Supplier are referenced herein as a "**Party**" or the "**Parties**," as the case may be.

WHEREAS, the Parties previously entered into an Addendum for 300mm RFSOI, PDSOI, Silicon Photonics and FD Products to the Agreement on December 13, 2023 (the "**2023- 2024 Mixed Product Addendum**"), which has a termination date of [***] (the "**2023-2024 Term**"); and

WHEREAS, the Parties wish to enter into a purchase and supply arrangement for 300mm RFSOI (the "**300mm Products**") and FD products (the "**FD Products**") as itemized in Table 1 below, and based upon agreed applicable Product Specifications (as defined below) for the volumes and prices set forth herein during the Term (as defined below) of this 2024-2025 Mixed Product Addendum; and

WHEREAS, GF and GF's Affiliates (together, the "**GF Parties**", or if only one, a "**GF Party**") wish to purchase the 300mm Products and the FD Products from Supplier as set forth in Table 1 below (collectively referred to as the "**Products**"), and Supplier wishes to sell the Products to the GF Parties based upon the terms and provisions set forth in the Agreement and this 2024-2025 Mixed Product Addendum; and

WHEREAS, as set forth in this 2024-2025 Mixed Product Addendum, Supplier's Affiliate, Soitec Microelectronics Singapore Pte. Ltd, located at 81 Pasir Ris Industrial Drive 1, Singapore 518220 ("**Supplier Singapore**", and together Supplier and Supplier Singapore are referred to as the "**Supplier Group**") will participate in the supply of Products to the GF Parties, as more specifically set forth below; and

WHEREAS, under certain circumstances as set forth in this 2024-2025 Mixed Product Addendum, GF will have the [***] to [***] the [***] of this 2024-2025 Mixed Product

Addendum [***] so that the GF Parties can [***] Products from Supplier for [***] in Exhibit B ([***] as further defined in the “**2026-2029 Mixed Product Addendum**”).

NOW THEREFORE, in consideration of the mutual covenants, rights and obligations set forth herein and, in the Agreement, the receipt and sufficiency of which each Party hereby acknowledges, the Parties, intending to be legally bound, hereby agree as follows:

1. Introduction:

- a. All capitalized terms in this 2024-2025 Mixed Product Addendum shall have the same meaning as set forth in the Agreement unless otherwise defined in this 2024- 2025 Mixed Product Addendum.
- b. References to the plural in any defined term herein shall include the singular and vice versa.
- c. For the avoidance of doubt, the Parties agree that this 2024-2025 Mixed Product Addendum is hereby incorporated into the Agreement. Subject to Section 1(a) of the Agreement, in the event of any conflict between the terms of this 2024-2025 Mixed Product Addendum and the Agreement, the terms of this 2024-2025 Mixed Product Addendum shall control. For the further avoidance of doubt, to the extent this 2024-2025 Mixed Product Addendum remains silent on a topic or matter, then the terms of the Agreement shall apply.
- d. The GF Parties and Supplier Group have previously entered into various product purchase addenda [***] (collectively referred to as the “**Other Product Purchase Addenda**”). The Other Product Purchase Addenda [***] set forth in this 2024- 2025 Mixed Product Addendum. In the event of any conflict between the terms of this 2024-2025 Mixed Product Addendum and any Other Product Purchase Addenda, the terms of this 2024-2025 Mixed Product Addendum shall control.
- e. [***], this 2024-2025 Mixed Product Addendum [***] 2023-2024 Mixed Product Addendum, which shall remain in effect until [***]. This 2024-2025 Mixed Product Addendum shall apply to Products ordered by GF Parties to be delivered by the Supplier Group [***].

2. Term and Termination of the 2024-2025 Mixed Product Addendum:

This 2024-2025 Mixed Product Addendum shall commence on the Commencement Date and shall remain in effect [***] (the “**Term**”), unless otherwise terminated pursuant to the terms of the Agreement.

3. Products, Product Specifications and Quality Parameters:

- a. The Products to be purchased by one or more of the GF Parties from the Supplier Group pursuant to this 2024-2025 Mixed Product Addendum are listed in Table 1 below.
- b. The applicable Products specification(s) for each of the Products are identified in Exhibit A by a Product specification number (each a “**Product Specification**”) and each such Product Specification correlates to a corresponding GF part number, as itemized in Table 1 below.

Table 1- Products for 2024-2025 Mixed Product Addendum

300mm Products	Program	Products (GF PN)
[***]	[***]	[***]
	[***]	[***]
	[***]	[***]
	[***]	[***]
[***]	[***]	[***]

- c. [***] to the Products [***]. Such information shall be treated by the GF Parties as Supplier’s Confidential Information pursuant to the terms of the Agreement.
- d. [***] to pursue continuous improvement programs (“**CIPs**”) [***] with reference to the Products, [***].

4. Pricing, Volumes, Purchase Orders, and Confirmed Volumes:

- a. The price for each Product is set forth in Table 2 below (“**Price**”).

Table 2 - Product Price per Wafer (US \$) & [*] Volumes for Products**

300mm Products	Program	Products (GF PN)	Price/wafer	[***] Volumes
[***]	[***]	[***]	[***]	[***]
	[***]	[***]	[***]	[***]
	[***]	[***]	[***]	[***]
	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]

- b. The GF Parties shall order the volumes of each Product specified in Table 2 above from Supplier Group, [***], (the “[***] **Volumes**”) for [***] specified by one of more of the GF Parties on or before [***], as set forth in [***]. Thereafter, such [***] Volumes will be [***]as more fully described in [***]. For the avoidance of doubt, [***] will only [***] Volumes upon [***]by the GF Parties and [***] Volumes for each calendar year that follows the calendar year [***].
- c. The GF Parties shall issue [***] for the [***] Volumes at the Price(s) set forth in Table 2 above, except for [***], within [***] of the Commencement Date, which shall set forth the [***] Volumes to be [***] during [***]. The GF Parties will only be required to issue [***] at a later date upon [***]. If [***]. For the avoidance of doubt, if [***]is issued by a GF Affiliate, it shall be subject to the terms of the Agreement and this 2024-2025 Mixed Product Addendum.
- d. Supplier shall supply the [***] Volumes. Supplier may use either Supplier Group entity at Supplier’s discretion for the supply of the [***] Volumes, except that Supplier will supply [***] from [***] and [***] from [***], as set forth in Table 3 below:

Table 3

300mm Products	Program	Products (GF PN)
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

- e. Within [***] of receipt of a [***], Supplier and/or Supplier Singapore, as applicable, will [***] and the relevant [***] for Products delivered [***] collectively referred to as [***]. The Parties further agree that the volume of Products ordered by any of the GF Parties [***] and applicable [***]: (i) are [***], and (ii) Supplier Group shall deliver [***]to the corresponding [***] in the [***]in the [***].
- f. Notwithstanding anything to the contrary in the Agreement or [***], the Parties agree that [***] to this 2024-2025 Mixed Product Addendum.
- g. The Parties agree that the [***] for Products purchased under this 2024-2025 Mixed Product Addendum, and the [***] to the correlating Products purchased and supplied hereunder:

- i. For the Product Purchase Addendum between GlobalFoundries Dresden Module One LLC & Co. KG and Soitec S.A., with a Commencement Date of [***] (the “**GF Dresden PPA**”), the following provisions [***]: Sections [***].
 - ii. For the Product Purchase Addendum between GlobalFoundries Singapore Pte. Ltd (“**GF Singapore**”) and Soitec Microelectronics Singapore Pte. Ltd, with a Commencement Date of [***] (the “**SG PPA**”): (x) [***], this 2024-2025 Mixed Product Addendum shall also be deemed to be referenced and [***]; and (y) the following provisions [***]: Sections [***] and the [***] Section [***].
 - iii. For the Product Purchase Addendum between GlobalFoundries U.S. Inc. and Soitec S.A., with [***] (the “**US PPA**”), the following provisions [***]: Sections [***].
- h. With reference to the [***] provisions that are provided for in [***] for purposes of [***], the following “[***]” provision shall [***] in [***]:

“In the event the applicable GF Party under this addendum has [***] to Supplier pursuant to the 2024-2025 Mixed Product Addendum, but the applicable GF Party [***] the applicable Product(s) [***], then:

- i. The Delivery Date for the [***] of such Products of the [***] Volumes [***] shall be [***], and the Delivery Date for the [***] of such Products of the [***] Volumes [***] shall be [***], at the GF Parties’ [***] (together, the “[***]”). The title to the [***] will automatically transfer to the applicable GF Party on [***]. The title to the [***] will automatically transfer to the applicable GF Party on [***]. For the [***], the payment terms shall be [***] for the [***] and the [***] will be paid no later than [***]. The applicable GF Party will process payment for [***] with the [***].
- ii. With regard to the Products that [***] of the [***] Volumes (the “[***] **Volumes**”), if the applicable GF Party [***] the [***] Volumes by [***], then the Delivery Date for [***] Volumes shall [***] (the “[***]”) and title to [***] will automatically transfer to the applicable GF Party on [***]. The applicable GF Party will then [***] processing payment for [***], which shall have [***] payment terms.”

5. [*] and [***] Products:**

Supplier agrees that the [***] in [***] shall be [***] (while respecting [***]) prior to fulfilment. The GF Parties have [***] in [***] shall be [***] and [***], as referenced in Paragraph 4(h) above.

6. * Volumes ***:**

For *** Volumes *** as of the Commencement Date *** the *** by one or more of the GF Parties, *** GF or the applicable GF Party for *** Volumes that ***, after receipt of *** from GF or the applicable GF Party.

7. Warranty Period:

The Warranty Period for Products purchased and delivered to the GF Parties pursuant to this 2024-2025 Mixed Product Addendum will be ***.

8. Force Majeure:

Solely and exclusively for the applicable Products purchased and delivered to the GF Parties pursuant to this 2024-2025 Mixed Product Addendum, Section 4(g) of the Agreement is deleted and replaced with the following clause:

"Neither Party is responsible for any delay or failure in performance of any part of this Agreement to the extent caused by an act of God, other similar natural causes beyond a party's control and unforeseen actions or events that occur *** of the delayed or non-performing Party (each a "**Force Majeure Event**"). The following events *** under this Agreement: (i) ***, or any ***, including but not limited to ***; (ii) *** in *** or *** not caused by ***; (iii) *** resulting from *** ([***]); or (iv) ***. A Party who is delayed or fails to perform as a result of a Force Majeure Event ("**Affected Party**") must *** (including without limitation ***) to mitigate and minimize any resulting delay. The Affected Party must provide written notice to the other party within *** of learning of a Force Majeure Event, stating the ***, the ***, the *** or ***, and the ***. If a Force Majeure Event occurs, either party, when it is not the Affected Party, may *** in *** for the ***, and ***, or may *** or any *** if the Force Majeure Event continues beyond ***."

9. GF * for ***:**

- a. Subject to the GF Parties ordering the *** Volumes, GF will have ***, to continue to *** and Supplier will supply the Products during the *** at the prices, volumes, and other terms and conditions specified in the 2026-2029 Mixed Product Addendum, which is attached hereto as Exhibit B (the "[***]"). *** effectuate the 2026-2029 Mixed Product Addendum, GF will *** Supplier pursuant to the terms of the Agreement no later than ***.

- b. To the extent that GF [***], and GF and Supplier [***] respect to the 2026-2029 Mixed Product Addendum, GF and Supplier shall conduct business on the basis of Exhibit B, which [***] in all respects.

10. [*]:**

In the event the GF Parties fail to order the [***] Volumes under this 2024-2025 Mixed Product Addendum, Supplier shall [***]. The foregoing shall constitute [***] for the GF Parties [***] the [***] Volumes under this 2024-2025 Mixed Product Addendum. Supplier shall [***], and the GF Parties shall [***] under this 2024-2025 Mixed Product Addendum. Further, the Parties agree such a failure will [***].

[the balance of the page intentionall

IN WITNESS WHEREOF, the Parties hereto have executed this 2024-2025 Mixed Product Addendum to the Materials Supply Agreement, effective as of the Commencement Date.

GlobalFoundries U.S. Inc. (“GF”) SOITEC S.A. (“Supplier”)

/s/ Roger Kao
Authorized Signature

/s/ Pierre Barnabe
Authorized Signature

Roger Kao
Print Name

Pierre BARNABE
Print Name

VP, Procurement
Title

CEO
Title

10/09/2024
Date

10/9/2024
Date

GlobalFoundries Dresden Module One LLC & Co KG (“GF Dresden”)

Authorized Signature & Company Seal (if applicable)

Print Name

Title

Date

EXHIBIT A

Product Specifications

Technology	Program	Products (GF PN)	Specification #	
[***]	[***]	[***]	[***]	
		[***]	[***]	
		[***]	[***]	
	[***]	[***]	[***]	
	[***]	[***]	[***]	[***]
			[***]	
	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	
	[***]	[***]	[***]	

EXHIBIT B**2026-2029 Addendum for 300mm RFSOI, Silicon Photonics and FD Products to Materials Supply Agreement dated April 25, 2017****1. Introduction:**

- a. All capitalized terms in this 2026-2029 Mixed Product Addendum shall have the same meaning as set forth in the 2024-2025 Mixed Product Addendum and the Agreement, unless otherwise defined herein.
- b. References to the plural in any defined term herein shall include the singular and vice versa.
- c. For the avoidance of doubt, the Parties agree that this 2026-2029 Mixed Product Addendum is hereby incorporated into the Agreement, provided that GF [***] pursuant to [***] of the 2024-2025 Mixed Product Addendum. In the event of any conflict between the terms of this 2026-2029 Mixed Product Addendum and the Agreement, the terms of this 2026-2029 Mixed Product Addendum shall control. For the further avoidance of doubt, to the extent this 2026-2029 Mixed Product Addendum remains silent on a topic or matter, then the terms of the Agreement shall apply.
- d. The GF Parties and Supplier Group have previously entered into various product purchase addenda [***] (collectively referred to as the “**Other Product Purchase Addenda**”). The Other Product Purchase Addenda [***] set forth in this 2026-2029 Mixed Product Addendum [***] GF [***]. In the event of any conflict between the terms of this 2026-2029 Mixed Product Addendum and any Other Product Purchase Addenda, the terms of this 2026-2029 Mixed Product Addendum shall control.
- e. [***], this 2026-2029 Mixed Product Addendum [***] 2024-2025 Mixed Product Addendum, which shall remain in effect until [***]. This 2026-2029 Mixed Product Addendum shall apply to the [***] Volumes defined herein below, to be ordered by the applicable GF Parties, to be delivered by Supplier Group pursuant to [***] (defined below) [***].

2. Execution, Commencement Date, Term and Termination of the 2026-2029 Mixed Product Addendum:

This 2026-2029 Mixed Product Addendum shall commence and be deemed executed by the Parties on the date GF [***] under Section [***] of the 2024-2025

Mixed Product Addendum (the “**Commencement Date**”), and thereafter shall remain in full force and effect through [***] (the “[***]**Term**”).

3. Products, Product Specifications, Quality Parameters and Warranty:

- a. The Product(s) to be purchased by GF Parties from the Supplier Group, pursuant to this 2026-2029 Mixed Product Addendum are listed in Table 1 below.
- b. The applicable Products specification(s) for each of the Products are identified in Sub-Exhibit 1 by a Product specification number (each a “**Product Specification**”) and each such Product Specification correlates to a corresponding GF part number, as itemized in Table 1 below.

Table 1 - Products for 2026-2029 Mixed Product Addendum

300mm Products	Program	Products (GF PN)
[***]	[***]	[***]
	[***]	[***]
	[***]	[***]
	[***]	[***]
[***]	[***]	[***]
	[***]	[***]
[***]	[***]	[***]

- c. [***] to the Products [***]. Such information shall be treated by the GF Parties as Supplier’s Confidential Information pursuant to the terms of the Agreement.
- d. [***] pursue continuous improvement programs (“**CIPs**”) [***] with reference to the Products [***].

4. Pricing, Volumes, Purchase Orders, and Confirmed Volumes:

- a. The price for each Product is set forth in Table 2 below (“**Price**”).

Table 2 - Product Price per Wafer (US \$) & [*] Volumes for Products**

[***]

- b. The GF Parties shall order from Supplier Group the volumes of each Product specified in Table 2 (above) (the “[***]**Volumes**”) for [***] specified by one of more of the GF Parties by [***] of each applicable calendar year (“**CY**”), and thereafter such [***] Volumes will be [***], as more fully described in the [***].

The GF Parties shall issue [***] for each of CY2026, CY2027, CY2028 and CY2029 (for a total of [***]) for such [***] Volumes at the Price(s) set forth in Table 2 above.

- c. The GF Parties shall issue [***] on or before [***] after the Commencement Date for the [***] Volumes of Products for [***] of CY2026 and [***] on or before [***], for [***] of CY2026. For the [***], the GF Parties shall issue [***] on or before [***] of the prior CY during the [***] Term for the [***] Volumes for [***] of CYs 2027, 2028, and 2029, and on or before [***] of the same year during the [***] Term for the [***] Volumes for [***] of CYs 2027 2028 and 2029. For the avoidance of doubt, [***] issued by GF’s Affiliates shall be subject to the terms of the Agreement and this 2026-2029 Mixed Product Addendum.
- d. Supplier shall supply the [***] Volumes. Supplier may use either Supplier Group entity, at Supplier’s discretion, for the supply of the [***] Volumes, except that Supplier will [***] from [***] and [***] from [***], as set forth in Table 3 below. The [***] of such Products may only be [***] upon the [***] of the [***] in [***].

Table 3

300mm Products	Program	Products (GF PN)
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

- e. After the GF Parties purchase [***] of the [***] Volumes for CY 2026 as set forth in Table 2, [***] in Table 2 for [***] (the “[***]”) will be available for GF to order and for Supplier to deliver. After each CY 2027, 2028, and 2029, if the GF Parties purchase [***] of the [***] Volumes for the respective year, the [***] will be available for GF to order and for Supplier to deliver. [***].
- f. Within [***] of receipt of [***], Supplier and/or Supplier Singapore, as applicable, will and the relevant [***] for Products delivered [***] collectively referred to as [***]). The [***] will be followed for [***] and the Parties further agree that the volume of Products ordered by any of the GF Parties [***] and applicable [***]: (i) are [***], and (ii) Supplier Group shall deliver [***] to the corresponding [***]in the [***] in the [***].
- g. Notwithstanding anything to the contrary in the Agreement or [***], the Parties agree that [***] to this 2026-2029 Mixed Product Addendum.
- h. The GF Parties shall purchase from the Supplier and/or Supplier Singapore, as applicable, [***] of the [***] Volumes, [***] as calculated [***], with [***] written notice to Supplier (the “[***] **Volumes**”). Additionally, the Parties further agree the

GF Parties may [***] Product purchased pursuant to the [***] Volumes if [***] the [***] Volumes: (i) [***] described in Table 4 below (the “[***]”), and (ii) GF or the applicable GF Party provides Supplier [***] written notice, and (iii) GF or the applicable GF Party [***]. For the avoidance of doubt, [***] in Table 4 below shall [***].

Table 4 - [*]**

[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]

[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]

- i. In the event one or more of the GF Parties [**] volumes [**] of [**] Volumes per calendar year, Supplier agrees to supply [**] with [**] written notice to Supplier. The Parties agree the price for [**] volume shall be [**].

- j. The GF Parties may order Products other than [***] the [***] Volumes (the “[***] **Volumes**”). GF shall notify Supplier of [***] Volumes in writing [***] and shall follow GF’s standard commercial ordering process. The product prices will be the prices determined in Table 5 below and Supplier agrees [***] with GF on [***].

Table 5: [*] Products Price List**

Product	Price/wafer (in US\$)
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

- k. The Parties agree that the [***] for Products purchased under this 2026-2029 Mixed Product Addendum, and the [***] to the correlating Products purchased and supplied hereunder:
- i. For the Product Purchase Addendum between GlobalFoundries Dresden Module One LLC & Co. KG and Soitec S.A., with a Commencement Date of [***] (the “**GF Dresden PPA**”), the following provisions [***]: Sections [***].
 - ii. For the Product Purchase Addendum between GlobalFoundries Singapore Pte. Ltd (“**GF Singapore**”) and Soitec Microelectronics Singapore Pte. Ltd, with a Commencement Date of [***] (the “**SG PPA**”): (x) [***], this 2026-2029 Mixed Product Addendum shall also be deemed to be referenced and [***]; and (y) the following provisions [***]: Sections [***] and the [***] Section [***].
 - iii. For the Product Purchase Addendum between GlobalFoundries U.S. Inc. and Soitec S.A., with [***] (the “**US PPA**”), the following provisions [***]: Sections [***].
- l. With reference to the [***] provisions that are provided for in [***] for purposes of [***] , the following “[***]” provision shall [***] in [***]. For [***], the “Provisions” in [***] shall [***]:

“[***] Volumes: In the event the GF Party under this addendum has [***] to Supplier pursuant to this 2026-2029 Mixed Product Addendum for CY2026, but the applicable GF Party [***] the applicable [***] Volumes [***], then the Delivery Date for the [***] of such Products of the [***] Volumes [***] shall be [***] (the “[***]”). With regard to [***] of the Products of the [***] Volumes (the “[***] Volumes”), if the applicable GF Party does not [***] Volumes by [***], then the Delivery Date for [***] Volumes shall be [***] (the “[***]”). Title to [***] will automatically transfer to the applicable GF Party on [***]. The applicable GF Party shall begin processing payment for [***] on [***], which shall have [***] payment terms.”

“[***] Volumes: In the event the GF Party under this addendum has [***] to Supplier pursuant to this 2026-2029 Mixed Product Addendum for CY2027, but the applicable GF Party [***] the [***] Volumes [***] on or before [***], then the Delivery Date for the [***] of such Products of [***] Volumes [***] shall be [***] (the “[***]”). With regard to [***] of the Products of [***] Volumes (the “[***] Volumes”), if the applicable GF Party [***] Volumes by [***], then the Delivery Date for [***] Volumes shall be [***] (the “[***]”). Title to [***] will automatically transfer to the applicable GF Party on [***]. The applicable GF Party shall begin processing payment for [***], on [***], which shall have [***] payment terms.”

5. **[***] and [***] Products:**

Supplier agrees that the [***] in [***] shall be [***] (while respecting [***]) prior to fulfilment. The GF Parties shall [***] on [***] in [***] shall be [***] as referenced in Paragraph 4(l) above.

6. **Reserved.**

7. **[***] Volumes [***]:**

For [***] Volumes [***] by one or more of the GF Parties, Supplier agrees [***] GF or the applicable GF Party for [***] [***] the [***] Volumes in [***], after [***] GF or the applicable GF Party. Supplier shall [***] for [***] of [***] Volumes.

8. **Warranty Period:**

[***] for the Products purchased and delivered to the GF Parties pursuant to this 2026-2029 Mixed Product Addendum, the Warranty Period for the Products [***] shall be [***], while the [***] for the Products delivered in [***] shall be [***].

9. **Force Majeure:**

Solely and exclusively for the applicable Products purchased and delivered to the GF Parties pursuant to this 2026-2029 Mixed Product Addendum, Section 4(g) of the Agreement is deleted and replaced with the following clause:

"Neither Party is responsible for any delay or failure in performance of any part of this Agreement to the extent caused by an act of God, other similar natural causes beyond a party's control and unforeseen actions or events that occur [***] of the delayed or non-performing Party (each a "**Force Majeure Event**"). The following events [***] under this Agreement: (i) [***], or any [***], including but not limited to [***]; (ii) [***] in [***] or [***] not caused by [***]; (iii) [***] resulting from [***] ([***]); or (iv) [***]. A Party who is delayed or fails to perform as a result of a Force Majeure Event ("**Affected Party**") must [***] (including without limitation [***]) to mitigate and minimize any resulting delay. The Affected Party must provide written notice to the other party within [***] of learning of a Force Majeure Event, stating the [***], the [***], the [***] or [***], and the [***]. If a Force Majeure Event occurs either Party, when it is not the Affected Party, may [***] in [***] for the [***], [***], and [***], or may [***] or any [***] if the Force Majeure Event continues beyond [***]."

10. [***]:

[***] in the event Supplier fails to partially or completely supply the Products ordered by the GF Parties provided for in this 2026-2029 Mixed Product Addendum, [***]. The [***] will be follows: (a) for any [***]; and (b) for any [***]. Supplier shall [***]. The GF Parties [***] for Supplier's failure to supply Products.

11. [***]:

In the event the GF Parties fail to purchase the [***] Volumes under this 2026- 2029 Mixed Product Addendum, the GF Parties shall [***]. The [***] GF Parties failure to purchase the [***] Volumes under this 2026-2029 Mixed Product Addendum. Supplier shall [***], and the GF Parties shall [***] under the 2026-2029 Mixed Product Addendum. Further, the Parties agree [***].

SUB-EXHIBIT 1

Product(s) Specifications

Technology	Program	Products (GF PN)	Specification #	
[***]	[***]	[***]	[***]	
		[***]	[***]	
		[***]	[***]	
	[***]	[***]	[***]	
	[***]	[***]	[***]	[***]
			[***]	
	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	
	[***]	[***]	[***]	
		[***]	[***]	
[***]	[***]	[***]	[***]	
	[***]	[***]	[***]	

EXHIBIT 8

**Subsidiaries of GLOBALFOUNDRIES Inc.
(as of December 31, 2024)**

Name of Subsidiary	Jurisdiction of Incorporation	Ownership by GlobalFoundries Inc.
GF Asia Investments Pte. Ltd.	Singapore	100%
GF Asia Sales Pte. Ltd.	Singapore	100%
GlobalFoundries Borrower LLC	Delaware	100%
GlobalFoundries Investments LLC	Delaware	100%
GlobalFoundries Netherlands Coöperatief U.A.	Netherlands	99%
GlobalFoundries Singapore Pte. Ltd.	Singapore	100%
GlobalFoundries Finance Inc.	Cayman	100%

Name of Subsidiary	Jurisdiction of Incorporation	Ownership by GF Asia Investments Pte. Ltd.
GA (Chengdu) Technology Co. Ltd.	China	100%

Name of Subsidiary	Jurisdiction of Incorporation	Ownership by GlobalFoundries Investments LLC
GlobalFoundries Netherlands Coöperatief U.A.	Netherlands	1%

Name of Subsidiary	Jurisdiction of Incorporation	Ownership by GlobalFoundries Netherlands Coöperatief U.A.
GlobalFoundries Netherlands Holding B.V.	Netherlands	100%
GlobalFoundries U.S. Inc.	Delaware	100%

Name of Subsidiary	Jurisdiction of Incorporation	Ownership by GlobalFoundries U.S. Inc.
GlobalFoundries Engineering Private Limited	India	0.01%
GlobalFoundries Innovation LLC	Delaware	100%
GlobalFoundries U.S. 2 LLC	Delaware	100%
Tagore Technology Inc.	Delaware	100%

Name of Subsidiary	Jurisdiction of Incorporation	Ownership by GlobalFoundries U.S. 2 LLC
GF Power LLC	Vermont	100%

Name of Subsidiary	Jurisdiction of Incorporation	Ownership by GlobalFoundries Netherlands Holding B.V.
GlobalFoundries Bulgaria EAD	Bulgaria	100%
GlobalFoundries Dresden Module One LLC	Delaware	6%

GlobalFoundries Dresden Module Two LLC	Delaware	100%
GlobalFoundries Engineering Private Limited	India	99.99%
GlobalFoundries Europe Sales & Support GmbH	Germany	100%
GlobalFoundries Management Services LLC & Co. KG	Germany	89.8%
GlobalFoundries France SAS	France	100%

Name of Subsidiary	Jurisdiction of Incorporation	Ownership by GlobalFoundries Management Services LLC & Co. KG
Advanced Mask Technology Center GmbH & Co. KG	Germany	50%(a)
GlobalFoundries Dresden Module One LLC	Delaware	94%
GlobalFoundries Dresden Module One Holding GmbH	Germany	100%
GlobalFoundries Dresden Module Two Holding GmbH	Germany	100%
Maskhouse Building Administration GmbH & Co. KG	Germany	50%(b)

Name of Subsidiary	Jurisdiction of Incorporation	Ownership by Advanced Mask Technology Center GmbH & Co. KG
Advanced Mask Technology Center Verwaltungs GmbH	Germany	100%

Name of Subsidiary	Jurisdiction of Incorporation	Ownership by Maskhouse Building Administration GmbH & Co. KG
Maskhouse Building Administration Verwaltungs GmbH	Germany	100%

Name of Subsidiary	Jurisdiction of Incorporation	Ownership by GlobalFoundries Dresden Module One Holding GmbH
GlobalFoundries Dresden Module One LLC & Co. KG	Germany	100%
GlobalFoundries Management Services LLC & Co. KG	Germany	5.1%

Name of Subsidiary	Jurisdiction of Incorporation	Ownership by GlobalFoundries Dresden Module Two Holding GmbH
GlobalFoundries Dresden Module Two LLC & Co. KG	Germany	100%
GlobalFoundries Management Services LLC & Co. KG	Germany	5.1%

Name of Subsidiary	Jurisdiction of Incorporation	Ownership by GlobalFoundries Singapore Pte. Ltd.
GlobalFoundries China (Beijing) Co., Limited	China	100%
GlobalFoundries China (Shanghai) Co., Limited	China	100%
GlobalFoundries Europe Ltd.	U.K.	100%
GlobalFoundries Japan Ltd.	Japan	100%
GlobalFoundries Taiwan Ltd.	Taiwan	100%
GlobalFoundries Malaysia Sdn. Bhd. (Malaysia)	Malaysia	100%

Name of Subsidiary	Jurisdiction of Incorporation	Ownership by Tagore Technology Inc.
Tagore Technology Private Limited	India	99.99%

Name of Subsidiary	Jurisdiction of Incorporation	Ownership by Globalfoundries Engineering Private Limited
Tagore Technology Private Limited	India	0.01%

(a) 50% held by Toppan Photomasks, Inc.

(b) 50% held by Toppan Photomasks, Inc.



Insider Trading Policy

Dated as of March 2025

Policy Owner

GLOBALFOUNDRIES Inc. (GF or Company) Legal Department, Finance Departments and Ethics & Compliance Office

Purpose/Executive Summary

U.S. federal, state and non-U.S. securities laws prohibit trading in the equity or debt securities of a company while in possession of Material Non-Public Information about the company. In order to take an active role in promoting compliance with such laws, and preventing insider trading violations by its officers, directors, employees and certain others, GF has adopted the policies and procedures described in this Policy.

Scope

This Policy applies to all officers, directors, employees and temporary employees of the Company and its subsidiaries and all independent consultants and contractors of the Company and its subsidiaries with whom the Company customarily signs confidentiality agreements.

Definitions

Company Person(s) means any and all of the persons listed in Scope above.

Company Securities means securities, including ordinary shares, options for ordinary shares, debt securities and any other securities the Company may issue from time to time, such as preferred shares, warrants and convertible debentures, as well as to derivative securities relating to Company Securities, including restricted share units issued by the Company and securities exchangeable into Company Securities, whether or not issued by the Company, such as exchange-traded options.

Designated Individuals means the Company Persons identified in the MNPI Portal (see *Quicklinks & Resources*). The Chief Legal Officer or the Deputy General Counsel, in consultation with the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), as



necessary, shall maintain the list of Designated Individuals, including by removing or adding persons to the list as necessary.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Insiders means Company Persons that have, or are likely to have, regular or special access to Material Non-Public Information about the Company in the normal course of their duties.

The Chief Legal Officer or Deputy General Counsel shall be responsible for designating Company Persons as Insiders by virtue of their position having, or a project exposing them to, enhanced risk of possessing Material Non-Public Information and similarly, removing Company Persons from the list of Insiders by virtue of their no longer having -enhanced risk of possessing Material Non-Public Information. The Chief Legal Officer or Deputy General Counsel shall maintain the current list of Insiders and periodically notify the Audit, Risk & Compliance Committee of the Board of Directors of any additions and removals.

The list of Insiders will be updated on at least a quarterly basis, and you will be notified by the Chief Legal Officer or their designee if you are considered an “Insider” under this Policy.

Legal when applied to Company officers means the Chief Legal Officer or such person or persons in the Legal Department designated by the General Counsel to administer this policy.

Material Non-Public information or **MNPI** has the meaning set forth in Section II.A.

Modification Termination has the meaning set forth in Section II.D.

Non-Rule 10b5-1 Plan has the meaning set forth in Section II.D.

Permitted Gift includes any transfer that satisfies all of the following requirements: it must be (1) either for the purpose of the donor’s estate planning (e.g., a transfer to a trust, the beneficiaries of which are members of the donor’s family) or for the purpose of charitable giving through a donor-advised fund; (2) a bona fide gift transfer without consideration (including consideration provided by any fund advised by the relevant donor); (3) made when a blackout period is not in effect; (4) made when the donor is not in possession of MNPI and has confirmed in writing to the Company that he or she is not in possession of MNPI; (5) pre-cleared by Legal, if the donor is a Designated Individual; (6) of shares that are not already covered by any existing Rule 10b5-1 Plan; (7) made by a donor in the absence



of any formal, informal, written or oral or otherwise, agreement, arrangement or understanding, or any reason to believe, that the recipient intends to enter into a Transaction of Company Securities within 30 days following such gift and in any case while the donor is or may be in possession of MNPI; and (8) in full compliance with all applicable laws and regulations.

Related Persons means the spouses, minor children and adult members of the households of Company Persons, and any entities that Company Persons directly or indirectly influence or control.

Tipping means disclosing Material Non-Public Information or making recommendations or expressing opinions on the basis of Material Non-Public Information to a person who engages in transactions in that company's securities.

Trading Day means a day on which the Nasdaq Stock Market is open for business.

Transactions means when applied to Company Securities includes but is not limited to purchases, sales, entry into contracts the value of which is determined by reference to Company Securities, any pledge, hypothecation or grant of a security interest in Company Securities, gifts (including Permitted Gifts) of Company Securities, or any donation or contribution of Company Securities to a charity or trust (including Permitted Gifts).

Waiting Period has the meaning set forth in Section II.D.

I. Applicability of Policy

This Policy applies to all Transactions in Company Securities. The prohibitions of this Policy apply to actions taken by Company Persons, including actions taken in their personal capacity in their personal brokerage accounts and other brokerage accounts that they control or influence.

Portions of this Policy impose additional obligations, including a prohibition on trading during quarterly blackout periods, on Insiders and Designated Individuals.

Further, the Company has determined that the trading activity of Designated Individuals is subject to pre-clearance.



The restrictions and prohibitions in this Policy on actions by Company Persons also apply to actions by Related Persons. All Company Persons are responsible for ensuring that such Related Persons do not engage in the activities restricted or prohibited under this Policy.

This Policy (and/or a summary thereof) shall be delivered to all new Company Persons upon the commencement of their relationship(s) with the Company and is to be circulated to all Company Persons at least annually.

Repurchases of Company Securities by GF and any Company Rule 10b5-1 plans shall not be covered by this Policy.

II. Statement of Policy

A. General Prohibition Against Insider Trading

No Trading or Tipping on Material Non-Public Information

No Company Person may, while in possession of Material Non-Public Information about the Company:

- buy, sell or otherwise engage in any Transactions, directly or indirectly, in any Company Securities, except as described under **C. Certain Exceptions** (see below);
- make recommendations or express opinions about trading in Company Securities on the basis of such information;
- disclose such information to any third party (except (1) in the case of Mubadala-nominated directors, to Mubadala, (2) to those subject to a confidentiality obligation to the Company or its subsidiaries or (3) to other third parties as otherwise approved by the Chief Legal Officer or such person or persons in the Legal Department designated by the Chief Legal Officer to administer this Policy (collectively, Legal), including family or household members; or
- assist anyone in the above activities.

The above restrictions also apply to transacting in the securities of another company (e.g., a customer, supplier, business partner or an economically-linked company, such as a competitor or peer company) while in possession of Material Non-Public Information relating to such other company (to the extent there is a reasonable likelihood that such information



would be considered important to an investor in making a decision to buy, hold, sell or vote securities of such other company), when that information is obtained in the course of employment with, or other services performed by, on behalf of or for, the Company or any subsidiary of the Company.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are not excepted from these restrictions. U.S. federal securities laws do not recognize mitigating circumstances and, in any event, even the appearance of an improper Transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct.

Material Non-Public Information

Material Information. It is not possible to define all categories of material information as the ultimate determination of materiality by enforcement authorities will be based on an assessment of all of the facts and circumstances. Information that is material at one point in time may cease to be material at another point in time, and vice versa.

In general, information is considered "material" if there is a reasonable likelihood that it would be considered important to an investor in making a decision to buy, hold or sell securities. Any information that could be expected to affect a company's share price, whether positive or negative, and whether the change is large or small, may be considered material.

While it may be difficult under this standard to determine whether particular information is material, there are various categories of information that are particularly sensitive and generally would be considered material. Examples of such information include:

- Financial results;
- Projections of future revenues, earnings or losses;
- Announcement of a significant new product, service or business line, or timing thereof;
- News of a pending or proposed merger;
- News of the disposition or acquisition of significant assets or a subsidiary;
- Material impairments, write-offs or restructurings;



- Creation of a material direct or contingent financial obligation;
- Impending bankruptcy or financial liquidity problems;
- Significant cybersecurity incidents;
- The gain or loss of a substantial customer or supplier;
- Changes in dividend policy;
- Significant product or service defects or modifications;
- Significant pricing changes;
- Share splits;
- New equity or debt offerings;
- Significant litigation or regulatory exposure due to actual or threatened litigation, investigation or enforcement activity, or significant developments related thereto;
- Major changes in senior management;
- Entry into material agreements not in the ordinary course of business (or amendment or termination thereof); and
- Termination or reduction of business relationship with a customer that provides material revenue to the Company.

The Chief Legal Officer or their designee, in consultation as appropriate with the CEO, the CFO or other members of senior management of the Company, has the authority to determine whether any information constitutes Material Non-Public Information.

Non-Public Information. Information is not considered public until it has been disclosed broadly to the marketplace (for example, included in a press release or a filing with the Securities and Exchange Commission (SEC)) and the investing public has had time to absorb the information fully. Information will be considered fully absorbed (1) if the information is released prior to 9:30 a.m. U.S. Eastern Time, on a Trading Day, by 9:30 a.m. U.S. Eastern Time on the first Trading Day after the information is released and (2) if the information is released on or after 9:30 a.m. U.S. Eastern Time, on a Trading Day or on a day that is not a Trading Day, by 9:30 a.m. U.S. Eastern Time on the second Trading Day



after the information is released. If, for example, the Company were to make an announcement on Monday at 8:00 a.m., the information in the announcement would be considered public (and trades could be made) starting at 9:30 a.m. U.S. Eastern Time on Tuesday (assuming all relevant days are Trading Days). However, if the Company were to make an announcement on Monday at 5:00 p.m., the information in the announcement would be considered public (and trades could be made) starting at 9:30 a.m. U.S. Eastern Time on Wednesday (assuming all relevant days are Trading Days).

B. Special Restrictions and Prohibitions

The following Transactions present heightened legal risk and/or the appearance of improper or inappropriate conduct on the part of Company Persons and are restricted or prohibited as follows. These restrictions and prohibitions apply *even if* the relevant Company Person is not in possession of Material Non-Public Information.

Short Sales

Short sales of a security (*i.e.*, the sale of a security that the seller does not own) by their nature reflect an expectation that the value of the security will decline. Short sales can create perverse incentives for the seller, and signal to the market a lack of confidence in the Company's prospects. Accordingly, no Company Person may engage in a short sale of Company Securities.

Publicly Traded Options

A put is a right to sell a security at a specific price before a set date, and a call is a right to buy a security at a specific price before a set date. Generally, put options are purchased when a person believes the value of a security will fall, and call options are purchased when a person believes the value of a security will rise. A Transaction in options is, in effect, a bet on the short-term movement of the Company Securities and therefore creates the appearance of trading on the basis of Material Non-Public Information. Transactions in options may also focus a Company Person's attention on short-term performance at the expense of the Company's long-term objectives.

Accordingly, no Company Person may engage in a put, call or other derivative security Transaction relating to Company Securities in an organized market. Nothing in this paragraph shall prohibit the receipt of equity awards from the Company or the exercise of such awards under Company agreements and policies.

Hedging Transactions



Certain forms of hedging or monetization Transactions, including zero-cost collars, equity swaps, exchange funds and forward sale contracts, allow a shareholder to lock in much of the value of their shareholdings, often in exchange for all or part of the potential for upside appreciation in the share. These Transactions allow shareholders to continue to own the covered securities, but without the full risks and rewards of ownership. Because participating in these Transactions may cause Company Persons to no longer have the same objectives as the Company's other shareholders, no Company Persons may engage in such Transactions.

Margin Accounts and Pledges

Securities held in margin accounts for collateral as a margined loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. A margin sale or foreclosure sale that occurs at a time when the pledgor is aware of Material Non-Public Information or otherwise is not permitted to trade in Company Securities would fall under the restrictions in this Policy on trading during such times. Therefore, Company Persons are generally prohibited from margining Company Securities or pledging Company Securities as collateral for a loan. An exception to this prohibition may be granted where a Company Person wishes to pledge Company Securities as collateral for a loan (not including margin debt) and clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities. Any Company Person who wishes to pledge Company Securities as collateral for a loan must pre-clear the proposed Transaction with Legal by submitting a request at least two weeks prior to the proposed execution of documents evidencing the proposed pledge, and must provide evidence demonstrating the financial capacity to repay the loan without resort to the pledged securities.

Blackout Periods

The Company has established quarterly blackout periods, and may impose additional, special blackout periods, each as described below. While blackout periods generally will apply only to Insiders and Designated Individuals, other Company Persons may also be subject to blackout periods if determined to be necessary or appropriate by the Chief Legal Officer or Legal. You will be notified if you are subject to a blackout period. If you are unclear whether you are subject to a blackout period at any time, please contact Legal

Quarterly Blackout Periods. Quarterly blackout periods start nineteen days prior to the end of a fiscal quarter and end at (1) 9:30 a.m. U.S. Eastern Time on the first Trading



Day following the release to the public of the Company's earnings for the fiscal quarter or fiscal year if such release occurs prior to 9:30 a.m. U.S. Eastern Time on a Trading Day or (2) 9:30 a.m. U.S. Eastern Time on the second Trading Day following such release if such release occurs on or after 9:30 a.m. U.S. Eastern Time on a Trading Day or on a day that is not a Trading Day. Quarterly blackout periods apply to Insiders and Designated Individuals, and not to other Company Persons unless otherwise notified by the Chief Legal Officer Counsel or his or her designee. Designated Individuals and Insiders (and any identified Company Persons subject to such blackout period may not conduct any Transactions in Company Securities during quarterly blackout periods.

The Company recognizes that sometimes an individual may experience exceptional circumstances that may necessitate a Transaction during a blackout period. In that case, the relevant individual must request permission to do so from the Chief Legal Officer. Permission to transact within a blackout period is at the discretion of the Chief Legal Officer.

Special Blackout Periods. From time to time the Chief Legal Officer may impose special blackout periods, during which any identified Designated Individuals, Insiders and/or Company Persons will be prohibited from engaging in Transactions in Company Securities. In the event of a special blackout period, Legal will notify the affected Designated Individuals, Insiders and Company Persons, who will be prohibited from engaging in any Transaction involving Company Securities until further written notice. The imposition of a special blackout period is itself confidential information, and the fact that it has been imposed may not be disclosed to others. To be clear, the prohibitions associated with a special blackout period may be imposed on any Company Person, and not just Insiders or Designated Individuals.

Modification of a Blackout Period. The Chief Legal Officer may shorten, suspend, terminate or extend any blackout period at such time and for such duration as they deem appropriate given the relevant circumstances. Any person affected by such a modification will be appropriately notified.

Employee Stock Purchase Plan (ESPP)

Given senior management's unique access to Material Non-Public Information, all Senior Vice Presidents and above are not permitted to enroll during an ESPP enrollment period that occurs during a blackout period to avoid any appearance of impropriety and reputational risk to the Company. All other eligible employees may enroll in the ESPP, even during a blackout period.



C. Certain Exceptions

The following routine Transactions, within the limits described, are generally not subject to the restrictions on trading in this Policy. The Company reserves, though, the right to prohibit any such Transaction as it, in its sole discretion, deems necessary or appropriate.

Share Option Exercises

This Policy does not apply to the exercise of any employee share options, where a Company Person pays the exercise price and tax withholding with cash out-of-pocket and holds the shares, or to a “net exercise,” pursuant to which a Company Person pays the exercise price with cash out-of-pocket and a portion of the shares are withheld to satisfy tax withholding requirements, or pursuant to which a Company Person has been deemed to have directed that vested options be automatically exercised. This Policy does apply, however, to any sale of shares after any such exercises and to any broker-assisted cashless exercise of an option that requires a sale into the market to generate proceeds for the exercise price or any other market sale for the purpose of generating the cash needed to pay the exercise price of, or to satisfy tax withholding obligations on, an option.

Restricted Share and Restricted Share Unit Awards

This Policy does not apply to the vesting and settlement of restricted shares and restricted share units, or the withholding or sale of shares back to the Company to satisfy tax withholding obligations upon the vesting of any restricted shares or restricted share units. The Policy does apply, however, to any market sale of shares after vesting or settlement.

Indirect Investing

This Policy does not apply to the trading, on a national securities exchange, of shares of diversified mutual funds and diversified exchange-traded funds (ETFs) that hold Company Securities. Other forms of indirect investment, including through partnerships or private funds, that invest in Company Securities are subject to this Policy.

D. Additional Procedures and Guidelines

Transactions under Rule 10b5-1 Plans

Implementation of a trading plan under Rule 10b5-1 under the Exchange Act allows a person to place a standing order with a broker to purchase or sell Company Securities, so



long as the plan specifies the dates, prices and amounts of the planned trades or establishes a formula for those purposes. Trades executed pursuant to a Rule 10b5-1 plan that meets the requirements listed below may generally be executed even though the person who established the plan may be in possession of Material Non-Public Information at the time of the trade.

Any other trading plans, arrangements or instructions that are not implemented in full compliance with all of the requirements of Rule 10b5-1 in the manner contemplated by Item 408 of Regulation S-K of the Exchange Act are referred to as “**Non-Rule 10b5-1 Plans**”. Any adoption, material modification or termination of a Non-Rule 10b5-1 plan by Designated Individuals and Insiders must be disclosed to Legal in advance, provide for suspension of Transactions during a blackout period, and such Designated Individuals and Insiders acknowledge and agree that such information may be disclosed in the Company’s public disclosures. For example, if a Designated Individual or Insider has transferred Company Securities to another brokerage account or another account within Fidelity (i.e., not such person’s GF account on Fidelity), any limit orders in those accounts may be considered Non-Rule 10b5-1 plan and accordingly would be subject to the above. Notwithstanding the foregoing, limit orders made in a Designated Individual’s or Insider’s GF account on Fidelity are automatically suspended during a blackout period and accordingly do not have to be disclosed to Legal. If you are not sure if a transaction you are undertaking is considered a Non-Rule 10b5-1 plan, please consult Legal prior to entering into the transaction. Any other questions regarding Non-Rule 10b5-1 plans should also be directed to Legal.

A Rule 10b5-1 plan (also referred to as a trading plan) may only be established, modified (including any Modification Terminations) and terminated when a person is not in possession of Material Non-Public Information and when a blackout period is not in effect. Anyone subject to this Policy who wishes to enter into a Rule 10b5-1 plan must submit the proposed trading plan to Legal for prior written approval pursuant to the Form of Trading Clearance Application. A request for pre-clearance should be submitted at least two to five days in advance of the proposed signing date of the Rule 10b5-1 plan and at a time when the requestor has no Material Non-Public Information. Legal is under no obligation to approve any trading plan. If required by Legal, all Rule 10b5-1 plans must be placed through such broker as Legal directs. Subsequent modifications to and terminations of any Rule 10b5-1 plan must also be pre-approved by Legal. Approvals will be provided on a limited basis, generally only for Designated Individuals, as determined by Legal in its sole discretion. Whether or not approval will be granted will depend on all the facts and circumstances at the time, but at the minimum, any trading plan submitted for approval must satisfy the following requirements:



- The Rule 10b5-1 plan must be in writing and entered into (signed) and constitute a binding contract to purchase or sell Company Securities only when a blackout period is not in effect and when the individual is not in possession of Material Non-Public Information;
- Any Designated Individual requesting approval of a Rule 10b5-1 plan for approval must certify and agree in writing, in the terms of the trading Rule 10b5-1 plan, at the time of the adoption of such plan (whether a new plan or due to a Modification Termination) that: (1) they are not aware of Material Non-Public Information about the Company or the Company Securities and (2) they are adopting the Rule 10b5-1 plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5;
- The Rule 10b5-1 plan must be adopted in good faith and not as part of a plan or scheme to evade the anti-fraud rules under the U.S. federal securities laws, and the individual entering into the Rule 10b5-1 plan must at all times act in good faith with respect to the trading plan;
- The Rule 10b5-1 plan must provide that all trades made under such plan must be done through Fidelity or a registered broker-dealer approved by Legal;
- The Rule 10b5-1 plan must specify the amount of, dates on, and price(s) at which the Company Securities are to be traded or establish a written formula, algorithm or computer program for determining such items;
- The Rule 10b5-1 plan must permit its termination or suspension by the Company at any time when the Company believes that trading pursuant to its terms may not lawfully occur or because of extraordinary Company events;
- A Rule 10b5-1 must have a term of at least one year from the date of the Rule 10b5-1 plan;
- Transactions under the Rule 10b5-1 plan (or any modification including Modification Terminations to such plan) may not commence until the longer of (a) 90 days from the date the plan is executed and (b) two (2) business days following the submission of the quarterly report on Form 6-K or annual report on Form 20-F for the quarter in which the plan was entered into, up to a maximum of 120 days after signing of the Rule 10b5-1 plan (or such longer period as Legal may direct ; any such waiting period, the **Waiting Period**); and



- Any modification to the amount, price or timing of the purchase or sale of securities under the Rule 10b5-1 plan, as well as any change to a formula, algorithm or computer program affecting such factors (any such modification a “**Modification Termination**”) must be made only when a blackout period is not in effect and when the individual is not in possession of Material Non-Public Information, and any such Modification Termination shall be deemed to be a termination of the current Rule 10b5-1 plan and the adoption of a new Rule 10b5-1 plan for purposes of restarting the Waiting Period.

In addition, each individual establishing or modifying (including any Modification Terminations) a Rule 10b5-1 plan must acknowledge and agree to comply with the following:

- The individual may not adopt more than one trading plan at a time, except under the limited circumstances permitted by Rule 10b5-1 and subject to pre-approval by Legal, and no Transactions, other than Permitted Gifts, may be effected outside the trading plan (i.e., no overlapping trades) unless separately approved by Legal through the pre-clearance process outlined further below;
- Single-trade plans are not permitted, except in the case of a sell-to-cover plan to satisfy tax withholding obligations incident to the vesting of restricted stock units and restricted stock awards, and an individual may not have more than one single-trade trading plan in any 12-month period;
- A Rule 10b5-1 plan generally should not be modified or terminated once it is executed to avoid calling into question the original “bona fides” of the plan. However, if the individual still wishes to amend or terminate their Rule 10b5-1 plan, such amendment (whether in the form of a modification or an early termination) must be approved by Legal and made only under the following conditions: (a) during a non-blackout period, (b) when the person is not in possession of Material Non-Public Information, (c) only once during a calendar year, and (d) Transactions under the amended plan may not commence until after the Waiting Period;
- No Rule 10b5-1 plan of a Rule 144 Affiliate (as defined under SEC Rule 144) may effect any Transactions in the one week period prior to the Company’s earnings release;
- Rule 10b5-1 plans (or Non-Rule 10b5-1 plans, for that matter) do not obviate the need to file a Form 144 (as discussed below under Restrictions on Resales of Securities) and the fact that a reported Transaction was made or is to be made pursuant to a trading plan should be noted on the applicable Form;



- A copy of the executed version of any pre-cleared trading plan must be provided to Legal for retention in the Company's records, and depending on the facts and circumstances, the Chief Legal Officer may require other conditions to pre-clearance; and
- Any Designated Individual entering into a Rule 10b5-1 plan (or a Non-Rule 10b5-1 plan, as applicable) acknowledges and agrees that information regarding the adoption, modification (including, but not limited to any Modification Termination) and termination of any such plan must be pre-cleared by Legal and shared with the Company promptly following any such adoption, modification or termination, and information about any such actions, as well as the material terms of any Rule 10b5-1 plan (or Non-Rule 10b5-1 plan, as applicable), may be disclosed in the Company's public disclosures (including those filed with the SEC, such as the Company's quarterly reports on Form 6-K and annual report on Form 20-F) in accordance with applicable legal requirements.

The foregoing guidelines may be modified at any time at the discretion of the Chief Legal Officer upon written notice to participants and potential participants.

Designated Individuals Pre-Clearance

Designated Individuals must obtain written pre-clearance from Legal before transacting in Company Securities, including for Transactions (including, for the avoidance of doubt, Permitted Gifts) occurring outside a blackout period, any entry into, Modification, Termination or termination of a Rule 10b5-1 plan or Non-Rule 10b5-1 plan (as applicable), any exercise of director or employee share options and any gifts of Company Securities. The Form of Trading Clearance Application is provided for such purpose. A request for pre-clearance for ordinary course Transactions (buy, sell, exercise, any Permitted Gift, etc.) should be submitted at least two to three days in advance of the proposed Transaction. Legal is under no obligation to approve any trade. Pre-clearance approval of any Transaction is valid only for a period of five full trading days and may be revoked at any time during that period. If the transaction order is not placed within that period, pre-clearance must be requested and approved in writing again. Requesting persons must treat denials of pre-clearance requests as confidential.

Restrictions on Resales of Securities

Any Company Person who owns Company Securities that are restricted (i.e., that were granted by or purchased from the Company without having first been registered with



the SEC) may only sell those Company Securities pursuant to Rule 144 promulgated under the Securities Exchange Act of 1934, as amended, or an effective registration statement.

A Designated Individual (or anyone who may be considered an “affiliate” of the Company, as that term is used in Rule 144) who owns Company Securities (even those purchased on the open market) may only sell them pursuant to Rule 144 or an effective registration statement. Any Designated Individual or “affiliate” of the Company selling Company Securities pursuant to Rule 144 is responsible for any required filings with the SEC in connection with such sales pursuant to Rule 144. If you are not sure whether you are considered an “affiliate” of the Company, please contact Legal.

Confidentiality of All Non-Public Information

Company Persons must maintain the confidentiality of the Company’s non-public information. In the event a Company Person receives any inquiry or request for information (particularly financial results and/or projections, and including to affirm or deny information about the Company), from any person or entity outside the Company, such as a stock analyst, and it is not part of such Company Person’s regular corporate duties to respond to such inquiry or request, the inquiry should be referred to Investor Relations, which will determine whether such inquiry should also be forwarded to Legal. Please see the Company’s Investor Relations Policy.

Notwithstanding anything herein or in any other policy or agreement to the contrary, nothing in this Policy shall:

- prohibit employees from making reports of possible violations of U.S. federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Exchange Act or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of U.S. federal law or regulation; or
- require notification or prior approval by the Company of any such report; provided that, employees are not authorized to disclose communications with counsel that were made for the purpose of receiving legal advice or that contain legal advice or that are protected by the attorney work product or similar privilege.

Furthermore, employees shall not be held criminally or civilly liable under any U.S. federal or state trade secret law for the disclosure of a trade secret that is made:



- in confidence to a U.S. federal, state or local government official, either directly or indirectly, or to an attorney, in each case, solely for the purpose of reporting or investigating a suspected violation of law; or
- in a complaint or other document filed in a lawsuit or proceeding, if such filings are made under seal.

Individual Responsibility

All Company Persons have the individual responsibility to comply with this Policy. A Company Person may, from time to time, need to forgo a proposed Transaction in Company Securities even if he or she planned to make the Transaction before learning of the Material Non-Public Information. While Legal and the Ethics & Compliance Office can and should be consulted regarding the application of this Policy, including the appropriateness of engaging in a particular Transaction at a particular time, the responsibility for adhering to this Policy and avoiding unlawful Transactions, and ensuring that Related Persons do the same, rests with each Company Person.

Post-Termination Transactions

If Company Persons are in possession of Material Non-Public Information when their employment or service terminates, such persons may not trade in Company Securities (or another company's securities, as described in this Policy) until such information has become public or is no longer material. However, if a Company Person is also an Insider or a Designated Individual and their employment or service terminates during a blackout period, the Insider or Designated Individual must wait until the next open window before they may trade in Company Securities (or another company's securities, as described in the policy). Insiders and Designated Individuals at the level of Senior Vice Presidents and above may be subject to longer a waiting period before they may trade, as determined by the Chief Legal Officer or the Deputy General Counsel in their stead.

III. Potential Criminal and Civil Liability and/or Disciplinary Action

Criminal and Civil Liability

Pursuant to U.S. federal, state and non-U.S. securities laws, persons engaging in (i) transactions in a company's securities at a time when they have Material Non-Public Information regarding the company, or (ii) Tipping, may be subject to significant monetary fines and imprisonment. The Company and its supervisory personnel also face potential civil



and criminal liability if they fail to take appropriate steps to prevent illegal insider trading. The SEC has imposed large penalties even when the disclosing person did not profit from the trading; there is no minimum amount of profit required for prosecution.

Possible Disciplinary Action

Company Persons who violate this Policy will be subject to disciplinary action by the Company, which may include ineligibility for future participation in the Company's equity incentive plans or termination of employment. The Company may also refer potential violations of law to the appropriate authorities for criminal or civil enforcement.

IV. Monitoring Compliance

Legal and the Ethics & Compliance Office will implement reasonable measures to enable compliance with this Policy and the Chief Legal Officer will periodically review this Policy with the Audit, Risk and Compliance Committee of the Board of Directors. In addition to the other duties of Legal under this Policy, Legal will be responsible for the following:

- Pre-clearing all Transactions (including, for the avoidance of doubt, any Permitted Gifts) involving Company Securities by Designated Individuals in order to determine compliance with this Policy, U.S. federal, state, and non-U.S. securities laws;
- Sending periodic reminders to affected Company Persons regarding the start and completion of the blackout periods;
- Sending notifications to affected Designated Individuals, Insiders and other affected Company Persons regarding special blackout periods;
- Performing of periodic spot-checks of available materials, which may include Form 144 filings, officers' and directors' questionnaires, and reports received from the Company's shares administrator and transfer agent;
- Soliciting and reviewing information regarding and preparing required public disclosures to be included in the Company's reports to be filed with the SEC about various trades, the material terms of any Rule 10b5-1 plans and Non-Rule 10b5-1 plans (as applicable) and any actions taken to establish, modify (including Modification Terminations) and terminate any such Rule 10b5-1 plans and any Non-Rule 1-b5-1 plans, as set forth in this Policy;



- Periodically (at least annually) circulating this Policy (and/or a summary thereof) and coordinating training about this Policy for all Company Persons;
- Promptly circulating this Policy and coordinating training to all persons who become Company Persons;
- Maintaining a current version of this Policy on the Company's intranet website accessible to Company Persons; and
- Assisting the Company in implementing this Policy, including monitoring relevant changes in law, regulation or best practices and making appropriate changes to this Policy and related practices and procedures.

The Chief Legal Officer may delegate the responsibilities under this Policy to persons under the Chief Legal Officer's supervision, but the Chief Legal Officer has ultimate responsibility for all matters pertaining to the interpretation and enforcement of this Policy. Human Resources, the Ethics & Compliance Office and other company departments will assist in communications and administration of this Policy as requested by Legal.

V. Inquiries

Any person who has a question about this Policy or its application to any proposed Transaction may obtain additional guidance from Legal or the Ethics & Compliance Office. If there is any uncertainty as to the appropriateness of any such communications, please consult with Legal or the Ethics & Compliance Office before speaking with anyone, especially brokers or any other persons or entities contemplating or executing securities trades. Ultimately, however, the responsibility for adhering to this Policy and avoiding unlawful Transactions rests with the individual employee or other applicable individual.

CERTIFICATION

I, Dr. Thomas Caulfield, certify that:

1. I have reviewed this annual report on Form 20-F of GLOBALFOUNDRIES Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 20, 2025

By: /s/ Thomas Caulfield

Name: Dr. Thomas Caulfield

Title: President & Chief
Executive Officer

CERTIFICATION

I, John Hollister, certify that:

1. I have reviewed this annual report on Form 20-F of GLOBALFOUNDRIES Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 20, 2025

By: /s/ John Hollister

Name: John Hollister

Title: Chief Financial Officer

CERTIFICATION

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of GLOBALFOUNDRIES Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

1. The Annual Report on Form 20-F for the year ended December 31, 2024 (the "Form 20-F") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 20, 2025

By: /s/ Thomas Caulfield
Name: Dr. Thomas Caulfield
Title: President & Chief
Executive Officer

Date: March 20, 2025

By: /s/ John Hollister
Name: John Hollister
Title: Chief Financial Officer

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statement (No. 333-260674) on Form S-8 of our report dated April 29, 2024, with respect to the consolidated financial statements of GLOBALFOUNDRIES Inc. and subsidiaries.

/s/ KPMG LLP

Singapore
March 20, 2025

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form F-3 (No. 333-279625) and Form S-8 (No. 333-260674) of GLOBALFOUNDRIES Inc. of our report dated March 20, 2025 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers LLP

San Jose, California

March 20, 2025