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

FORM 6-K

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

For the month of August 2024

Commission File Number 001-40974

GLOBALFOUNDRIES Inc.

400 Stonebreak Road Extension
Malta, NY 12020

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

Form 20-F ☒ Form 40-F ☐

Attached hereto are the following exhibits.

Exhibit 99.1	Unaudited Interim Condensed Consolidated Financial Statements as of June 30, 2024 and December 31, 2023 and for the three six months ended June 30, 2024 and 2023.
Exhibit 99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended June 30, 2024 and 2023.

SIGNATURES

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

GLOBALFOUNDRIES Inc.

Date: August 6, 2024	By:	/s/ John Hollister
	Name:	John Hollister
	Title:	Chief Financial Officer

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INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of June 30, 2024 and December 31, 2023
(Unaudited)

(in millions except for share amounts)	As of June 30, 2024	As of December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,184	$ 2,387
Marketable securities	1,183	1,033
Receivables, prepayments and other assets	1,127	1,420
Inventories	1,786	1,487
Total current assets	**6,280**	**6,327**
Non-current assets:		
Property, plant and equipment, net	9,234	9,829
Right of use assets	510	335
Goodwill and intangible assets, net	461	391
Marketable securities	778	468
Other non-current financial assets	78	110
Deferred tax assets	211	241
Receivables, prepayments and other assets	375	343
Total non-current assets	**11,647**	**11,717**
Total assets	**$ 17,927**	**$ 18,044**
LIABILITIES AND EQUITY		
Current liabilities:		
Trade payables and other current liabilities	$ 2,105	$ 2,349
Provisions	16	54
Current portion of deferred income from government grants	92	93
Current portion of lease obligations	87	32
Current portion of long-term debt	534	571
Total current liabilities	**2,834**	**3,099**
Non-current liabilities		
Non-current portion of long-term debt	1,687	1,801
Non-current portion of deferred income from government grants	250	267
Provisions	206	186
Non-current portion of lease obligations	445	350
Other non-current liabilities	1,206	1,190
Total non-current liabilities	**3,794**	**3,794**
Total liabilities	**$ 6,628**	**$ 6,893**
Equity:		
Share capital		
Ordinary shares, $0.02 par value, 551,777,466 and 553,548,190 shares issued and outstanding as of June 30, 2024 and December 31, 2023	$ 11	$ 11
Additional paid-in capital	23,914	24,027
Accumulated deficit	(12,713)	(13,001)
Accumulated other comprehensive income	40	67
Equity attributable to the shareholders of GlobalFoundries Inc.	**11,252**	**11,104**
Non-controlling interest	47	47
Total equity	**11,299**	**11,151**
Total liabilities and equity	**$ 17,927**	**$ 18,044**

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

GlobalFoundries Inc

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE
Three and Six Months Ended June 30, 2024 and 2023
(Unaudited)

(in millions except per share amounts)	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
	2024	**2023**	**2024**	**2023**
Net revenue	$ 1,632	$ 1,845	$ 3,181	$ 3,686
Cost of revenue	1,237	1,313	2,393	2,639
Gross profit	**395**	**532**	**788**	**1,047**
Research and development expense	121	106	245	215
Selling, general and administrative expense and other	114	132	236	243
Restructuring charges	5	19	5	24
Operating expense	**240**	**257**	**486**	**482**
Income from operations	**155**	**275**	**302**	**565**
Finance income (expense) net	16	—	26	1
Other income (expense), net	(4)	(10)	(6)	(24)
Income before income taxes	**167**	**265**	**322**	**542**
Income tax expense	(12)	(28)	(33)	(51)
Net income	**$ 155**	**$ 237**	**$ 289**	**$ 491**
Attributable to:				
Shareholders of GlobalFoundries Inc.	155	240	288	494
Non-controlling interest	—	(3)	1	(3)
Net income	**$ 155**	**$ 237**	**$ 289**	**$ 491**
Net earnings per share attributable to the equity holders of the Company:				
Basic	$ 0.28	$ 0.43	$ 0.52	$ 0.90
Diluted	$ 0.28	$ 0.43	$ 0.52	$ 0.89
Weighted average common shares outstanding:				
Basic	554	552	554	551
Diluted	557	556	557	556

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

GlobalFoundries Inc.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) FOR THE Three and Six Months Ended June 30, 2024 and 2023
(Unaudited)

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income				
Attributable to:				
Shareholders of GlobalFoundries Inc.	$ 155	$ 240	$ 288	$ 494
Non-controlling interest	—	(3)	1	(3)
Net income	**$ 155**	**$ 237**	**$ 289**	**$ 491**
Other comprehensive income (loss), net of tax:				
Items that may be reclassified subsequently to profit:				
Share of foreign exchange fluctuation reserve of joint ventures	$ (1)	$ (3)	$ (4)	$ (1)
Effective portion of changes in the fair value of cash flow hedges	2	(16)	(20)	(13)
Fair value on investments measured at fair value through other comprehensive income	(1)	(3)	(4)	—
Total other comprehensive loss	**$ —**	**$ (22)**	**$ (28)**	**$ (14)**
Attributable to:				
Shareholders of GlobalFoundries Inc.	$ (1)	$ (23)	$ (27)	$ (15)
Non-controlling interest	1	1	(1)	1
Total other comprehensive loss	**$ —**	**$ (22)**	**$ (28)**	**$ (14)**
Total comprehensive income	**$ 155**	**$ 215**	**$ 261**	**$ 477**
Attributable to:				
Shareholders of GlobalFoundries Inc.	$ 154	$ 217	$ 261	$ 479
Non-controlling interest	1	(2)	—	(2)
Total comprehensive income	**$ 155**	**$ 215**	**$ 261**	**$ 477**

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

GlobalFoundries Inc.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE Three and Six Months Ended June 30, 2024 and 2023 (Unaudited)

(in millions)	Common Shares		Additional Paid-In Capital	Accumulated Deficit	Hedging Reserve	Foreign Currency Translation and Investments Reserves	Total	Non-Controlling Interest	Total Equity
	Shares	Amount							
December 31, 2022	**548**	**$ 11**	**$ 23,831**	**$ (14,021)**	**$ 103**	**$ (11)**	**$ 9,913**	**$ 47**	**$ 9,960**
Proceeds from issuance of equity instruments	4	—	50	—	—	—	50	—	50
Share-based compensation	—	—	35	—	—	—	35	—	35
Net income	—	—	—	254	—	—	254	—	254
Other comprehensive income	—	—	—	—	3	$ 5	8	—	8
March 31, 2023	**552**	**$ 11**	**$ 23,916**	**$ (13,767)**	**$ 106**	**$ (6)**	**$ 10,260**	**$ 47**	**$ 10,307**
Proceeds from issuance of equity instruments	1	—	8	—	—	—	8	—	8
Share-based compensation	—	—	44	—	—	—	44	—	44
Net income	—	—	—	240	—	—	240	(3)	237
Other comprehensive income (loss)	—	—	—	—	(16)	(7)	(23)	1	(22)
June 30, 2023	**553**	**$ 11**	**$ 23,968**	**$ (13,527)**	**$ 90**	**$ (13)**	**$ 10,529**	**$ 45**	**$ 10,574**
December 31, 2023	**554**	**$ 11**	**$ 24,027**	**$ (13,001)**	**$ 66**	**$ 1**	**$ 11,104**	**$ 47**	**$ 11,151**
Proceeds from issuance of equity instruments	1	—	23	—	—	—	23	—	23
Exercise of stock options	—	—	(25)	—	—	—	(25)	—	(25)
Share-based compensation	—	—	42	—	—	—	42	—	42
Net income	—	—	—	133	—	—	133	1	134
Other comprehensive income (loss)	—	—	—	—	(22)	(4)	(26)	(2)	(28)
March 31, 2024	**555**	**$ 11**	**$ 24,067**	**$ (12,868)**	**$ 44**	**$ (3)**	**$ 11,251**	**$ 46**	**$ 11,297**
Proceeds from issuance of equity instruments and other	1	—	(4)	—	—	—	(4)	—	(4)
Purchase of treasury stock	(4)	—	(200)	—	—	—	(200)	—	(200)
Share-based compensation	—	—	51	—	—	—	51	—	51
Net income	—	—	—	155	—	—	155	—	155
Other comprehensive income (loss)	—	—	—	—	2	(3)	(1)	1	—
June 30, 2024	**552**	**$ 11**	**$ 23,914**	**$ (12,713)**	**$ 46**	**$ (6)**	**$ 11,252**	**$ 47**	**$ 11,299**

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

GlobalFoundries Inc.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE
Six Months Ended June 30, 2024 and 2023
(Unaudited)

(in millions)	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 289	$ 491
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	731	619
Amortization of intangible assets	63	64
Share-based compensation	93	79
Finance income	(100)	(65)
Finance expense	74	65
Deferred income taxes, net	29	46
Gain on disposal of property, plant and equipment and other	(28)	(2)
Change in assets and liabilities:		
Receivables, prepayments, other assets and other non-current assets	224	58
Inventories	(299)	(165)
Current and non-current trade and other payables	(190)	(158)
	(265)	(265)
Interest received	82	55
Interest paid	(61)	(59)
Income taxes (paid) refunded	(17)	(3)
Net cash provided by operating activities	**$ 890**	**$ 1,025**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment, net	(282)	(1,195)
Purchase of intangible assets	(46)	(57)
Proceeds from sale of a business	—	238
Purchases of marketable securities	(1,047)	(905)
Proceeds from sale of marketable securities	599	434
Other investing activities	6	11
Net cash used in investing activities	**$ (770)**	**$ (1,474)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from borrowings	—	44
Repayments of debt and lease obligations	(144)	(161)
Proceeds from issuance of equity instruments	23	46
Purchase of treasury stock	(200)	—
Net cash used in financing activities	**$ (321)**	**$ (71)**
Effect of exchange rate changes on cash and cash equivalents	(2)	—
Net decrease in cash and cash equivalents	**$ (203)**	**$ (520)**
Cash and cash equivalents at the beginning of the period	2,387	2,352
Cash and cash equivalents at the end of the period	**$ 2,184**	**$ 1,832**

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

Note 1. Corporate Information

Company Operations

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

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

Note 2. Basis of Presentation, Summary of Material Accounting Policies and Critical Judgements, Estimates and Assumptions

Statement of Compliance — The interim condensed consolidated financial statements ('interim financial statements") have been prepared in accordance with IAS 34*, Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). Certain information and footnote disclosures normally included in the annual audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the IASB, have been omitted or condensed. These interim financial statements should be read in conjunction with GlobalFoundries' Annual Report on Form 20-F for the year ended December 31, 2023. The interim statements have been prepared on a basis consistent with the accounting policies disclosed in the December 31, 2023 audited consolidated financial statements.

The interim financial statements are unaudited and reflect adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to provide a fair statement of results for the interim periods in accordance with IAS 34 as issued by the IASB.

The interim financial statements were authorized by the Audit, Risk and Compliance Committee of GlobalFoundries’ Board of Directors on August 4, 2024, to be issued and subsequent events have been evaluated for their potential effect on the interim financial statements through August 6, 2024.

Summary of Material Accounting Policies and Critical Judgments, Estimates and Assumptions — The summary of material accounting policies and critical judgments, estimates and assumptions adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual audited consolidated financial statements contained in our Annual Report on Form 20-F for the year ended December 31, 2023.

Change in Presentation — Certain prior period balances in the condensed consolidated statement of financial position and accompanying notes have been reclassified to conform to current period presentation.This change is not a change in accounting policy. Such reclassifications had no impact on net income, cash flows or shareholders' equity previously reported.

New and Amended Accounting Pronouncements Adopted — On January 1, 2024, the Company adopted the following amendments, which did not have a material impact on the interim financial statements:

Classification of Liabilities as Current or Non-current (Amendments to IAS 1) — In October 2022, the IASB issued amendments to *Presentation of Financial Statements (“IAS 1”)*. 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. Classification is unaffected by the entity’s expectation or events after the reporting date. Covenants of loan arrangements will affect the classification of a liability as current or non-current if the entity must comply with a covenant either before or at the reporting date, even if the covenant is only tested for compliance after the reporting date. The amendments also require disclosures for liabilities subject to future covenants that an entity must comply with after the reporting period, help users to understand the risk that those liabilities could become repayable within 12 months after the reporting period.

Lease Liability in a Sales and Leaseback (Amendments to IFRS 16) — In September 2022, the IASB issued amendments to IFRS 16 *Leases* to 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 and IFRS 7) — In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments*: *Disclosures* to clarify the characteristics of supplier financing arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to help users of financial statements understand the effects of financing arrangements on an entity's liabilities, cash flows and liquidity risk exposure. The transition rules clarify that an entity is not required to provide disclosures in any interim periods in the year of initial application of the amendments.

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 and IFRS 7) —** In May, 2024, the IASB issued amendments to the classification and measurement requirements in IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*. These 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 —** In April 2024, the IASB issued its new standard IFRS 18 — *Presentation and Disclosures in Financial Statements* that will replace IAS 1 — *Presentation of Financial Statements*. The key concepts in IFRS 18 relate to the structure of the statement of profit or 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. The effective date for adoption of this standard is annual periods beginning on or after January 1, 2027.

As of the date the accompanying financial statements were authorized for issue, the Company continues to evaluate the impact of the aforementioned standards on its financial position and performance and related applicable periods.

Note 3. Net Revenue

The following table presents the Company's revenue disaggregated based on revenue source, timing of revenue recognition and end markets that we serve, for the three and six month periods ended June 30, 2024 and 2023. The Company believes these categories best depict the nature and timing of revenue:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2024**	**2023**	**2024**	**2023**
Type of goods and services:				
Wafer revenue[(1)(2)]	$ 1,481	$ 1,649	$ 2,856	$ 3,257
Non wafer revenue[(1)(2)]	151	196	325	429
Total	**$ 1,632**	**$ 1,845**	**$ 3,181**	**$ 3,686**
Timing of revenue recognition:				
Revenue recognized over time	$ 126	$ 108	$ 257	$ 215
Revenue recognized at a point in time	1,506	1,737	2,924	3,471
Total	**$ 1,632**	**$ 1,845**	**$ 3,181**	**$ 3,686**
End Markets:				
Smart Mobile Devices	$ 762	$ 783	$ 1,442	$ 1,479
Communications Infrastructure & Datacenter	154	211	274	563
Home and Industrial IoT	295	410	604	790
Automotive	270	245	536	425
Non wafer revenue and other	151	196	325	429
Total	**$ 1,632**	**$ 1,845**	**$ 3,181**	**$ 3,686**

(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 shortfall fees have been included in wafer revenue. Prior period amounts have been recast to conform to the current presentation.

Note 4. Income taxes

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

The effective tax rate for the three months ended June 30, 2024 and 2023 was 7.2% and 10.6%, respectively. The decrease was primarily the result of a more favorable global earnings mix and withholding tax accrued in the U.S. classified as other taxes in the current year as it is not creditable against income taxes, partially offset by higher income tax expense related to the U.S. corporate alternative minimum tax.

The effective tax rate for the six months ended June 30, 2024 and 2023 was 10.2% and 9.4%, respectively. The increase was primarily the result of higher income tax expense related to the U.S. corporate alternative minimum tax,partially offset by withholding taxes accrued in the U.S. classified as other taxes in the current year as it is not creditable against income taxes.

Note 5. Earnings Per Share

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions except per share amounts)	**2024**	**2023**	**2024**	**2023**
Net income attributable to equity shareholders of the Company	$ 155	$ 240	$ 288	$ 494
Weighted average shares outstanding:				
Basic	554	552	554	551
Diluted	557	556	557	556
Total basic and diluted EPS attributable to equity shareholders:				
Basic	$ 0.28	$ 0.43	$ 0.52	$ 0.90
Diluted	$ 0.28	$ 0.43	$ 0.52	$ 0.89

Note 6. Property, Plant and Equipment

(in millions)	Land and Land Improvements	Building and Leasehold Improvements	Equipment	Computer	Construction in Progress	Total
Cost						
As of December 31, 2023	**$ 92**	**$ 7,635**	**$ 24,277**	**$ 448**	**$ 1,512**	**$ 33,964**
Additions	—	2	24	—	80	106
Transfers from construction in progress	—	76	812	4	(892)	—
Disposals	—	—	(74)	—	—	(74)
Effect of exchange rate changes	—	(2)	(10)	—	—	(12)
As of June 30, 2024	**$ 92**	**$ 7,711**	**$ 25,029**	**$ 452**	**$ 700**	**$ 33,984**
Net book value as of June 30, 2024	**$ 63**	**$ 3,371**	**$ 5,073**	**$ 34**	**$ 693**	**$ 9,234**
Accumulated Depreciation and Impairment						
As of December 31, 2023	**$ 28**	**$ 4,205**	**$ 19,486**	**$ 409**	**$ 7**	**$ 24,135**
Additions	1	136	550	9	—	696
Disposals	—	—	(73)	—	—	(73)
Effect of exchange rate changes	—	(1)	(7)	—	—	(8)
As of June 30, 2024	**$ 29**	**$ 4,340**	**$ 19,956**	**$ 418**	**$ 7**	**$ 24,750**

For the three months ended June 30, 2024 and 2023, depreciation expense of property, plant and equipment was $350 million and $292 million, respectively. For the six months ended June 30, 2024 and 2023, depreciation expense of property, plant and equipment was $696 million and $588 million, respectively.

Note 7. Restructuring

The Company incurred $5 million and $19 million of restructuring charges during the three months ended June 30, 2024 and 2023, respectively. The Company incurred $5 million and $24 million of restructuring charges during the six months ended June 30, 2024 and 2023, respectively. These costs are included in restructuring expenses 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 June 30, 2024 are summarized as follows:

(in millions)		2024
Beginning balance as of December 31, 2023	**$**	**31**
Provision		5
Amounts paid		(24)
Ending balance as of June 30, 2024	**$**	**12**

Note 8. Receivables, Prepayments and Other Assets

(in millions)		June 30, 2024		December 31, 2023
Current:				
Trade receivables, other than related parties	$	669	$	1,002
Other receivables		321		255
Unbilled accounts receivable[1]		35		33
Receivables from government grants		75		66
Receivables from related parties		10		12
Other current financial assets		17		52
Total	**$**	**1,127**	**$**	**1,420**
Non-current:				
Advances to suppliers	$	197	$	213
Receivables from government grants		152		106
Other		26		24
Total	**$**	**375**	**$**	**343**

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

The following table summarizes the activity in the Company’s unbilled accounts receivable for the six months ended June 30, 2024 and for the twelve months ended December 31, 2023, respectively:

(in millions)		June 30, 2024		December 31, 2023
Balance, beginning of period	$	33	$	24
Revenue recognized during the period		59		101
Amounts invoiced		(57)		(92)
Balance, end of period	**$**	**35**	**$**	**33**

Note 9. Inventories

(in millions)		June 30, 2024		December 31, 2023
Work in progress	$	1,228	$	1,005
Raw materials and supplies		726		625
Inventory reserves		(168)		(143)
Total	**$**	**1,786**	**$**	**1,487**

The following table presents the movement in the inventory reserves for the six months ended June 30, 2024 and for the twelve months ended December 31, 2023, respectively:

(in millions)	June 30, 2024	December 31, 2023
Beginning balance	$ 143	$ 115
Additions	99	104
Written-off and scrapped	(15)	(31)
Elimination of reserves upon sale of inventory	(59)	(45)
Ending balance	**$ 168**	**$ 143**

Note 10. Leases

The Company has various lease agreements for certain of its offices, facilities and equipment, with a weighted average remaining lease term of 12.2 years and weighted average discount rate of 4.40% as of June 30, 2024. Leases may include one or more options to renew. Renewal terms are not included in the determination of the lease term unless the renewals are deemed to be reasonably certain at the time of 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.

The following table outlines the carrying amounts of right-of-use assets:

(in millions)	June 30, 2024	December 31, 2023
Land and improvements	$ 63	$ 31
Building and leasehold improvements	447	304
Total	**$ 510**	**$ 335**

The following table summarizes the depreciation of right-of-use assets:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2024	2023	2024	2023
Land and improvements	$ 1	$ 1	$ 2	$ 2
Building and leasehold improvements	19	14	33	29
Total	**$ 20**	**$ 15**	**$ 35**	**$ 31**

For the three months ended June 30, 2024 and 2023, the additions to right-of-use assets were immaterial. For the six months ended June 30, 2024 and 2023, the additions to right-of-use assets were $211 million and $54 million, respectively.

For the three months ended June 30, 2024 and 2023, interest expense was $7 million and $5 million, respectively. For the six months ended June 30, 2024 and 2023, interest expense was $15 million and $11 million, respectively.

For the three months ended June 30, 2024 and 2023, cash outflow for leases was $11 million and $19 million, respectively. For the six months ended June 30, 2024 and 2023, cash outflow for leases was $24 million and $37 million, respectively.

Note 11. Long Term Debt

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

Description	Currency	Nominal Interest Rate	Year of Maturity	June 30, 2024	December 31, 2023
				(in millions)	
2019 Tool Equipment Purchase and Lease Financing	USD	SOFR+ 1.75%	2024	—	21
2020 USD Equipment Financing	USD	SOFR + 1.90%	2025	60	60
2019 EUR Dresden Equipment Financing	EUR	EURIBOR + 1.75%	2026	358	368
USD Term Loan A	USD	SOFR + 2.90%	2025	63	64
Various	EUR, USD	Various	2024-2026	53	58
Current total				**$ 534**	**$ 571**
USD Term Loan A	USD	SOFR + 2.90%	2025	554	586
2019 EUR Dresden Equipment Financing	EUR	EURIBOR + 1.75%	2026	22	30
2021 SGD EDB Loan	SGD	1.40%	2041	969	987
Various	EUR, USD	Various	2024-2027	142	198
Non-current total				**$ 1,687**	**$ 1,801**
Total				**$ 2,221**	**$ 2,372**

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

(in millions)	June 30, 2024	December 31, 2023
Revolving Credit Facility	$ 1,012	$ 1,012
Uncommitted Credit Facilities	102	46
Total	**$ 1,114**	**$ 1,058**

Note 12. Related Party Disclosures

The total amounts of $10 million and $12 million due from related parties as of June 30, 2024 and December 31, 2023, respectively, have been included in receivables, prepayments and other assets (see Note 8). The $8 million and $10 million due to related parties as of June 30, 2024 and December 31, 2023, respectively, have been included in trade and other payables.

Related party balances disclosed in the interim condensed consolidated statements of financial position relate to Mubadala Technology Investment Company and Silicon Manufacturing Partners Pte Ltd. ("SMP"). SMP is a joint venture with LSI Technology (Singapore) Pte. Ltd. The Company holds a 49% interest in SMP and manages all aspects of its manufacturing operations.

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

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Purchases from: *				
SMP	$ 11	$ 13	$ 25	$ 23
Other transactions with:				
SMP (reimbursement of expenses and contribution of tools)	$ 26	$ 10	$ 27	$ 23
Mubadala Technology (reimbursement of expenses)	4	—	4	—
	$ 30	$ 10	$ 31	$ 23

* Purchases from SMP were primarily comprised of wafers.

Note 13. Commitments and Contingencies

Commitments – The Company enters into several purchase agreements and supplementary agreements with its third-party manufacturers and suppliers for future deliveries of equipment and components. In addition, the Company enters into intellectual property and licensing agreements with third parties. The total future payments under these agreements amounted to $661 million and $1.1 billion, as of June 30, 2024 and December 31, 2023, respectively. Unconditional purchase commitments of $347 million are due within the next 12 months.

Additionally, the Company obtained letters of credit to primarily guarantee payments for utility suppliers and foreign statutory payroll related charges. The Company has obtained letters of credit of $30 million and $23 million as of June 30, 2024 and December 31, 2023, respectively, and has drawn down bank guarantees of $4 million and $54 million as of June 30, 2024 and December 31, 2023, respectively.

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

On April 28, 2021, IBM sent the Company a letter alleging for the first time that it did not fulfill its obligations under the contracts entered into with IBM in 2014 and 2015 associated with the acquisition of IBM's Microelectronics division. IBM asserted that the Company engaged in fraudulent misrepresentations during the underlying negotiations, and claimed the Company owed them $2.5 billion in damages and restitution. On June 7, 2021, the Company filed a complaint with the New York State Supreme Court (the "Court") seeking a declaratory judgment that the Company did not breach the relevant contracts. IBM subsequently filed its complaint with the Court on June 8, 2021. On September 14, 2021, the Court granted the Company's motion to dismiss IBM's claims of fraud, unjust enrichment and breach of the implied covenant of good faith and fair dealing. IBM appealed the dismissal of its fraud claim, and on April 7, 2022, the New York Appellate Division reversed the Court's decision. Discovery and dispositive motion practice have been completed and the trial is scheduled to commence on February 3, 2025. The Company believes, based on discussions with legal counsel, that it has meritorious defenses against IBM's claims and intends to vigorously defend against them.

Note 14. Fair Value Measurements

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

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices in active markets in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for similar assets or liabilities that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- 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.

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

(in millions)	Total	Quoted Prices Identical Assets/ Liabilities (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2023				
Assets:				
Cash equivalents[1]	$ 1,897	$ 1,626	$ 271	$ —
Investments in equity instruments[2]	$ 19	$ —	$ —	$ 19
Derivatives[3]	$ 132	$ —	$ 132	$ —
Investments in marketable securities[4]	$ 1,501	$ 1,189	$ 312	$ —
Liabilities:				
Derivatives[3]	$ 56	$ —	$ 56	$ —
June 30, 2024				
Assets:				
Cash equivalents[1]	$ 1,526	$ 1,526	$ —	$ —
Investments in equity instruments[2]	$ 19	$ —	$ —	$ 19
Derivatives[3]	$ 65	$ —	$ 65	$ —
Investments in marketable securities[4]	$ 1,961	$ 570	$ 1,391	$ —
Liabilities:				
Derivatives[3]	$ 63	$ —	$ 63	$ —

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

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

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

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

During the year ended December 31, 2023 and the six-months ended June 30, 2024, there were no transfers between Level 1, Level 2 or Level 3 fair value measurements.

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

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

Financial Instruments Not Recorded at Fair Value on a Recurring Basis

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

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

(in millions)	**June 30, 2024**		**December 31, 2023**	
Financial Liabilities	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Other long-term debt	2,221	2,135	2,372	2,319
Total	**$ 2,221**	**$ 2,135**	**$ 2,372**	**$ 2,319**

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

Note 15. Share-Based Compensation

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

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

Note 16. Equity

On May 22, 2024, the Company announced a share repurchase of 3.9 million ordinary shares from Mubadala Technology Investment Company ("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.

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

Forward-looking Statements

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

Although we believe that the expectations reflected in our statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances described in the forward-looking statements will be achieved or occur. Moreover, neither we, nor any other person, assumes responsibility for the accuracy and completeness of these statements. Recipients are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date such statements are made and should not be construed as statements of fact. Except to the extent required by federal securities laws, we undertake no obligation to update any information or any forward-looking statements as a result of new information subsequent events, or any other circumstances after the date hereof, or to reflect the occurrence of unanticipated events. For a discussion of potential risks and uncertainties, please refer to the risk factors and cautionary statements in our 2023 Annual Report on Form 20-F, current reports on Form 6-K and other reports filed with the Securities and Exchange Commission ("SEC"). Copies of our SEC filings are available on our Investor Relations website, investors.gf.com, or from the SEC website, www.sec.gov.

OPERATING AND FINANCIAL REVIEWS AND PROSPECTS

Overview

GlobalFoundries Inc. ("we," "GF," or the "Company") is one of the world's leading semiconductor foundries. We manufacture complex, essential integrated circuits ("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 the 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 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. Our definition of a scaled pure-play foundry is a company that specializes in producing ICs for other companies, with annual foundry revenue exceeding $2.5 billion. 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.

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. Our core technology portfolio includes a range of differentiated technology platforms, including our industry-leading RF silicon-on-insulator solutions, advanced high-performance Fin Field-Effect Transistor, Complementary Metal-Oxide Semiconductor, our proprietary FDX™, high-performance Silicon Germanium and Gallium Nitride ("GaN") products and Silicon Photonics, all of which can be purposely engineered, innovated and designed for a broad set of demanding applications.

The principal source of our revenue is wafer fabrication and sales of finished semiconductor wafers, which accounted for approximately 91% and 90% of our net revenue for the three and six months ended June 30, 2024, respectively. 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.D. "Key Information - Risk Factors," in our Annual Report on From 20-F for the fiscal year ended December 31, 2023, we have chosen to renegotiate certain of our long term agreements ("LTAs") with existing customers to reflect lower volume commitments and/or longer commitment timelines, and we expect that we will continue to renegotiate additional LTAs through the remainder of 2024.

We remain cautious as the global macroeconomic uncertainty continues, reflecting the impacts of inflation, high interest rates, and geopolitical conflicts. Although we are starting to see the inflationary headwinds moderate, the ongoing high interest rate environment has led to a prolonged and deeper cyclical downturn than was first anticipated. The extent to which these uncertainties will impact our business activities will depend on future developments that cannot be predicted at this time. 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 sales of finished semiconductor wafers, which are priced on a per-wafer basis for the applicable design, and breakage fee or settlement fee arising from not meeting the minimum purchase requirements under certain LTAs with customers. 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. Employee-related expenses primarily include employee wages and salaries, social security contributions and benefit costs for operators, maintenance technicians, process engineers, supply chain, IT production, yield improvement and health and safety roles. Facility costs primarily consist of the costs of electricity, water and other utilities and services. We expect our cost of revenue as a percentage of revenue to increase modestly in the third quarter 2024.

Operating Expenses

Our operating expense consist of research and development (“R&D”), selling, general and administrative expense (“SG&A”), and restructuring 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. 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 modestly increase in the third quarter 2024.

Selling, General and Administrative

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 modestly decrease in the third quarter 2024.

Restructuring Charges

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

Other Operating Charges

Finance Income (Expense), net

Finance income (expense), net consists of interest earned on our cash and cash equivalents and marketable securities, net of any interest expense 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 our share of profit of our joint venture, 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 jurisdictions in which we conduct business, which mainly include Germany, Singapore and the United States.

A. Results of Operations

Comparison of Three and Six Months Ended June 30, 2024 and 2023.

Net Revenue

(in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change	% Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change	% Change
Net revenue	$ 1,632	$ 1,845	$ (213)	(11.5)%	$ 3,181	$ 3,686	$ (505)	(13.7)%

Net revenue decreased by $213 million, or 11.5%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The decrease from prior period was primarily driven by wafer shipment volume totaling 517 thousand (300mm equivalent), a 10% decrease from prior period. This was principally the result of elevated inventory levels for several of our customers across certain end markets that we serve, which has resulted in lower customer demand in the Home and Industrial IOT, Communications Infrastructure & Datacenter and Smart mobile Devices end-markets. This has been partially offset by increased customer demand in the Automotive end-market.

Net revenue decreased by $505 million, or 13.7%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The decrease from prior period was primarily driven by wafer shipment volume totaling 980 thousand (300mm equivalent), a 10% decrease from prior period. This was principally the result of elevated inventory levels for several of our customers across certain end markets that we serve, which has resulted in lower customer demand in the Communications Infrastructure & Datacenter, Home and Industrial IOT, and Smart mobile Devices end-markets. This has been partially offset by increased customer demand in the Automotive end-market.

End Markets: (in millions)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change	% Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change	% Change
Smart Mobile Devices	$ 762	$ 783	$ (21)	(2.7)%	$ 1,442	$ 1,479	$ (37)	(2.5)%
Communications Infrastructure & Datacenter	154	211	(57)	(27.0)%	274	563	(289)	(51.3)%
Home and Industrial IoT	295	410	(115)	(28.0)%	604	790	(186)	(23.5)%
Automotive	270	245	25	10.2 %	536	425	111	26.1 %
Non wafer revenue and other	151	196	(45)	(23.0)%	325	429	(104)	(24.2)%
Total	**$ 1,632**	**$ 1,845**	**$ (213)**	**(11.5)%**	**$ 3,181**	**$ 3,686**	**$ (505)**	**(13.7)%**

Cost of Revenue

(in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	Change	% Change	2024	2023	Change	% Change
Cost of revenue	$ 1,237	$ 1,313	$ (76)	(5.8)%	2,393	2,639	$ (246)	(9.3)%
Gross margin	*24.2 %*	*28.8 %*	*(460)bps*		*24.8 %*	*28.4 %*	*(360)bps*	

Cost of revenue decreased by $76 million, or 5.8%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The change was driven by a 10% lower shipment volume, partially offset by an increase in manufacturing variances due to reduced absorption of fixed costs.

Gross margin decreased to 24.2% for the three months ended June 30, 2024 from 28.8% for the three months ended June 30, 2023. The decrease of 460 basis points was primarily driven by 12% revenue reduction, leading to reduced factory utilization and unfavorable absorption of fixed manufacturing costs.

Cost of revenue decreased by $246 million, or 9.3%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The change was driven by a 10% lower shipment volume, partially offset by an increase in manufacturing variances due to reduced absorption of fixed costs..

Gross margin decreased to 24.8% for the six months ended June 30, 2024 from 28.4% for the six months ended June 30, 2023. The decrease of 360 basis points was primarily driven by 14% revenue reduction, leading to reduced factory utilization and unfavorable absorption of fixed manufacturing costs.

Operating Expenses

Research and Development Expense

(in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	Change	% Change	2024	2023	Change	% Change
Research and development expense	$ 121	$ 106	$ 15	14.2 %	$ 245	$ 215	$ 30	14.0 %
As a % of revenue	*7.4 %*	*5.7 %*			*7.7%*	*5.8%*		

R&D expense increased by $15 million, or 14.2%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The increase was primarily due to $8 million higher R&D portfolio investments, $4 million higher employee-related expenses, and $2 million higher share-based compensation.

R&D expense increased by $30 million, or 14.0%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The change was primarily a result of $14 million higher portfolio investments, $9 million higher employee-related expenses, and $5 million higher share-based compensation.

Selling, General and Administrative Expense

(in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	Change	% Change	2024	2023	Change	% Change
Selling, general and administrative expense	$ 114	$ 132	$ (18)	(13.6)%	$ 236	$ 243	$ (7)	(2.9)%
As a % of revenue	*7.0 %*	*7.2 %*			*7.4 %*	*6.6 %*		

SG&A expenses decreased by $18 million, or 13.6%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The change was primarily a result of $19 million advanced manufacturing investment tax credits (“AMITC”).

SG&A expenses decreased by $7 million, or 2.9%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The change was primarily a result of $30 million credits received for AMITC and $4 million less insurance costs partially offset by higher digital transformation costs of $17 million and higher share-based compensation of $8 million.

Restructuring charges

(in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	Change	% Change	2024	2023	Change	% Change
Restructuring charges	$ 5	$ 19	$ (14)	(73.7)%	$ 5	$ 24	$ (19)	(79.2)%

Restructuring charges decreased by $14 million, or 73.7%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The change was driven by a decrease of employee-related expenses associated with the reduction in our global workforce in the current period compared to the prior period.

Restructuring charges decreased $19 million, or 79.2%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2024. The change was driven by a decrease of employee-related expenses associated with the reduction in our global workforce in the current period compared to the prior period.

Finance income (expense), net

(in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	Change	% Change	2024	2023	Change	% Change
Finance income (expense), net	$ 16	$ —	$ 16	100.0 %	$ 26	$ 1	$ 25	NM

Finance income (expense), net increased by $16 million, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The increase was primarily a result of $19 million higher interest income generated from money market funds and investments in marketable securities, partially offset by $3 million higher interest expense.

Finance income (expense), net increased by $25 million, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The increase was primarily a result of $34 million higher interest income generated from money market funds and investments in marketable securities, partially offset by $9 million higher interest expense.

Other income (expense), net

(in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	Change	% Change	2024	2023	Change	% Change
Other income (expense), net	$ (4)	$ (10)	$ 6	60.0 %	$ (6)	$ (24)	$ 18	75.0 %

Other income (expense), net decreased by $6 million for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The decrease was primarily driven by a reduction in foreign exchange currency losses.

Other income (expense), net decreased by $18 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The decrease was primarily driven by $25 million reduction in foreign exchange currency losses, offset by $3 million higher expenses related to a patent sale in 2023.

Income Tax Expense

(in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Income tax expense	$ (12)	$ (28)	$ 16	$ (33)	$ (51)	$ 18

Income tax expense decreased by $16 million for the three months ended June 30, 2024 compared to the three months ended June 30, 2023, primarily due to a decrease of $98 million in global earnings before tax, partially offset by the accrual of United States corporate alternative minimum tax in the current year.

Income tax expense decreased by $18 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023, primarily due to a decrease of $220 million in global earnings before tax, partially offset by the accrual of United States corporate alternative minimum tax in the current year.

B. Liquidity and Capital Resources

We have historically financed operations primarily through cash and cash equivalents and marketable securities, as well as cash generated from our business operations, including prepayments under LTAs, debt and government grants. As of June 30, 2024, our cash, cash equivalents and marketable securities balances of approximately $4.1 billion included $2.2 billion of cash and cash equivalents and approximately $2.0 billion of marketable securities.

As of June 30, 2024 and December 31, 2023, we had an undrawn revolving credit facility of $1.0 billion. In addition to our available revolver, we had $2.2 billion and $2.4 billion of debt outstanding as of June 30, 2024 and December 31, 2023, respectively, which was primarily comprised of multiple term loans in various currencies. Our future capital requirements will depend on many factors, including our revenue growth rate, the timing and the amount 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 June 30, 2024, we believe that our existing cash, cash equivalents, 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.

Cash Flows

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

	Six Months Ended June 30,	
	2024	**2023**
Cash provided by operating activities	$ 890	$ 1,025
Cash used in investing activities	(770)	(1,474)
Cash used in financing activities	(321)	(71)
Effect of exchange rate changes on cash and cash equivalents	(2)	—
Net decrease in cash and cash equivalents	**$ (203)**	**$ (520)**

Operating Activities
Cash provided by operating activities for the six months ended June 30, 2024 of $890 million decreased $135 million compared to the $1,025 million provided for the six month period ended June 30, 2023. The decrease was primarily due to $202 million in lower net income related to reduced sales partially offset by non cash adjustments of $56 million mainly driven by higher depreciation related to the expansion of our manufacturing capacity. Changes in assets and liabilities were flat year over year.

Investing Activities
Cash used in investing activities for the six months ended June 30, 2024 of $770 million decreased $704 million compared to the cash used of $1,474 million for the six month period ended June 30, 2023. The decrease was primarily driven by $924 million lower capital and intangible expenditures related to the expansion of our fabrication facilities and an decrease of $23 million net proceeds from the sale of marketable securities. Offsetting this decrease was $238 million of proceeds from the sale of the East Fishkill facility, received in January 2023.

Financing Activities
Cash used in financing activities for the six months ended June 30, 2024 of $321 million increased $250 million compared to the cash used of $71 million for the six months ended June 30, 2023. The change was primarily attributable to $200 million purchase of treasury shares in the second quarter 2024, $44 million net proceeds from borrowings and $23 million lower proceeds from the issuance of equity instruments. Offsetting these increases was $17 million repayment of debt and finance lease obligations.