



NEWS ANNOUNCEMENT

FOR IMMEDIATE RELEASE

SkyWater to Acquire Infineon's Austin Fab and Establish Strategic Partnership to Expand U.S. Foundry Capacity for Foundational Chips

- ***Transaction strengthens U.S.-based production of essential chips for industrial, automotive and defense applications***
- ***SkyWater plans to expand 200 mm capacity, technology offerings and capabilities while supporting U.S.-based dual-sourcing strategies in critical industries***
- ***Long-term supply agreement ensures Infineon a continued high-volume manufacturing base in the U.S.***

BLOOMINGTON, Minn. and MUNICH, Germany – February 26, 2025 – SkyWater Technology (Nasdaq: SKYT) has entered into an agreement with Infineon Technologies AG (FSE: IFX / OTCQX: IFNNY) for SkyWater to purchase Infineon's 200 mm fab in Austin, Texas ("Fab 25") and a corresponding long-term supply agreement. SkyWater will operate the fab as a foundry, increasing available capacity in the U.S. for foundational chips on nodes from 130 nanometers down to 65 nanometers that are critical for many industrial, automotive and defense applications. Fab 25 will also substantially increase SkyWater's scale as a foundry and provide additional capabilities such as 65 nm infrastructure, expanded copper processing scale and high-voltage Bipolar-CMOS-DMOS (BCD) technology. The long-term supply agreement will enable Infineon to maintain a strong, efficient and scalable manufacturing footprint in the United States.

Infineon and SkyWater believe that this strategic partnership will enhance the long-term viability and utilization of Fab 25. The transaction also affirms the long-term perspective for nearly 1,000 manufacturing jobs at Fab 25, since all current Fab 25 employees will become SkyWater employees as part of the agreement.

SkyWater is a U.S.-based company with access to a broad customer base and a Trusted supplier of the U.S. Department of Defense. SkyWater believes the transaction will allow it to realize significant economies of scale, bring high-value manufacturing services to SkyWater's customers and support dual sourcing strategies for critical industries. Furthermore, SkyWater

plans to transition the Fab 25 business model from Integrated Device Manufacturer (IDM) to foundry to bring substantial manufacturing capacity to a broad base of new customers over time. Foundational semiconductors are of strategic importance for several U.S. industries, including the defense sector. The partnership will strengthen the industrial base and domestic semiconductor supply chain in the U.S. as well as the resilience for critical foundational semiconductor technology. The closing of the transaction is subject to regulatory approval in the U.S. and is expected in the coming months.

"The transaction fully aligns with Infineon's manufacturing strategy to create synergies with strategic foundry partners when in-house manufacturing does not offer competitive advantages," said Alexander Gorski, Executive Vice President and Head of Frontend Operations at Infineon. "The partnership with SkyWater creates mutual benefits and synergies, supports our profitable growth and provides us with a strong and trusted foundry partner, thereby safeguarding our long-term supply base in the U.S. We commend the contributions the Fab 25 team has made to our operations and thank the Austin community and our local and federal partners for their support and collaboration."

"This milestone expands our partnership with Infineon and significantly increases our U.S. foundry capacity. We expect it will also enhance supply chain resilience for foundational chips that are critical to sensitive strategic applications, thereby strengthening both national and economic security," said Thomas Sonderman, SkyWater CEO. "This investment is an expansion that enhances our ability to serve both our defense and industrial customers. By leveraging the proven expertise of the talented team in Austin, we are positioning this fab as a cornerstone in the U.S. semiconductor foundry network—one that will extend our capabilities to support defense programs while also enabling new opportunities in commercial markets."

The U.S. is a key business region for Infineon with around 4,000 employees, 15 locations dedicated to research and development activities and 1,000 employees in R&D roles. Infineon serves a multitude of American customers across all its market segments in automotive, industrial & infrastructure, as well as consumer, computing & communications. Currently, up to one billion semiconductor chips per year for major automotive, industrial and communications companies are manufactured in Fab 25.

About Infineon

Infineon Technologies AG is a global semiconductor leader in power systems and IoT. Infineon drives decarbonization and digitalization with its products and solutions. The company has around 58,060 employees worldwide and generated revenue of about €15 billion in the 2024 fiscal year (ending 30 September). Infineon is listed on the Frankfurt Stock Exchange (ticker symbol: IFX) and in the USA on the OTCQX International over-the-counter market (ticker symbol: IFNNY).

SkyWater Investor Webcast

SkyWater will host a conference call today, Wednesday, February 26, 2025, at 7:30 a.m. CT (8:30 a.m. ET) to discuss its fourth quarter and fiscal year 2024 financial results. SkyWater will also discuss on the conference call additional information regarding the Fab 25 transaction. A live webcast of the call will be available online at IR.SkyWaterTechnology.com.

SkyWater Form 8-K

SkyWater is filing a Form 8-K with the U.S. Securities and Exchange Commission that contains additional information regarding the Fab 25 transaction and related agreements.

About SkyWater

SkyWater (NASDAQ: SKYT) is a U.S.-based semiconductor manufacturer and a DMEA-accredited Category 1A Trusted Supplier. SkyWater's Technology as a Service model streamlines the path to production for customers with development services, high-volume production and heterogeneous integration solutions in its U.S. facilities. This pioneering model enables innovators to co-create the next wave of technology within diverse categories including mixed-signal CMOS, read-out ICs, rad-hard ICs, MEMS, superconducting ICs, photonics and advanced packaging. SkyWater serves the growing markets of aerospace & defense, automotive, biomedical, industrial and quantum computing. For more information, visit: www.skywatertechnology.com.

SkyWater Technology Forward-Looking Statements

This press release contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements that are based on SkyWater's current expectations or forecasts of future events, rather than past events and outcomes, and such statements are not guarantees of future performance. Forward-looking statements are subject to risks, uncertainties and assumptions, which may cause SkyWater's actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Key factors that could cause SkyWater's actual results to be different than expected or anticipated include, but are not limited to, ability to obtain necessary regulatory approvals and satisfy other conditions to the proposed Fab 25 transaction on the anticipated timeframe or at all; ability to realize the expected benefits of the proposed Fab 25 transaction; ability to promptly and effectively integrate Fab 25's operations; negative effects relating to the announcement of the proposed Fab 25 transaction or the consummation of the proposed Fab 25 transaction on the market price of SkyWater's common stock; significant transaction costs and/or unknown or inestimable liabilities; general economic and business conditions that may affect the combined company following the consummation of the proposed Fab 25 transaction; and other factors discussed in the "Risk Factors" section of its annual report on Form 10-K and quarterly reports on Form 10-Q, and in other documents that SkyWater files with the SEC, which are available at <http://www.sec.gov>. SkyWater assumes no obligation to update any forward-looking statements, which speak only as of the date of this press release.

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