



## NEWS RELEASE

# SkyWater Completes Acquisition of Fab 25, Expanding U.S. Pure-Play Foundry Capacity for Critical Semiconductor Technologies

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Transaction converts captive capacity into open-access infrastructure, enriching domestic manufacturing for industrial, automotive and defense applications

BLOOMINGTON, Minn. & AUSTIN, Texas--(BUSINESS WIRE)-- SkyWater Technology (Nasdaq: SKYT), the trusted technology realization partner, today announced that it has completed its acquisition of Infineon Technologies AG's (FSE: IFX / OTCQX: IFNNY) 200 mm semiconductor fab in Austin, Texas ("Fab 25"). By adding approximately 400,000 wafer starts per year in capacity, Fab 25 brings meaningful scale to SkyWater's exclusively U.S.-based, pure-play foundry operation and enables SkyWater to enhance its advanced technology services (ATS) offering by incorporating the site's current capabilities. The facility will play a central role in expanding domestic manufacturing for foundational semiconductor technologies that support embedded processors/MCUs, memory, mixed signal, RF and power applications. In addition, the transaction advances the onshoring of semiconductor production by converting the fab's capacity from serving a captive integrated device manufacturer (IDM) to operating as a pure-play, open-access semiconductor foundry.

This conversion significantly expands domestic foundry services for a broad base of SkyWater's industrial, automotive, and defense customers. With the addition of Fab 25, SkyWater becomes the largest exclusively U.S.-based, pure-play foundry service provider offering dual-sourced support for foundational node, 200 mm foundry capacity. Further, SkyWater believes the move directly supports national onshoring and reindustrialization efforts aimed at strengthening the U.S. semiconductor supply chain. SkyWater is one of the only companies actively transforming captive U.S. IDM fabs into open-access infrastructure for secure, high-demand technologies, which is

in alignment with U.S. Department of Defense supply chain security mandates.

"Today's successful completion of the Fab 25 acquisition marks a pivotal moment in our ongoing effort to strengthen the U.S. semiconductor ecosystem," said Thomas Sonderman, SkyWater CEO. "By transforming Fab 25 into an open-access, scalable foundry, we're building on its impressive legacy while opening a new chapter that advances supply chain resilience, expands opportunities for our customers, and enhances U.S. competitiveness in the technologies critical to industrial infrastructure, defense systems, and the transportation and auto industries."

Fab 25 provides high-volume capacity and advanced capabilities that are increasingly scarce in the U.S., reinforcing SkyWater's ability to support secure, scalable production at foundational nodes. With proven capabilities in copper processing, high-voltage technology, and 65 nm node infrastructure, Fab 25 today becomes a critical piece of SkyWater's exclusively U.S.-based foundry platform to meet growing customer demand and national security imperatives, and be fully integrated into its domestic, multi-node, multi-market foundry roadmap supporting innovation across a range of foundational chip technologies. Along with the transaction, both companies agreed on a long-term supply agreement that will enable Infineon to maintain a strong, efficient and scalable manufacturing footprint in the United States.

Approximately 1,000 Fab 25 employees have now joined SkyWater. The Austin site will continue to be a vibrant hub of semiconductor manufacturing expertise, with SkyWater investing to support long-term growth and new opportunities for employees and the surrounding community.

Customers interested in engaging with SkyWater at Fab 25 are encouraged to complete a contact form on the company's website: <https://www.skywatertechnology.com/contact-us/>

## Transaction Details

SkyWater's acquisition of Fab 25 consists of a \$73 million payment at close plus an additional approximately \$20 million payment at close for working capital, subject to adjustment. The transaction terms were modified from those previously announced on February 26, 2025 to increase the amount payable at close by \$18 million and to eliminate the \$25 million payable at the conclusion of the multi-year supply agreement. The acquisition is expected to contribute significant revenue scale and strong adjusted EBITDA and free cash flow generation to SkyWater's financial performance. The debt financing for the acquisition has been provided by SkyWater lending partners Siena Lending Group LLC, Great Rock Capital, Benefit Street Partners and Ares Credit Group in the form of a five-year, senior secured revolving credit facility of up to \$350 million, which replaces the company's existing \$130 million revolving credit facility and provides enhanced flexibility to fund upfront acquisition costs as well as ongoing capital expenditures, working capital requirements, and general corporate purposes. TD Securities acted as exclusive financing advisor to SkyWater in conjunction with the debt financing. As of today's closing, the total draw on the

new facility is \$137 million, of which approximately \$103 million will fund the total upfront cash consideration payable to Infineon and all expected transaction and closing costs, plus an additional \$26 million to replace the net draw on the previous revolving credit facility, with the remaining \$7 million to be added to the company's total cash balance. Further details regarding the strategic and financial merits of the acquisition will be provided at an anticipated Capital Markets Day on location at Fab 25, currently anticipated to be held during the second half of fiscal 2025.

## 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 critical domestic markets including aerospace & defense, automotive, biomedical, industrial and quantum computing. For more information, visit: [www.skywatertechnology.com](http://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 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 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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