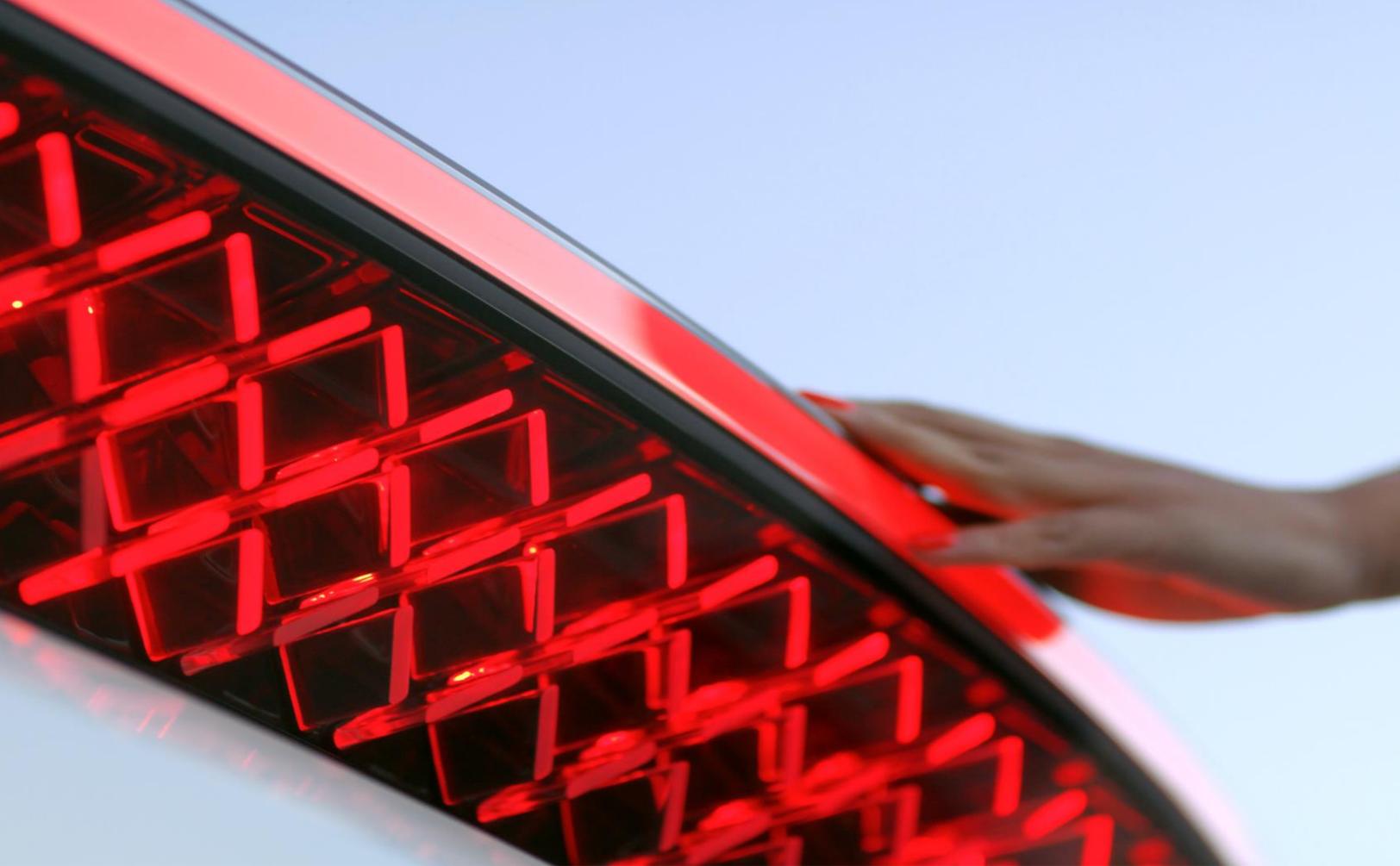


Faraday Future
Shareholder Letter
Q1 2023





We hit the ground running in 2023 and started the production of our flagship FF 91 vehicle in March as planned. Though we faced some challenges during early ramp up, our team is overcoming these obstacles. We continue to target our first phase delivery of the FF 91 at the end of May as previously announced. To reach this important milestone, we have made considerable progress and accomplished numerous key operational and strategic objectives in recent months. On April 14, 2023, our first production FF 91 rolled off the line at our FF ieFactory California in a video streamed event watched by millions of FF fans globally. It has been a long path for Faraday Future, but we believe this is the year we make history.

Homologation for the FF 91 is progressing as planned. Most of the FMVSS tests have been successfully completed. We have performed the highest severity crash tests and have passed all these tests successfully, including front, side and rear crash.

On the systems and software side, we've also made some amazing progress. Two weeks ago, we showcased the FF 91 vehicle's ability to integrate generative AI to enable an intuitive and interactive experience for users within the vehicle. We believe this truly epitomizes what Faraday Future has communicated to its users and investors all along, that FF 91 is a pioneer of emerging technology.

Lastly, we reiterate our goal to create a profitable business with operating cashflow breakeven in 2025 and express our gratitude to our users, suppliers, partners, communities and stockholders for their unwavering support of our vision.

Introducing the FF 91



Ultimate Intelligent TechLuxury products

- In a world of luxury cars FF stands out as a true luxury EV
- FF is pioneering ultra spire market segment with a class-defining product
- FF redefine luxury in both the physical, comfort and digital connected realms



Emotive design

- Redefines the traditional vehicle, creating a new concept that addresses how vehicle use is changing. The FF 91 is not a sports car, an SUV or a sedan, but something timeless that embodies our brand values and commitment to innovation
- FF's iconic design language sparks the imagination and redefines the luxury vehicle space. The FF 91's interior and exterior design express intelligence and functionality, enabling a best-in-class experience, and birthing a radically functional proportion



Unique Artificial Intelligence (AI) Experience

- Natural Language and voice-first interface designed to adapt to users needs
- Multiple user interface displays for every seated occupant.
- Triple modem 5G connectivity to allow uninterrupted, high-speed internet access
- FF's Generative AI product stack will offer the first ever generative AI capability in the automotive sector for in-vehicle usage



Leading performance

- 381 miles of EPA rated driving range
- 0-60mph in 2.27 seconds
- Top-end hyper car drive and handling
- Industry leading computer hardware and software to drive the ultimate AI experience





We believe our flagship product, the FF 91 vehicle sets a new standard for user experience and performance in the automotive industry. It features a custom electric drive unit with a fully integrated design, active oil cooling, and independent rear axle drive. Its 1050hp propulsion system is powered by proprietary software and control algorithms, optimizing performance, stability, and safety. With an EPA-certified range of 381 miles, the FF 91 offers 50-70 miles more range than its direct competitors and accelerates from zero to 60 mph in a remarkable 2.27 seconds.

Mobile connectivity is another key aspect of the car, with a unique rear intelligent Internet and a user experience designed to establish a mobile, connected, intelligent, and luxurious third internet living space and user mobility ecosystem platform.

A Leader in Automotive AI

On May 2nd, we announced our Generative AI Product Stack to the public. The product stack combines FF's foundational capabilities such as our computing platform, advanced operating system, ultra-fast internet connectivity, AI and natural language processing abilities, multiple displays, with generative AI capability to give extraordinary abilities to users. We demonstrated integration of FF's foundational AI capabilities with advanced large language models – which we believe is a major step towards transformation of the transportation industry with intelligent electric vehicles. With this Generative AI Product Stack, we believe the Company has the potential to scale to additional advanced generative AI models, giving extraordinary abilities to users.

We have been investing in software, AI, and human machine interaction for a long time and we believe that places us in a unique position to utilize these advances in AI. To use generative AI in a car, you need a powerful computing platform, robust operating system, internet connectivity, and suitable displays. The FF 91 vehicle has this unique combination of industry-leading computing platform, advanced operating system, ultra-high-speed internet connectivity, AI and natural language processing ability, with over 100 inches of displays, and a Generative AI Product Stack designed to empower users to gradually utilize advanced generative models for a range of personalized applications in the vehicle – from complex text and voice queries, to image and video generation, stock analysis, live translations, search, entertainment, education, ecommerce, and more. The possibilities are limitless. The third intelligent internet space applies natural language communication ability to various usage scenarios in the vehicle, and FF's AI provides users with an immersive experience of artificial intelligence interaction and communication.

As intelligent electric vehicles become super robots, the driving experience and digital cockpit will be fully intelligent. We believe AI will become the core competitiveness of the future mobility ecology and redefine the usage scenarios of future mobility products.

As one of the world's first intelligent electric vehicle manufacturers, FF has been committed to the research and development of AI technology platforms, applied to autonomous driving platforms and the third intelligent internet space.



Production & Deliveries

Our Hanford team is hard at work ramping up production, with the goal of delivering the highest quality FF 91 vehicles to our users. As of today, we've manufactured 40 engineering, testing, marketing, and user vehicles. We've built all the vehicles required for FMVSS testing. Further, the first production vehicle coming off the line provided the necessary learning for fine-tuned processes which has allowed the coming vehicles in production to run through the assembly more smoothly than the previous vehicles.

We are also continuing to build out our operational and manufacturing teams. We have recently brought in a new head of manufacturing Rich Schmidt who brings 35 years of automotive industry manufacturing experience.

Deliveries

In the continued spirit of FF's co-creation and co-sharing vision, we recently outlined a three-phase delivery plan aimed at delivering the best experience to all our users. In the first phase FF will give our industry expert Futurist Product Officers ("FPOs"), the first look and allow these users the first chance to pay in full to reserve and experience the innovative FF 91. These industry expert FPOs will take possession of the reserved FF 91 vehicle at the beginning of the second phase. This initial phase is slated for launch at the end of May, marking the start of our delivery plan for the vehicle.

In phase two, targeted to start at the end of second quarter, assuming receiving parts on our required timeframes and completion of requisite tests, all FPOs will be invited to start purchasing the vehicle to experience the FF 91. Users will take full possession of the car and receive comprehensive training to make the most of the vehicle's many features. This will mark the turning point where Faraday Future will become a revenue generating company going forward.

The third and final phase, our Full Co-Creation Delivery, is geared towards all users. In this phase, the Company will deliver FF 91 vehicles to all users that pay in full. Our three-phase delivery is designed to offer flexibility for our manufacturing operations and market demands while ensuring that all FF 91 users receive the best possible experience. We believe this approach will also enable the Company to avoid production shortfalls that may arise from high demand. Please note that successful completion of the third phase delivery plan is contingent on securing the necessary financing and receiving parts on our required timeframes.





Sales and Service

The entire sales journey is fully integrated: users can experience our cars online or at one of our owned/partner showrooms and they can access our O2O platform for purchases while partners can integrate seamlessly into our direct sales model.

- Selected Salesforce Sales Cloud and Service Cloud for Sales Automation, CRM, Sales Engagement, Service Engagement, Knowledge Base. The Salesforce platform will be customized and integrated into FF's robust IT infrastructure so FF will gain 360-degree view of its users and be able to effectively drive revenue and deliver its premium service solutions.
- Partnering with National Automobile Club for roadside assistance. NAC will provide nationwide 24/7 roadside assistance for all FF 91 owners.
- All-new FF Home Charger supports up to 19.2kW to utilize the FF 91 2.0 powerful onboard charger. The FF Home Charger is smart, Wi-Fi connected, designed and manufactured for durability and longevity. We simplified the installation process with our charging installation partner, Qmerit.
- Aftersales - FF is partnering with Somit Solutions to develop the FF Aftersales Systems, a cloud-based operations system to support all Aftersales functionalities such as Warranty, Service Information, Parts Catalog, Repair Manuals.
- Mobile Service – Introduced our FF mobile service, allowing users to enjoy concierge style service experience. Service Network is expected to be rolled out in the Los Angeles Metro, San Francisco Bay, San Diego and New York Metro markets in 2023.

Funding

In Q1, we successfully secured \$135 million of gross funding in support of our SOP and production plans, which we have received \$120 million gross to date. Since then, our capital team has continued to work towards additional funding for our production, delivery and ramp.

On May 9th, we announced an additional \$100 million of committed financing via unsecured convertible notes, subject to certain conditions. Additionally, we have remaining committed financing of \$35 million, subject to certain conditions and milestones, we expect to have proceeds from vehicle sales, and we may receive \$242 million of additional financing which is at the option of our existing investors. Since the beginning of this year, the Company has received \$38 million gross financing which was at the option of the investors –this represents a significant portion of the optional notes that the Company allocated to the previous secured financing. We also have an equity line of credit of up to \$350 million, subject to certain conditions, which we have not yet used as we want to be very strategic about accessing the equity line of credit to minimize dilution. Furthermore, the Company is also exploring asset-based financing opportunities.

Management Commitment

FF Global Partners (“FFGP”), consisting of 20 current and former senior executives of the company, is committing \$80 million of the \$100 million unsecured notes financing reference above. The investment shows a continued commitment to the Company, as well as a show of confidence by our core management team in Faraday Future’s ability to achieve its mid- and long-term goals. As a show of support, FFGP has already early funded a portion of this commitment. It further reflects the strength of the Company’s new governance structure, new management team and system, and once again proves the strong advantages of the global partners mechanism.



2023 and Beyond

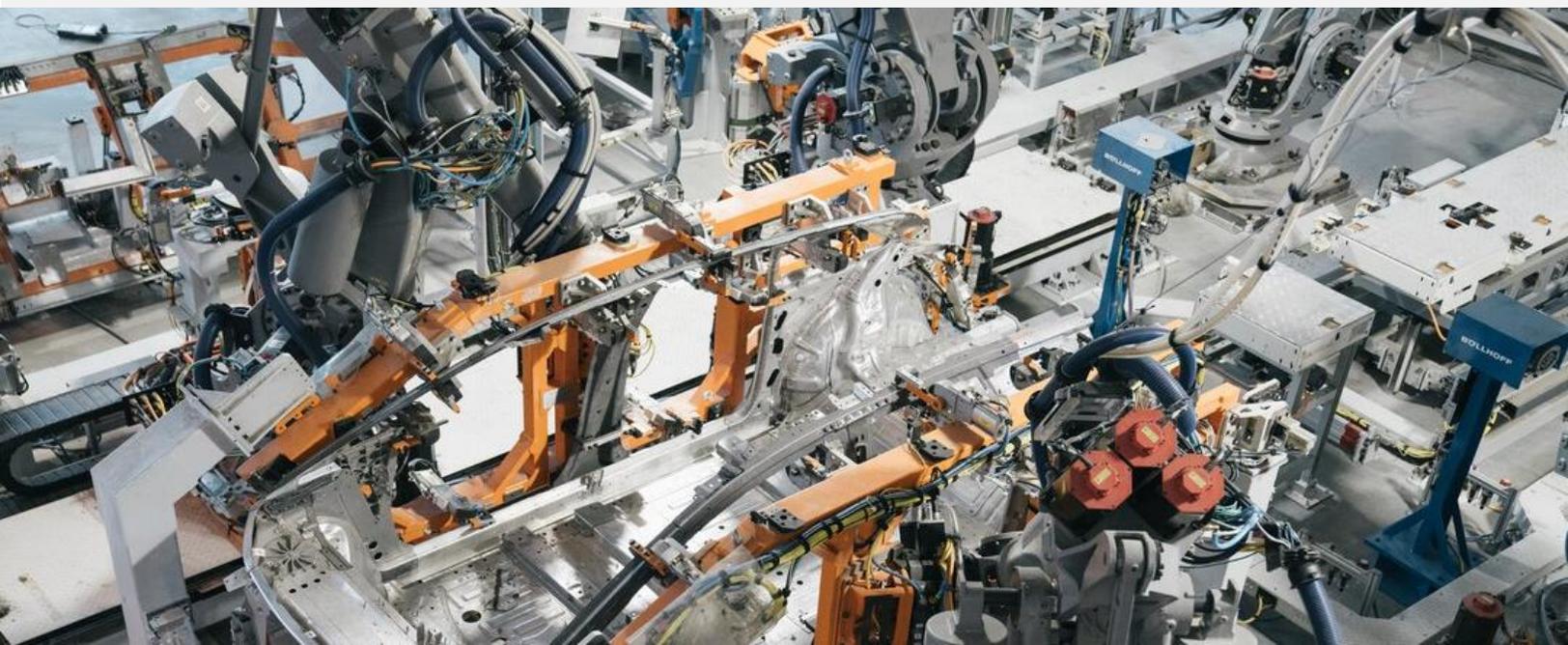
The Company remains on track for its three-phase delivery plan. We expect to utilize a portion of the initial production for our sales and marketing campaign to meet user needs. On the cost side, we continue to improve efficiency and reduce material cost. We have developed a detailed road map of both engineering and commercial cost downs.

We further reiterate our goal to create a profitable business with operating cashflow breakeven in 2025.



Financial Highlights

Operating Expense	Operating expenses for the quarter ended March 31, 2023, were \$83.0 million compared to \$149.0 million for the quarter ended March 31, 2022. The change in operating expenses was primarily due to a decrease in engineering, design, and testing ("ED&T") services as the Company substantially completed R&D activities related to the FF 91 vehicle in 2022 and was focused on capitalizable activities attributable to Start of Production which was achieved on March 29, 2023, coupled with decreases in personnel and compensation and professional services as part of the Company's cost measures efforts and the conclusion of the special committee investigation.
Net Income / (Loss)	Net income for the quarter ended March 31, 2023, was \$6.5 million compared to a loss of \$153.1 million for the quarter ended March 31, 2022. The change in net income / (loss) was primarily due to the change in operating expense and \$94.9 million income associated with mark-to-market measurements of the secured convertible notes and warrants recorded in the first quarter this year driven by the decline in the Company's stock price.
Net Cash Used	Net cash used in operating activities for the quarter ended March 31, 2023 was \$103.2 million compared to \$122.4 million for the quarter ended March 31, 2022. Capital expenditures were \$16.9 million for the quarter ended March 31, 2023, compared to \$44.4 million for the quarter ended March 31, 2022. Net cash provided by financing activities for the quarter ended March 31, 2023 was \$134.4 million compared to net cash used in financing activities of \$85.7 million for the quarter ended March 31, 2022.
Balance Sheet	Cash as of March 31, 2023 was \$33.3 million, including \$1.5 million of restricted cash.



Forward Looking Statements

This Shareholder Letter includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes," "estimates," "anticipates," "expects," "intends," "plans," "may," "will," "potential," "projects," "predicts," "continue," or "should," or, in each case, their negative or other variations or comparable terminology. These forward-looking statements, which include among other things, statements regarding the Company's projected timeline and access to current and future financing, are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the Company's control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Important factors, among others, that may affect actual results or outcomes include whether the Company's Amended Shareholder Agreement with FF Top Holding LLC complies with Nasdaq listing requirements, the market performance of the Company's Common Stock; the Company's ability to regain compliance with, and thereafter continue to comply with, the Nasdaq listing requirements; the Company's ability to satisfy the conditions precedent and close on the various financings described in this Shareholder Letter and disclosed elsewhere by the Company, the result of any future financing efforts, the failure of any of which could result in the Company seeking protection under the Bankruptcy Code; the Company's ability to amend its certificate of incorporation to permit sufficient authorized shares to be issued in connection with the Company's existing and contemplated financings; whether the Company and the City of Huanggang could agree on definitive documents to effectuate the Cooperation Framework Agreement; the Company's ability to remain in compliance with its public filing requirements under the Securities Exchange Act of 1934, as amended; the outcome of the Securities and Exchange Commission (SEC) investigation relating to the matters that were the subject of the Special Committee investigation and other litigation involving the Company; the Company's ability to execute on its plans to develop and market its vehicles and the timing of these development programs; the Company's estimates of the size of the markets for its vehicles and cost to bring those vehicles to market; the rate and degree of market acceptance of the Company's vehicles; the success of other competing manufacturers; the performance and security of the Company's vehicles; potential litigation involving the Company; general economic and market conditions impacting demand for the Company's products; recent cost, headcount and salary reduction actions may not be sufficient or may not achieve their expected results; and the ability of the Company to attract and retain directors and employees. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" section of the Company's registration statement on Form S-1 filed on May 5, 2023 and in "Risk Factors" in Item 1A of the Company's Annual Report on Form 10-K, as well as in other documents filed by the Company from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and the Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

No Offer or Solicitation

This communication shall neither constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which the offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

Trademarks

This Shareholder Letter contains trademarks, service marks, trade names and copyrights of Faraday and other companies, which are the property of their respective owners.

Condensed Consolidated Balance Sheet

(in thousands, except share and per share data)

	March 31, 2023	December 31, 2022
Assets		
Current assets		
Cash	\$ 31,769	\$ 16,968
Restricted cash	1,505	1,546
Deposits	55,405	26,804
Other current assets	14,717	21,087
Total current assets	103,396	66,405
Property and equipment, net	446,524	417,803
Operating lease right-of-use assets	18,911	19,588
Other non-current assets	6,458	6,492
Total assets	\$ 575,289	\$ 510,288
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 76,926	\$ 87,376
Accrued expenses and other current liabilities	66,980	65,709
Bridge warrants	28,521	95,130
Accrued interest	2,505	1,864
Related party accrued interest	140	—
Operating lease liabilities, current portion	2,609	2,538
Finance lease liabilities, current portion	1,390	1,364
Related party notes payable	8,643	8,406
Notes payable, current portion	5,159	5,097
Total current liabilities	\$ 192,873	\$ 267,484
Finance lease liabilities, less current portion	6,209	6,570
Operating lease liabilities, less current portion	17,398	18,044
Other liabilities	9,758	9,429
Notes payable, less current portion	92,665	26,008
Total liabilities	\$ 318,903	\$ 327,535
Commitments and contingencies		
Stockholders' equity		
Class A Common Stock, \$0.0001 par value	82	56
Class B Common Stock, \$0.0001 par value	6	6
Additional paid-in capital	3,723,446	3,655,771
Accumulated other comprehensive gain	2,950	3,505
Accumulated deficit	(3,470,098)	(3,476,585)
Total stockholders' equity	256,386	182,753
Total liabilities and stockholders' equity	\$ 575,289	\$ 510,288

Condensed Consolidated Statement of Operations

(in thousands, except share and per share data)

	Three Months Ended March 31,	
	2023	2022
Operating expenses		
Research and development	\$ 46,160	\$ 114,935
Sales and marketing	5,585	6,186
General and administrative	27,584	27,880
Loss on disposal of property and equipment	3,698	—
Total operating expenses	83,027	149,001
Loss from operations	(83,027)	(149,001)
Change in fair value measurements	94,917	1,186
Loss on settlement of notes payable	(3,021)	—
Interest expense	(4,651)	(3,746)
Related party interest expense	(140)	(622)
Other income (expense), net	2,409	(915)
Income (Loss) before income taxes	6,487	(153,098)
Income tax provision	—	—
Net income (loss)	\$ 6,487	\$ (153,098)
Per share information:		
Net income (loss) per share of Common Stock attributable to common stockholders:		
Basic	\$ 0.01	\$ (0.48)
Diluted	(0.07)	(0.48)
Weighted average shares used in computing net income (loss) per share of Common Stock		
Basic	657,565,442	322,211,392
Diluted	988,638,662	322,211,392
Total comprehensive income (loss):		
Net income (loss)	\$ 6,487	\$ (153,098)
Change in foreign currency translation adjustment	(555)	(564)
Total comprehensive income (loss)	\$ 5,932	\$ (153,662)

Condensed Consolidated Statement of Cash Flows

(in thousands)

	Three Months Ended March 31,	
	2023	2022
Cash flows from operating activities		
Net income / (loss)	\$ 6,487	\$ (153,098)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization expense	1,103	4,853
Stock-based compensation	15,102	3,347
Loss on disposal of property and equipment	3,698	—
Change in fair value measurement of related party notes payable and notes payable	(79,462)	(1,186)
Change in fair value measurement of warrant liability	(12,434)	—
Change in fair value measurement of earnout liability	(2,764)	—
Amortization of operating lease right-of-use assets and intangible assets	736	—
Loss on foreign exchange	686	894
Non-cash interest expense	4,533	2,319
Loss on settlement of notes payable	(3,021)	—
Other	337	108
Changes in operating assets and liabilities:		
Deposits	(29,370)	6,840
Other current and non-current assets	6,368	2,095
Accounts payable	(10,367)	5,747
Accrued expenses and other current liabilities	(4,098)	14,527
Operating lease liabilities	(542)	(882)
Accrued interest expense	(197)	(7,928)
Net cash used in operating activities	\$ (103,205)	\$ (122,364)
Cash flows from investing activities		
Payments for property and equipment	\$ (16,873)	\$ (44,398)
Net cash used in investing activities	\$ (16,873)	\$ (44,398)
Cash flows from financing activities		
Proceeds from notes payable, net of original issuance discount	131,800	—
Proceeds from exercise of warrants	4,079	—
Payments of notes payable	(6)	(87,065)
Settlement of notes payable transaction costs	(1,139)	—
Payments of finance lease obligations	(335)	(466)
Proceeds from exercise of stock options	44	1,855
Net cash (used in) provided by financing activities	\$ 134,443	\$ (85,676)
Effect of exchange rate changes on cash and restricted cash	395	(653)
Net (decrease) increase in cash and restricted cash	\$ 14,760	\$ (253,091)
Cash and restricted cash, beginning of period	18,514	530,477
Cash and restricted cash, end of period	\$ 33,274	\$ 277,386

Condensed Consolidated Statement of Cash Flows (continued)

(in thousands)

	Three Months Ended March 31,	
	2023	2022
Cash	\$ 31,769	\$ 276,374
Restricted cash	1,505	1,012
Total cash and restricted cash, end of period	\$ 33,274	\$ 277,386
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 324	\$ 10,040
Supplemental disclosure of noncash investing and financing activities		
Additions of property and equipment included in accounts payable and accrued expenses	\$ 17,249	\$ 1,881
Issuance of Warrants	66,609	—
Reclassification of liability for insufficient authorized shares related to stock options and RSUs	8,977	—
Reclassification of earnout shares liability to equity as part of authorized share increase	5,014	—
Conversion of notes payable and accrued interest into Class A Common Stock	46,296	—
Issuance of convertible notes pursuant to the Exchange Agreement	41,000	—
Change in classification of warrants from Additional paid-in capital to liability pursuant to the Warrant Exchange	6,811	—
Recognition of operating right of use assets and lease liabilities upon adoption of ASC 842 and for new leases entered into in 2022	—	8,206

Thank you

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