



Faraday Future Reports Financial Results for Second Quarter 2024 and Announces Timing for Earnings Call

Aug 14, 2024

- **Major Cost Control Initiatives Drive Meaningful Improvement Year-Over-Year.**
- **Commitment to Continued Production and Deliveries While Maintaining Financial Discipline.**
- **FF is Building FF 91 Vehicle Bodies In-House at a Significant Cost Savings.**
- **Raised Approximately \$15.5 million.**
- **Ongoing Pursuit of Strategic Investors.**

LOS ANGELES--(BUSINESS WIRE)--Aug. 14, 2024-- Faraday Future Intelligent Electric Inc. (Nasdaq: FFIE) ("FF," "Faraday Future," or "Company"), a California-based global shared intelligent electric mobility ecosystem company, today announced its financial results for its second quarter 2024 and is scheduled to have an earnings call on these results after market close on Wednesday, August 14, 2024 at 5:00 p.m. Pacific Time (8:00 p.m. Eastern Time).

RESULTS FOR SECOND QUARTER 2024

The Company continued its efforts to control costs and reduce operating expenses:

- Second quarter operating expenses improved significantly to \$29.9 million compared to \$49.4 million in the prior year quarter.
- Second quarter loss from operations improved to \$50.6 million compared to a loss of \$56.0 million in the prior year quarter.
- Cash used in operating activities improved meaningfully to \$29.1 million in the six months ended June 30, 2024, compared to \$160.7 million in the prior year period.
- The Company had \$457.9 million of assets, \$309.2 million liabilities and a book value of \$148.7 million at quarter end June 30, 2024.

These results reflect significant cost reductions and cost discipline, and FF anticipates ongoing cost reductions compared to the year-over-year periods through the remainder of 2024. FF has rightsized its operational footprint and workforce based on the current operational requirements and funding situation. The next step is to continue vehicle production and deliveries.

FF raised approximately \$15.5 million of gross financing through convertible debt issuances in the second quarter 2024.

KEY COMPANY HIGHLIGHTS

The start of 2024 marked a transformative period for the Company. The Company's new China-U.S. Automotive Bridge Strategy positions FF to leverage cutting-edge AI and software technologies across multiple market segments, potentially accelerating FF's mass-market entry while maintaining FF's ultra-luxury offering. The Company remains focused on executing its global strategy and bringing its unique vision of intelligent electric mobility to a broader audience. In addition, FF recently held its first Investor Community Day to highlight the Company's technology, its leadership team and the developments that underscore its commitment to innovation and sustainable growth.

FF's China-U.S. Automotive Bridge Strategy marks a return to a two-brand approach. As part of its dual-home-market strategy, FF expects to leverage its unique bridge value to integrate the strengths of the U.S. automotive industry with those of Chinese original equipment manufacturers (OEMs) and parts suppliers and their respective supply chains, focusing on the \$20,000 to \$80,000 price segment.

FF plans to enhance procured components with its proprietary AI and vehicle software technology, with the contribution of the mechanical platform and supply chain purchase collaboration from China's automotive industry, creating a compelling value proposition for the AI EV mass market. The Company's FF iFactory in Hanford, California, could allow for full production capabilities, providing a solid foundation for future collaboration with other OEMs. By adjusting certain production lines, additional products could be integrated.

FF is building the FF 91 vehicle body in-house, leading to significant cost savings in this area. The Company's supply chain successfully resumed SOD2 in June as its production and quality control systems continued to mature.

At the start of the second quarter 2024, FF established a Middle East sales entity in Dubai, signifying an important milestone in the Company's expansion plans. FF can look to implement a "third pole" geographic strategy that includes the U.S. and China markets that are known for their strong appetite for cutting-edge, high-end products.

Subsequent to the end of the second quarter 2024, the Company successfully refined the terms of previously signed Share Purchase Agreements related to its convertible notes financings. Following the agreement adjustments, most of the cash repayment obligations have been modified to allow for share issuance obligations, and the cash interest expenses would be significantly reduced. This will further help reduce cash pressures and could be conducive to additional financing efforts.

Upon filing the Form 10-Q for the period ending June 30, 2024, the Company continues to be compliant with Nasdaq rules regarding timely Securities and Exchange Commission periodic reporting. The remaining compliance requirement for continued listing on Nasdaq is the minimum bid price on or before August 31, 2024.

OUTLOOK

The Company continues to seek strategic financing. If strategic investments are secured, this could enable production to ramp and support additional deliveries of the FF 91. Furthermore, incremental funding could support the development of the China-U.S. Automotive Bridge Strategy and progress FF's entry into the Middle East. FF will also keep working to optimize operations to support sustainability. This includes ongoing evaluations of current cost reductions and spending efficiency, including daily operations and FF 91 materials costs.

EARNINGS WEBCAST

Faraday Future management will host a webcast today, August 14, 2024, at 8:00 p.m. Eastern time (5:00 p.m. Pacific time). Interested investors and other parties can listen to a webcast of the conference call by logging onto the Investor Relations section of the Company's website at <https://investors.ff.com/>. A replay of the webcast will be available on the Company's website shortly thereafter.

ABOUT FARADAY FUTURE

Faraday Future is the pioneer of the Ultimate AI TechLuxury ultra spire market in the intelligent EV era, and the disruptor of the traditional ultra-luxury car civilization epitomized by Ferrari and Maybach. FF is not just an EV company, but also a software-driven intelligent internet company. Ultimately FF aims to become a User Company by offering a shared intelligent mobility ecosystem. FF remains dedicated to advancing electric vehicle technology to meet the evolving needs and preferences of users worldwide, driven by a pursuit of intelligent and AI-driven mobility.

FORWARD-LOOKING STATEMENTS

This press release includes "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. When used in this press release, the words "estimates," "projected," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "should," "future," "propose" and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements, which include statements regarding the Company's financings, cash pressures and requirements, cost reductions, cash interest expense, strategy in the U.S., China and the Middle East, the China-U.S. Automotive Bridge Strategy, a second brand, integrating the Company's AI and software into a second brand, and deliveries of the FF 91, 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, among others: the Company's ability to continue as a going concern and improve its liquidity and financial position; the Company's ability to pay its outstanding obligations; the Company's ability to remediate its material weaknesses in internal control over financial reporting and the risks related to the restatement of previously issued consolidated financial statements; the Company's limited operating history and the significant barriers to growth it faces; the Company's history of losses and expectation of continued losses; the success of the Company's payroll expense reduction plan; 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 Company's ability to cover future warrant claims; the success of other competing manufacturers; the performance and security of the Company's vehicles; current and potential litigation involving the Company; the Company's ability to receive funds from, satisfy the conditions precedent of and close on the various financings described elsewhere by the Company; the result of future financing efforts, the failure of any of which could result in the Company seeking protection under the Bankruptcy Code; the Company's indebtedness; the Company's ability to cover future warranty claims; the Company's ability to use its "at-the-market" program; insurance coverage; general economic and market conditions impacting demand for the Company's products; potential negative impacts of a reverse stock split; potential cost, headcount and salary reduction actions may not be sufficient or may not achieve their expected results; circumstances outside of the Company's control, such as natural disasters, climate change, health epidemics and pandemics, terrorist attacks, and civil unrest; risks related to the Company's operations in China; the success of the Company's remedial measures taken in response to the Special Committee findings; the Company's dependence on its suppliers and contract manufacturer; the Company's ability to develop and protect its technologies; the Company's ability to protect against cybersecurity risks; and the ability of the Company to attract and retain employees, any adverse developments in existing legal proceedings or the initiation of new legal proceedings, and volatility of the Company's stock price. You should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" section of the Company's Form 10-K filed with the SEC on May 28, 2024, as amended on May 30, 2024, and June 24, 2024, as updated by the "Risk Factors" section of the Company's first quarter 2024 Form 10-Q filed with the SEC on July 30, 2024, and other documents filed by the Company from time to time with the SEC.

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