

Faraday Future  
Shareholder Letter  
Q3 2023





The third quarter was pivotal for Faraday Future, marking significant strides in our journey of innovation and growth. Building on the momentum from our first delivery of the FF 91 2.0 Futurist Alliance, we further solidified our entry into the EV market with our transformative Co-Creation initiatives and additional deliveries of the revolutionary, all-ability aiHypercar.

We are now a revenue generating company and our first vehicles are running on the roads of California. The FF 91 2.0 Futurist Alliance is a culmination of nine years of hard work and dedication by the team and approximately \$3 billion invested in building this innovative product. As such, we are terming the vehicle a “new species.” It’s an all-ability vehicle with the performance of a sports car, the luxury of a sedan and the terrain handling of an SUV and all of this is fitted with the latest technology, from infotainment to AI handling.

With a vehicle that we are excited to show the world, we’re now focused on getting the word out on just how amazing this vehicle is. We are also excited about communicating the entire vision behind Faraday Future, the connected mobility, Co-Creation, and the lifestyle of TechLuxury. To help build our brand identity, we hosted the inaugural “FF Developer Co-Creation Festival” at the revered Pebble Beach Concours d’Elegance, which has become an annual gathering of rare and antique automobiles, international automotive luminaries, and motorcar enthusiasts from around the globe. In addition, we demonstrated our vehicle’s prowess when the FF 91 2.0 Futurist Alliance established an impressive lap record at both Button Willow Raceway and the “Big Willow Track” at Willow Springs International Raceway in the SUV and crossover segment.

The Company also named Matthias Aydt as its new Global CEO. Matthias has been with FF for over seven years and was most recently in charge of Product Execution and was the head of Product Definition & Mobility Ecosystems and Business Development in a previous role. With over 40 years of experience at luxury and performance OEMs in Germany, Italy, the UK, and China across technology and operations, including developing and growing multinational organizations, establishing cross-functional working environments, design and development processes, program-management processes, and simultaneous engineering processes, Matthias will further leverage his experience in product technology, research, and development, bringing best practices from global luxury car brands.



We believe that Faraday Future has tremendous opportunities in front of it and the collective expertise and passion of our management underscore our readiness for the next phase of growth.

Looking forward, our aspirations are set on growing the production of our groundbreaking vehicle and fortifying our brand through Co-Creation. By collaborating with industry pioneers and influential personalities, we intend to broaden our brand's appeal and recognition, while also being thoughtful about our marketing investments. We believe these Co-Creation endeavors not only magnify our brand's visibility but also foster a profound bond between FF and its users, crafting a richer brand experience.

Lastly, the Company will host an FF Middle East Strategy Launch press event during the week of the F1 Grand Prix in Abu Dhabi in late November. The Middle East market presents exciting opportunities for smart and autonomous vehicles and is well aligned with FF product technology and brand positioning. We look forward to this being our first of many future events and collaborations in the Middle East.

**Faraday Future's core strategic initiatives are as follows**

- Shifting the Company from a program development and engineering operation to a full cycle continuous manufacturing and delivery operation
- Reducing and adjusting the cost structures to reflect the near-term focus of the Company as noted above
- Actively managing operating costs and general and administrative expenses, and focusing on improving Company-wide efficiency
- Expanding our market presence into TechLuxury markets in the US and globally with adequate volumes
- Focusing on cashflow breakeven and next growth steps.
- Continuous product and technology enhancements to maintain unique position in the market



# Developers AI Co-Creation Festival

FF 91 2.0 Futurist Alliance Delivery



## What is Co-Creation?

FF Co-Creation is an open platform that enables users or Co-Creators to partner with FF, thereby facilitating value Co-Creation. This initiative extends FF's internal and external partner strategy, aiming for a holistic collaboration with external Co-Creators to forge mutual value. Co-Creation is core to FF's DNA and it is the ultimate expression of "sharing." Based on a partnership philosophy, the sharing economy theory and Open Ecosystem mode, Co-Creation strives to jointly accelerate product power upgrade, technological transformation, branding and user self-fission by thoroughly involving users in the whole FF business process.

## Co-Creation

Our Co-Creation endeavors have begun to show signs of bearing fruit. After the introduction of our Co-Creation campaign, we've engaged in partnerships with numerous industry pioneers and influential personalities. Most recently, in addition to Jason Oppenheim, we started collaborating with industry trailblazers and renowned personalities such as Chris Brown, Justin Bell and Derek Bell. Our Co-Creation Officers have offered valuable insights to the Company, contributing to various areas including brand marketing and user acquisition, among others.

## Why is Co-Creation Valuable to Faraday Future?

Co-Creation is more than just a partnership; it's an embodiment of our spirit to place our users at the center of everything we do. This strategy provides a competitive edge in the fast-paced EV market, ensuring that our vehicles aren't just technologically advanced but also deeply aligned with the evolving desires and needs of our target audience.

Through collaborative partnerships with Co-Creators, the Company believes that substantial value can be accessed across various aspects such as brand amplification, trust and loyalty, pricing power, strategic positioning, and brand marketing:

- **Product Development and Quality Enhancement:** By tapping into the insights and experiences of our Co-Creators, we can refine and enhance our products, ensuring they meet the exacting standards and expectations of our users. This feedback loop allows us to innovate rapidly and ensure our vehicles remain best-in-class.



- **Technological Development:** Collaborations with tech-savvy Co-Creators provide us with a fresh perspective on emerging technologies and their potential applications in the automotive domain. We believe this will ensure that Faraday Future remains at the cutting edge of technological innovation.
- **Brand Amplification:** Our collaborations with influential personalities and our user base augment our brand's visibility, positioning us at the forefront of the EV luxury segment. Through shared experiences or endorsements, we believe our brand reach has the potential to expand exponentially, tapping into new elite demographics and market segments.
- **Trust and Loyalty:** Co-Creation fosters a sense of belonging and trust. By actively involving our users in the creation process, we build a relationship that goes beyond the transactional. We believe this reinforces their loyalty and advocacy for our brand throughout the ownership period.
- **Pricing Power:** Strong brand association has the potential to empower us to command premium pricing. When users feel they've had a hand in creating a product, we believe they will recognize and value the unparalleled experience FF offers, further justifying a premium positioning in the market.
- **Strategic Alliances:** A recognized and respected brand, enhanced through Co-Creation, opens doors to collaborative opportunities. Whether it's with tech giants, luxury brands, or sustainability pioneers, we believe we're well poised to forge meaningful partnerships that can elevate our offerings.
- **Cost-Effective Marketing:** We believe that with a brand that resonates deeply with its audience, our marketing efforts become more impactful. The authentic stories and experiences shared by our Co-Creators act as potent marketing tools, reducing the need for extensive campaigns and allowing for a more organic growth in brand recognition and loyalty.

## Co-Creation Partnerships

Faraday Future has been actively partnering with Co-Creation officers to promote and improve the FF 91 2.0 Futurist Alliance. Each Co-Creation officer has been driving the vehicle and providing feedback and suggestions directly to FF and supporting the continued development of the FF 91 2.0 Futurist Alliance. They have also contributed their own resources to help promote Faraday Future. These Co-Creation officers have over 200 million combined fans on social media combined. Chris Brown and Jason Oppenheim have achieved 4.6 million and 1 million social media views on their own social platforms for the Faraday Future brand. In addition, our partners have provided exclusive venues for FF events, and access to their luxury vehicle collection for competitive study and events. Justin Bell has further helped the Company secure an interview with the Chair of Pebble Beach Concours d'Elegance in the FF 91 2.0 Futurist Alliance

# Seated Inside the FF 91 2.0 Futurist Alliance



## Driver

- FF ShareDrop (POI to CID)
- Large Color Head-Up Display
- Door Display for Quick Memory Functions
- Low Profile Instrument Panel for Improved Visibility
- FFID – User Profile that Travels with You
- Individual Zone Audio Settings Sync

## Passenger Info Display (PID) (Touch)

- 17" Touch Screen
- In-Car Wireless Hotspot
- FFAI Voice
- Remote Control Via FF CTRL App
- Video Conference Call Capabilities



## Rear Seat Display (RSD) – Ultimate Cinema Experience

- 27" Ultra Wide Screen (Full HD)
- FF ShareDrop (Phone to RSD)
- Remote Control via FF CTRL App
- FFID for Individualized Controls and Experience
- Ability to use four paired phones simultaneously

## View

- All available media
- Video Conference Call Capabilities
- Spa Mode Visualization and Settings
- Dashcam & 360 view



# Production & Deliveries

Building upon our Q2 momentum, our Hanford, CA team continues to improve our manufacturing throughput and process. Our approach to manufacturing and production in batches has allowed us to embed a culture of continuous improvement, refining our processes with each production cycle. This meticulous attention to detail is evident not only during the manufacturing stage but extends to the final quality checks. Each vehicle undergoes comprehensive inspections – static, dynamic, and functional – to guarantee that we fulfill our product promise to our users.

As such, our Quality Customer craftsmanship audit score improved by 50% from first measurement. Significant improvements continue to be made in vehicle build quality in terms of fit, finish and functionality of the vehicle. These improvements are measured through the point-based quality audit scoring system.

The team is also working to optimize vehicle assembly. With the planned optimization, we anticipate a meaningful in assembly efficiency can be realized early next year.

## Delivery and Sales Highlights

To date, we have achieved significant delivery milestones. We proudly handed over the keys to seven FF 91 2.0 Futurist Alliances to their new users and have 10 Futurist Product Co-Creation officers endorsing our product and offering valuable insights.



# Sales Build-Out

## **Launch of Leasing Program**

Faraday Future, in partnership with Luxury Lease Partners, has successfully launched its leasing program for its FF 91 2.0 Futurist Alliance owners. Starting at \$4,990/month, \$15,000 down, owners can take delivery of Faraday Future's flagship model with just a few clicks on the screen. The lease agreements are completed electronically as part of Faraday Future's promise of an intelligent electric future.

## **Commencement of Beverly Hills Flagship Store Construction**

Faraday Future has broken ground on its Los Angeles, CA flagship store located at the heart of the shopping district in Beverly Hills. This multi-million-dollar project is set to deliver an immersive physical and virtual experience for its future owners the possibilities of Faraday Future's intelligent mobility ecosystem.

## **Mobile Service Fleet Activation**

Faraday Future has activated its mobile service fleet to provide concierge service to FF 91 2.0 Futurist Alliance users on demand.

## **Showroom Opening**

With the start of delivery, Faraday Future officially opened its showroom located in its Gardena, California headquarters. This facility includes a vehicle display, demonstration drive area, and a vehicle configuration experience.

## **GCLA Sponsorship**

Faraday Future is the proud sponsor of Greater California Livery Association, the core organization behind California's vibrant luxury limousine industry. We look forward to partnering with major luxury limousine operators.

## **Bureau of Automotive Repair License**

Faraday Future is proud to be fully licensed by the California Bureau of Automotive Repair for its facility technicians and operations. This license ensures that consumers and their vehicles are meeting the highest standards of maintenance, warranty repairs, and overall service.

## **Activation of Home Charging Installation Program**

Faraday Future activated its home charging installation program in collaboration with Qmerit Electrification LLC, a leading home charging installation provider. FF's vehicle users can now fully utilize FF 91's L2's charging capabilities with the FF Home Charger supporting up to 19.2 kW [per hour]. The FF Home Charger is also a smart Wi-Fi connected charger compatible with most EVs.

## **Activation of Public Charging Program**

Faraday Future has activated its public charging program to ensure vehicle owners can travel seamlessly. Every FF 91 2.0 Futurist Alliance owner will receive \$1,000 charging credits that can be used with all major US EV charging networks.



## Financial Highlights & Funding

One of the major accomplishments of this quarter was that it was our first quarter of generating revenue, a major milestone for the Company.

On the funding side, during the third quarter, we raised \$61.8 million through a combination of convertible notes, equity line of credit and at the market financings. As the Company matured and passed its one-year mark as a regular filer, it now has access to better, less dilutive financing through the public markets.

Beyond equity financing, Faraday successfully tapped into asset-based financing through the sale-leaseback of our Hanford, California manufacturing facility. Through this transaction, we unlocked up to \$12 million in non-dilutive capital, which is earmarked for vital plant enhancements and foundational developments crucial for the FF 91 2.0 Futurist Alliance's production trajectory. In this transaction, we did not sell any physical assets. We were leasing Hanford previously and have now simply changed landlords. We did not sell any of our equipment and the factory continues to operate normally.

To showcase the unwavering faith our leadership has in Faraday Future's vision, we unveiled a management stock purchase plan. Subject to shareholder approval, senior leaders, along with key members of our management team, have pledged to allocate 50% of their three-month salary toward acquiring FF's Class A Common Stock directly from the Company.

Lastly on the performance of our stock. From an operational perspective, Faraday is the most mature it has been in its history. We are delivering vehicles, generating revenue, and slowly but surely increasing our production. We have a new senior management team that is, passionate and capable, and committed to making Faraday Future a success. Still, our stock price has fallen dramatically. We are taking steps to attempt to halt and reverse that decline. We've seen large failure-to-deliver data in recent months, which can be indicative of illegal naked short selling. The Company has engaged Shareholder Intelligence Services ("ShareIntel") to give us actionable intelligence on potential market manipulation and illegal short selling. We will provide an update on this before year end.



## 2023 and Beyond

Moving forward, Faraday Future remains steadfast in its commitment to its three-phase delivery blueprint. Having successfully embarked on Phase 2 Co-Creation deliveries since August 12, 2023 our sights are set on scaling up FF91 production. We aim to reach Phase 3 delivery, which is delivery of the vehicle to the general market, by the end of Q1 2024.

With the Company's current factory improvement and ramp plan, the Company targets producing approximately 1,000 vehicles next year, subject to availability of requisite capital, supply chain capacity and stability, and necessary permits. We've already invested significantly into the foundation of growth and can quickly expand capacity to fulfill operational demand as needed and permitted.

We also announced a masterplan aimed at reinforcing the Company's stability. This roadmap is designed to support sustainable profitability while curbing dependence on external financial sources. Immediate priorities are centered on streamlining operational expenses and refining the organizational framework, which includes a reduction in overhead costs that don't directly contribute to the FF 91 2.0 Futurist Alliance's production.

Additionally, we are keenly focused on reducing and optimizing costs associated with the materials and production of the FF 91 2.0 Futurist Alliance, supported by a strategy to insource cost-intensive systems where practical.

Reaffirming our strategic vision, we are unwavering in our pursuit to mold Faraday Future into a profitable entity, targeting operational cashflow equilibrium as early as 2025.





## Financial Highlights

|                     |  |
|---------------------|--|
| Revenue             | Third quarter marked the first quarter of revenue generation for Faraday Future. As the Company ramps up sales, the vehicle was first launched in southern California. Automotive sales revenue includes revenues related to deliveries of new vehicles, and specific other features and services including home charger, charger installation, twenty-four-seven roadside assistance, Over-the-air (“OTA”) software updates, internet connectivity and destination fee, offset by certain Co-Creation fees.   |
| Cost of Goods Sold  | Cost of goods sold was \$16.1 million. Of this, \$10.4 million was non-cash depreciation of tooling and machinery. The majority of the remaining is manufacturing overhead cost and to a lesser extent labor and material costs. The higher cost of goods sold was driven by the natural inefficiencies of early-stage vehicle production – namely initial manufacturing inefficiencies and a higher cost of parts resulting from low volume.  |
| Operating Income    | Operating loss in third quarter was \$66.4 million versus \$80.0 million in the previous year quarter. The improvement in operating loss was largely driven by lower research and development expense and to a lesser extent improved general and administrative expenses year on year.  |
| Net Income / (Loss) | Net loss for the quarter, was \$78.0 million compared to a loss of \$119.9 million for the previous year quarter. The change in net loss was primarily due to the lowered operating expenses and a gain in the change in fair value of notes payable and warrant liabilities, offset by noncash settlements of convertible notes recorded in the third quarter this year.  |
| Net Cash Used       | Net cash used in operating activities for the nine months ended September 30, 2023 was \$240.4 million compared to \$355.1 million for the nine months ended September 30, 2022. Capital expenditures were \$10.8 million for the nine months ended compared to \$112.1 million for the nine months ended September 30, 2022. Net cash provided by financing activities for the nine months ended September 30, 2023 was \$237.6 million compared to net cash used in financing activities of \$40.9 million for the nine months ended September 30, 2022. |
| Balance Sheet       | Cash as of September 30, 2023 was \$8.6 million, including \$1.9 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, expectations regarding the Company's technology and production ramp up, the market for the FF 91 2.0 Futurist Alliance, expectations regarding FF's delivery capacity, and expectations regarding the Co-Creation program, 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 the Company's ability to remediate its material weaknesses in internal control over financial reporting; risks related to the restatement of FF's previously issued consolidated financial statements; FF's limited operating history and the significant barriers to growth it faces; FF's history of losses and expectation of continued losses; increased operating expenses; FF's ability to continue as a going concern; incorrect assumptions and analyses developed by management; the market performance of the Company's common stock; the Company's ability to comply with, the Nasdaq listing requirements; the Company's ability to receive funds from, satisfy the conditions precedent of, 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 indebtedness; the Company's ability to cover future warranty claims; insurance coverage; 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 success of FF's remedial measures taken in response to the Special Committee findings; FF's dependence on its suppliers and contract manufacturer; FF's ability to develop and protect its technologies; the Company's ability to protect against cybersecurity risks; the Company's ability to execute on its plans to develop and market its vehicles and the timing of these development programs; delays in the production of the FF 91 2.0 Futurist Alliance; 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; the Company and its suppliers and manufacturer's ability to comply with legal and regulatory rules; risks related to the Company's founder and Chief Product and User Ecosystem Officer's participation in the Company; current and potential litigation involving the Company; general economic and market conditions impacting demand for the Company's products; circumstances outside of FF's control, such as natural disasters, climate change, health epidemics and pandemics, terrorist attacks, and civil unrest; recent cost, headcount and salary reduction actions may not be sufficient or may not achieve their expected results; risks related to FF's operations in China; risks related to FF's stockholders who own a significant amount of the Company's common stock; 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 in the Company's Annual Report on Form 10-K/A for the year ended December 31, 2022 and Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, 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 (Unaudited)<sup>1</sup>

(in thousands, except share and per share data)

|   | Sept 30, 2023     | Dec 31, 2022      |
|---|-------------------|-------------------|
| Assets  |                   |                   |
| Current assets                                    |                   |                   |
| Cash  | \$ 6,714          | \$ 16,968         |
| Restricted cash                                   | 1,853             | 1,546             |
| Inventory   | 35,215            | 4,457             |
| Deposits  | 62,556            | 44,066            |
| Other current assets                              | 20,963            | 17,489            |
| <b>Total current assets</b>                       | <b>127,301</b>    | <b>84,526</b>     |
| Property and equipment, net                       | 416,514           | 406,320           |
| Finance lease right-of-use assets                 | 12,090            | 12,362            |
| Operating lease right-of-use assets               | 17,370            | 19,588            |
| Other non-current assets                          | 6,252             | 6,492             |
| <b>Total assets</b>                               | <b>\$ 579,527</b> | <b>\$ 529,288</b> |
| Liabilities and stockholders' equity              |                   |                   |
| Current liabilities                               |                   |                   |
| Accounts payable                                  | \$ 101,857        | \$ 91,603         |
| Accrued expenses and other current liabilities    | 68,446            | 65,709            |
| Warrant liabilities                               | 1,613             | 92,781            |
| Related warrant liabilities                       | 117               | -                 |
| Accrued interest                                  | 25                | 189               |
| Related party accrued interest                    | 139               | -                 |
| Operating lease liabilities, current portion      | 3,755             | 2,538             |
| Finance lease liabilities, current portion        | 1,442             | 1,364             |
| Related party notes payable, current portion      | 8,830             | 8,964             |
| Notes payable, current portion                    | 4,929             | 5,097             |
| <b>Total current liabilities</b>                  | <b>191,153</b>    | <b>268,245</b>    |
| Finance lease liabilities, less current portion   | 5,475             | 6,570             |
| Operating lease liabilities, less current portion | 14,868            | 18,044            |
| Other liabilities                                 | 10,783            | 9,429             |
| Related party notes payable, less current portion | 2,945             | -                 |
| Notes payable, less current portion               | 92,500            | 26,008            |
| <b>Total liabilities</b>                          | <b>317,724</b>    | <b>328,296</b>    |
| Commitments and contingencies                     |                   |                   |
| Stockholders' equity                              |                   |                   |
| Class A Common Stock, \$0.0001 par value          | 3                 | 1                 |
| Class B Common Stock, \$0.0001 par value          | -                 | -                 |
| Additional paid-in capital                        | 4,128,990         | 3,724,241         |
| Accumulated other comprehensive gain              | 7,512             | 3,505             |
| Accumulated deficit                               | (3,874,702)       | (3,526,755)       |
| <b>Total stockholders' equity</b>                 | <b>261,803</b>    | <b>200,992</b>    |
| <b>Total liabilities and stockholders' equity</b> | <b>\$ 579,527</b> | <b>\$ 529,288</b> |

(1) Prior period figures are presented as adjusted for the one-for-eighty reverse stock split of the Company's common stock (the "Reverse Stock Split").

# Condensed Consolidated Statement of Operations and Comprehensive Loss (Unaudited)<sup>1</sup>

(in thousands, except share and per share data)

|   | Three Months Ended<br>September 30, |                     | Nine Months Ended<br>September 30, |                     |
|---|-------------------------------------|---------------------|------------------------------------|---------------------|
|   | 2023                                | 2022                | 2023                               | 2022                |
| Revenues  |                                     |                     |                                    |                     |
| Auto sales  | \$ 551                              | \$ –                | \$ 551                             | \$ –                |
| Cost of revenues  |                                     |                     |                                    |                     |
| Auto sales  | 16,131                              | –                   | 22,744                             | –                   |
| Gross profit/(loss)   | (15,580)                            | –                   | (22,193)                           | –                   |
| Operating expenses  |                                     |                     |                                    |                     |
| Research and development  | 21,593                              | 47,582              | 104,670                            | 259,741             |
| Sales and marketing   | 5,318                               | 3,823               | 18,082                             | 16,207              |
| General and administrative  | 24,023                              | 28,551              | 67,598                             | 89,069              |
| Loss on disposal of property and equipment  | –                                   | –                   | 3,698                              | 1,407               |
| Change in fair value of earnout liability   | (67)                                | –                   | 2,033                              | –                   |
| Total operating expenses  | 50,867                              | 79,956              | 196,081                            | 366,424             |
| <b>Loss from operations</b>   | <b>(66,447)</b>                     | <b>(79,956)</b>     | <b>(218,274)</b>                   | <b>(366,424)</b>    |
| Change in fair value of notes payable and warrant liabilities                               | 17,571                              | (1,764)             | 90,030                             | 4,580               |
| Change in fair value of related party notes payable and related party warrant liabilities   | 4,726                               | –                   | 5,110                              | –                   |
| Loss on settlement of notes payable   | (21,357)                            | (30,454)            | (204,885)                          | (30,454)            |
| Loss on settlement of related party notes payable   | (10,756)                            | –                   | (17,248)                           | –                   |
| Interest expense  | (90)                                | (245)               | (591)                              | (5,119)             |
| Related party interest expense  | (69)                                | (996)               | (139)                              | (2,931)             |
| Other expense, net  | (1,624)                             | (6,457)             | (1,922)                            | (14,307)            |
| <b>Loss before income taxes</b>   | <b>(78,046)</b>                     | <b>(119,872)</b>    | <b>(347,919)</b>                   | <b>(414,655)</b>    |
| Income tax provision  | –                                   | –                   | (28)                               | (9)                 |
| <b>Net loss</b>   | <b>\$ (78,046)</b>                  | <b>\$ (119,872)</b> | <b>\$ (347,947)</b>                | <b>\$ (414,664)</b> |
| Net loss per share of Class A and B Common Stock attributable to common stockholders:       |                                     |                     |                                    |                     |
| Basic   | \$ (3.78)                           | \$ (27.67)          | \$ (23.28)                         | \$ (100.26)         |
| Diluted   | (3.78)                              | (27.67)             | (23.28)                            | (100.26)            |
| Weighted average shares used in computing net loss per share of Class A and B Common Stock: |                                     |                     |                                    |                     |
| Basic   | 20,647,430                          | 4,332,194           | 14,944,452                         | 4,135,984           |
| Diluted   | 20,647,430                          | 4,332,194           | 14,944,452                         | 4,135,984           |
| Total comprehensive loss  |                                     |                     |                                    |                     |
| Net loss  | \$ (78,046)                         | \$ (119,872)        | \$ (347,947)                       | \$ (414,664)        |
| Foreign currency translation adjustment   | (1,560)                             | 9,864               | 4,007                              | 13,548              |
| Total comprehensive loss  | \$ (79,606)                         | \$ (110,008)        | \$ (343,940)                       | \$ (401,116)        |

(1) Prior period figures are presented as adjusted for the one-for-eighty reverse stock split of the Company's common stock (the "Reverse Stock Split").



# Condensed Consolidated Statement of Cash Flows (Unaudited)<sup>1</sup>

(in thousands)

|  | Nine Months Ended<br>Sept 30, |                  |
|--|-------------------------------|------------------|
|  | 2023                          | 2022             |
| Cash flows from operating activities   |                               |                  |
| Net loss   | \$ (347,947)                  | \$ (414,664)     |
| Adjustments to reconcile net loss to net cash used in operating activities                         |                               |                  |
| Depreciation and amortization expense  | 27,673                        | 2,532            |
| Stock-based compensation   | 8,906                         | 9,144            |
| Loss on disposal of property and equipment   | 3,698                         | 1,407            |
| Non-cash change in fair value of related party notes payable and related party warrant liabilities | (5,110)                       | —                |
| Non-cash change in fair value of notes payable and warrant liabilities                             | (90,461)                      | (4,580)          |
| Change in fair value of earnout liability  | 1,381                         | —                |
| Change in operating lease right-of-use assets  | 2,491                         | 2,265            |
| Loss on foreign exchange   | 218                           | 2,484            |
| Loss on write-off of vendor deposits, net and (gain) on write off of accounts payable              | 408                           | 2,992            |
| Non-cash interest expense  | —                             | 8,050            |
| Loss on settlement of notes payable  | 204,885                       | 30,454           |
| Loss on settlement of related party notes payable  | 17,248                        | —                |
| Other  | 1,008                         | 324              |
| Changes in operating assets and liabilities:   |                               |                  |
| Deposits   | (19,237)                      | 13,364           |
| Inventory  | (30,758)                      | —                |
| Other current and non-current assets   | (3,415)                       | (10,656)         |
| Accounts payable   | 13,838                        | 27,467           |
| Accrued payroll and benefits   | —                             | 9,372            |
| Accrued expenses and other current liabilities   | (23,332)                      | (21,117)         |
| Operating lease liabilities  | (1,838)                       | (1,226)          |
| Accrued interest expense   | (26)                          | (12,721)         |
| <b>Net cash used in operating activities</b>   | <b>(240,370)</b>              | <b>(355,109)</b> |
| Cash flows from investing activities   |                               |                  |
| Payments for property and equipment  | (10,846)                      | (112,099)        |
| <b>Net cash used in investing activities</b>   | <b>(10,846)</b>               | <b>(112,099)</b> |
| Cash flows from financing activities   |                               |                  |
| Proceeds from notes payable, net of original issuance discount                                     | 208,650                       | 40,050           |
| Proceeds from related party notes payable, net of original issuance discount                       | 19,782                        | —                |
| Proceeds from sale of common stock, net of issuance costs  | 8,520                         | —                |
| Proceeds from exercise of warrants   | 4,074                         | 1,728            |
| Payments of notes payable  | —                             | (87,258)         |
| Payments of notes payable issuance costs   | (2,489)                       | (2,813)          |
| Payments of finance lease obligations  | (1,016)                       | (1,410)          |
| Repurchase of common stock   | —                             | (767)            |
| Proceeds from exercise of stock options  | 44                            | 9,535            |
| <b>Net cash (used in) provided by financing activities</b>   | <b>237,565</b>                | <b>(40,935)</b>  |
| Effect of exchange rate changes on cash and restricted cash  | 3,704                         | 11,594           |
| <b>Net (decrease) in cash and restricted cash</b>  | <b>(9,947)</b>                | <b>(496,549)</b> |
| Cash and restricted cash, beginning of period  | 18,514                        | 530,477          |
| <b>Cash and restricted cash, end of period</b>   | <b>\$ 8,567</b>               | <b>\$ 33,928</b> |

# Condensed Consolidated Statement of Cash Flows A (Unaudited)

(continued)

(in thousands)

|   | Sept 30, 2023                     | Dec 31, 2022 |
|---|-----------------------------------|--------------|
| Cash  | \$ 6,714                          | \$ 16,968    |
| Restricted cash   | 1,853                             | 1,546        |
| Total cash and restricted cash, end of period   | \$ 8,567                          | \$ 18,514    |
|   | <b>Nine months ended Sept 30,</b> |              |
|   | <b>2023</b>                       | <b>2022</b>  |
| Supplemental disclosure of cash flow information  |                                   |              |
| Cash paid for interest  | \$ 465                            | \$ 12,721    |
| Supplemental disclosure of noncash investing and financing activities   |                                   |              |
| Reclassification of Feb. 28, 2023 stock-based awards liability to equity due to authorized share increase                           | 8,978                             | —            |
| Reclassification of Feb. 28, 2023 earnout shares liability to equity due to authorized share increase                               | 5,014                             | —            |
| Reclassification of earnout shares from equity to liability on April 21, 2023 due to insufficient authorized shares                 | 2,112                             | —            |
| Reclassification of stock-based awards from equity to liability on April 21, 2023 due to insufficient authorized shares             | 2,979                             | —            |
| Reclassification of August 25, 2023 earnout shares liability to equity due to authorized share increase                             | 1,381                             | —            |
| Reclassification of August 25, 2023 stock-based award liability to equity due to authorized share increase                          | 2,043                             | —            |
| Conversion of related party notes payable and accrued interest into Class A Common Stock  | 11,254                            | —            |
| Conversion of notes payable and accrued interest into Class A Common Stock  | 114,073                           | —            |
| Recognition of operating right of use assets and lease liabilities upon adoption of ASC 842 and for new leases entered into in 2022 |                                   | 11,906       |
| Additions of property and equipment included in accounts payable and accrued expense  |                                   | 12,056       |
| Issuance of Secured SPA Warrants  | 34,257                            | —            |
| Issuance pursuant to commitment to issue registered shares  |                                   | 32,900       |
| Receipt of class A common stock in consideration of exercise of options   |                                   | 669          |
| Transfer of private warrants to unaffiliated parties  |                                   | 186          |
| Conversion of convertible note to equity  |                                   | 84,780       |
| Acquisitions of property and equipment included in accounts payable   | 34,124                            | —            |
| Issuance of Secured SPA Notes pursuant to the Exchange Agreement  | 16,500                            | —            |
| Change in classification of warrants from Additional paid-in capital to liability pursuant to the Warrant Exchange                  | 6,811                             | —            |
| Reduction in outstanding warrants pursuant to the Exchange Agreement  | (16,506)                          | —            |

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