

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2021

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 001-39395

**FARADAY FUTURE INTELLIGENT ELECTRIC INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**001-39395**

(Commission File Number)

**84-4720320**

(I.R.S. Employer  
Identification No.)

**18455 S. Figueroa Street  
Gardena, CA**

(Address of principal executive offices)

**90248**

(Zip Code)

**(424) 276-7616**

(Registrant's telephone number, including area code)

**PROPERTY SOLUTIONS ACQUISITION CORP.**

**654 Madison Avenue, Suite 1009  
New York, New York 10065**

**(646) 502-9845**

(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

| <b>Title of each class</b>  | <b>Trading Symbol(s)</b> | <b>Name of each exchange on which registered</b> |
|---|--------------------------|--|
| Class A common stock, par value \$0.0001 per share  | FFIE                     | The Nasdaq Stock Market LLC                      |
| Redeemable warrants, exercisable for shares of Class A common stock at an exercise price of \$11.50 per share | FFIEW                    | The Nasdaq Stock Market LLC                      |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

- Large accelerated filer  
 Non-accelerated filer

- Accelerated filer  
 Smaller reporting company  
 Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes  No

As of August 13, 2021 there were 29,516,511 shares of the registrant's common stock, \$0.0001 par value, issued and outstanding.

## EXPLANATORY NOTE

On July 21, 2021 (the “Closing Date”), subsequent to the fiscal quarter ended June 30, 2021, the fiscal quarter to which this Quarterly Report on Form 10-Q (this “Report”) relates, Faraday Future Intelligent Electric Inc. (f/k/a Property Solutions Acquisition Corp. (“PSAC”)), a Delaware corporation (the “Company”), consummated the previously announced business combination pursuant to that certain Agreement and Plan of Merger, dated as of January 27, 2021 (as amended, the “Merger Agreement”), by and among the Company, PSAC Merger Sub Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands and wholly-owned subsidiary of the Company (“Merger Sub”), and FF Intelligent Mobility Global Holdings Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands (“FF”), as amended by the First Amendment to Agreement and Plan of Merger, dated as of February 25, 2021 (the “First Amendment to Merger Agreement”), the Second Amendment to Agreement and Plan of Merger, dated as of May 3, 2021 (“Second Amendment to Merger Agreement”) the Third Amendment to Agreement and Plan of Merger dated as of June 14, 2021 (“Third Amendment to Merger Agreement”) and the Fourth Amendment to Agreement and Plan of Merger dated as of July 12, 2021 (“Fourth Amendment to Merger Agreement”) by and among the Company, Merger Sub, and FF.

Pursuant to the terms of the Merger Agreement, Merger Sub merged with and into FF, with FF surviving the merger as a wholly owned subsidiary of the Company (the “Business Combination”). Upon the consummation of the Business Combination (the “Closing”), the registrant changed its name from “Property Solutions Acquisition Corp.” to “Faraday Future Intelligent Electric Inc.”

Unless stated otherwise, this report contains information about Forum before the Business Combination. This Report covers a period prior to the closing of the Business Combination. As a result, references in this report to “we,” “us,” “our,” or the “Company” refer to the registrant prior to the closing of the Business Combination, unless the context requires otherwise.

**Except as otherwise expressly provided herein, the information in this Report does not reflect the consummation of the Business Combination, which, as discussed above, occurred subsequent to the period covered hereunder.**

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FARADAY FUTURE INTELLIGENT ELECTRIC INC.  
(f/k/a PROPERTY SOLUTIONS ACQUISITION CORP.)

FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2021

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PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements

FARADAY FUTURE INTELLIGENT ELECTRIC INC.  
(f/k/a PROPERTY SOLUTIONS ACQUISITION CORP.)  
CONDENSED BALANCE SHEETS

|   | June 30,<br>2021<br>(Unaudited) | December 31,<br>2020  |
|---|---------------------------------|-----------------------|
| <b>ASSETS</b>   |                                 |                       |
| Current assets  |                                 |                       |
| Cash  | \$ 17,873                       | \$ 549,395            |
| Prepaid expenses and other current assets   | 107,034                         | 128,561               |
| Total Current Assets  | 124,907                         | 677,956               |
| Cash and marketable securities held in Trust Account  | 229,788,742                     | 229,884,479           |
| <b>TOTAL ASSETS</b>   | <b>\$ 229,913,649</b>           | <b>\$ 230,562,435</b> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   |                                 |                       |
| Current liabilities   |                                 |                       |
| Accounts payable and accrued expenses   | \$ 1,981,461                    | \$ 2,041,838          |
| Promissory note – related party   | 500,000                         | —                     |
| Total Current Liabilities   | 2,481,461                       | 2,041,838             |
| Convertible note – related party  | 480,400                         | —                     |
| Warrant liability   | 6,605,462                       | 630,224               |
| <b>Total Liabilities</b>  | <b>9,567,323</b>                | <b>2,672,062</b>      |
| <b>Commitments</b>  |                                 |                       |
| Common stock subject to possible redemption, 22,977,568 and 22,289,037 shares at redemption value as of June 30, 2021 and December 31, 2020, respectively   | 229,775,680                     | 222,890,370           |
| <b>Stockholders' Equity</b>   |                                 |                       |
| Preferred stock, \$0.0001 par value; 1,000,000 authorized; none issued and outstanding  | —                               | —                     |
| Common stock, \$0.0001 par value; 50,000,000 shares authorized; 6,538,943 and 7,227,474 shares issued and outstanding (excluding 22,977,568 and 22,289,037 shares subject to possible redemption) as of June 30, 2021 and December 31, 2020, respectively | 654                             | 723                   |
| Additional paid-in capital  | 5,816,446                       | 7,584,657             |
| Accumulated deficit   | (15,246,454)                    | (2,585,377)           |
| <b>Total Stockholders' Deficit (Equity)</b>   | <b>(9,429,354)</b>              | <b>5,000,003</b>      |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>   | <b>\$ 229,913,649</b>           | <b>\$ 230,562,435</b> |

The accompanying notes are an integral part of the unaudited condensed financial statements.

**FARADAY FUTURE INTELLIGENT ELECTRIC INC.**  
**(f/k/a PROPERTY SOLUTIONS ACQUISITION CORP.)**  
**CONDENSED STATEMENTS OF OPERATIONS**  
**(Unaudited)**

|  | Three Months<br>Ended<br>June 30, |             | Six Months<br>Ended<br>June 30, | For the<br>Period from<br>February 11,<br>2020<br>(Inception)<br>through<br>June 30, |
|--|-----------------------------------|-------------|---------------------------------|--|
|  | 2021                              | 2020        | 2021                            | 2020   |
|  |                                   |             |                                 |  |
| Operating and formation costs  | \$ 442,736                        | \$ —        | \$ 1,327,335                    | \$ 1,000   |
| Loss from operations   | (442,736)                         | —           | (1,327,335)                     | (1,000)  |
| Other expense:   |                                   |             |                                 |  |
| Interest earned on marketable securities held in Trust Account                                     | 8,213                             | —           | 38,926                          | —  |
| Change in fair value of convertible note   | (280,400)                         | —           | (280,400)                       | —  |
| Change in fair value of warrant liability  | (5,012,065)                       | —           | (5,975,238)                     | —  |
| Other expense, net   | (5,284,252)                       | —           | (6,216,712)                     | —  |
| Loss before income taxes   | (5,726,988)                       | —           | (7,544,047)                     | (1,000)  |
| Benefit (provision) for income taxes   | —                                 | —           | —                               | —  |
| <b>Net loss</b>  | <b>\$ (5,726,988)</b>             | <b>\$ —</b> | <b>\$ (7,544,047)</b>           | <b>\$ (1,000)</b>  |
| Basic and diluted weighted average shares outstanding, Common stock subject to possible redemption | 22,103,036                        | —           | 22,195,523                      | —  |
| <b>Basic and diluted net loss per share, Common stock subject to possible redemption</b>           | <b>\$ —</b>                       | <b>\$ —</b> | <b>\$ —</b>                     | <b>\$ —</b>  |
| Basic and diluted weighted average shares outstanding, Non-redeemable common stock                 | 7,413,475                         | 5,200,000   | 7,320,988                       | 5,200,000  |
| <b>Basic and diluted net loss per share, Non-redeemable common stock</b>                           | <b>\$ (0.77)</b>                  | <b>\$ —</b> | <b>\$ (1.03)</b>                | <b>\$ —</b>  |

The accompanying notes are an integral part of the unaudited condensed financial statements.

**FARADAY FUTURE INTELLIGENT ELECTRIC INC.**  
**(f/k/a PROPERTY SOLUTIONS ACQUISITION CORP.)**  
**CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**(Unaudited)**

**THREE AND SIX MONTHS ENDED JUNE 30, 2021**

|  | <u>Common Stock</u> |               | <u>Additional<br/>Paid-in<br/>Capital</u> | <u>Accumulated<br/>Deficit</u> | <u>Total<br/>Stockholders'<br/>Equity</u> |
|--|---------------------|---------------|---|--------------------------------|---|
|  | <u>Shares</u>       | <u>Amount</u> |   |                                |   |
| <b>Balance – December 31, 2020</b>                             | 7,227,474           | \$ 723        | \$ 7,584,657                              | \$ (2,585,377)                 | \$ 5,000,003                              |
| Change in value of common stock subject to possible redemption | 186,001             | 18            | 1,817,042                                 | —                              | 1,817,060                                 |
| Net loss   | —                   | —             | —   | (1,817,059)                    | (1,817,059)                               |
| <b>Balance – March 31, 2021</b>                                | 7,413,475           | \$ 741        | \$ 9,401,699                              | \$ (4,402,436)                 | \$ 5,000,004                              |
| Change in value of common stock subject to possible redemption | (874,532)           | (87)          | (3,585,253)                               | (5,117,030)                    | (8,702,370)                               |
| Net loss   | —                   | —             | —   | (5,726,988)                    | (5,726,988)                               |
| <b>Balance – June 30, 2021</b>                                 | <u>6,538,943</u>    | <u>\$ 654</u> | <u>\$ 5,816,446</u>                       | <u>\$ (15,246,454)</u>         | <u>\$ (9,429,354)</u>                     |

**FOR THE THREE MONTHS ENDED JUNE 30, 2020 AND FOR THE PERIOD FROM FEBRUARY 11, 2020 (INCEPTION) THROUGH JUNE 30, 2020**

|  | <u>Common Stock</u> |               | <u>Additional<br/>Paid-in<br/>Capital</u> | <u>Accumulated<br/>Deficit</u> | <u>Total<br/>Stockholder's<br/>Equity</u> |
|--|---------------------|---------------|---|--------------------------------|---|
|  | <u>Shares</u>       | <u>Amount</u> |   |                                |   |
| <b>Balance – February 11, 2020 (Inception)</b>       | —                   | \$ —          | \$ —                                      | \$ —                           | \$ —                                      |
| Issuance of Founder Shares to Sponsor <sup>(1)</sup> | 5,950,000           | 595           | 25,225                                    | —                              | 25,820                                    |
| Net loss   | —                   | —             | —   | (1,000)                        | (1,000)                                   |
| <b>Balance – March 31, 2020</b>                      | 5,950,000           | \$ 595        | \$ 25,225                                 | \$ (1,000)                     | \$ 24,820                                 |
| Net loss   | —                   | —             | —   | —                              | —   |
| <b>Balance – June 30, 2020</b>                       | <u>5,950,000</u>    | <u>\$ 595</u> | <u>\$ 25,225</u>                          | <u>\$ (1,000)</u>              | <u>\$ 24,820</u>                          |

The accompanying notes are an integral part of the unaudited condensed financial statements.

**FARADAY FUTURE INTELLIGENT ELECTRIC INC.**  
**(f/k/a PROPERTY SOLUTIONS ACQUISITION CORP.)**  
**CONDENSED STATEMENT OF CASH FLOWS**  
**(Unaudited)**

|   | <b>Six Months<br/>Ended<br/>June 30,<br/>2021</b> | <b>For the<br/>Period from<br/>February 11,<br/>2020<br/>(Inception)<br/>Through<br/>June 30,<br/>2020</b> |
|---|---|--|
| <b>Cash Flows from Operating Activities:</b>                                  |   |  |
| Net loss  | \$ (7,544,047)                                    | \$ —   |
| Adjustments to reconcile net income to net cash used in operating activities: |   |  |
| Change in fair value of warrant liability                                     | 5,975,238   | —  |
| Change in fair value of convertible note                                      | 280,400   | —  |
| Interest earned on marketable securities held in Trust Account                | (38,926)  | —  |
| Changes in operating assets and liabilities:                                  |   |  |
| Prepaid expenses and other current assets                                     | 21,527  | —  |
| Accounts payable and accrued expenses   | (60,377)  | —  |
| <b>Net cash used in operating activities</b>                                  | <b>(1,366,185)</b>                                | <b>—</b>   |
| <b>Cash Flows from Investing Activities:</b>                                  |   |  |
| Cash withdrawn from Trust Account to pay franchise and income taxes           | 134,663   | —  |
| <b>Net cash provided by investing activities</b>                              | <b>134,663</b>                                    | <b>—</b>   |
| <b>Cash Flows from Financing Activities:</b>                                  |   |  |
| Proceeds from promissory note—related party                                   | 500,000   | —  |
| Proceeds from convertible promissory note - related party                     | 200,000   | —  |
| <b>Net cash provided by financing activities</b>                              | <b>700,000</b>                                    | <b>—</b>   |
| <b>Net Change in Cash</b>   | <b>(531,522)</b>                                  | <b>—</b>   |
| Cash – Beginning  | 549,395   | —  |
| <b>Cash – Ending</b>  | <b>\$ 17,873</b>                                  | <b>\$ —</b>  |
| <b>Non-cash investing and financing activities:</b>                           |   |  |
| Change in value of Class A common stock subject to possible redemption        | \$ 6,885,310                                      | \$ —   |

The accompanying notes are an integral part of the unaudited condensed financial statements.

**FARADAY FUTURE INTELLIGENT ELECTRIC INC.**  
**(f/k/a PROPERTY SOLUTIONS ACQUISITION CORP.)**  
**NOTES TO CONDENSED FINANCIAL STATEMENTS**  
**JUNE 30, 2021**  
**(Unaudited)**

**NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS**

Faraday Future Intelligent Electric Inc., formally known as Property Solutions Acquisition Corp. (the “Company”) was incorporated in Delaware on February 11, 2020. The Company was a blank check company formed for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more businesses or entities.

***Business Combination***

On July 21, 2021 (the “Closing Date”), Faraday Future Intelligent Electric Inc. (f/k/a Property Solutions Acquisition Corp. (“PSAC”)), a Delaware corporation (the “Company”), consummated the previously announced business combination pursuant to that certain Agreement and Plan of Merger, dated as of January 27, 2021 (as amended, the “Merger Agreement”), by and among the Company, PSAC Merger Sub Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands and wholly-owned subsidiary of the Company (“Merger Sub”), and FF Intelligent Mobility Global Holdings Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands (“FF”), as amended by the First Amendment to Agreement and Plan of Merger, dated as of February 25, 2021 (the “First Amendment to Merger Agreement”), the Second Amendment to Agreement and Plan of Merger, dated as of May 3, 2021 (“Second Amendment to Merger Agreement”) the Third Amendment to Agreement and Plan of Merger dated as of June 14, 2021 (“Third Amendment to Merger Agreement”) and the Fourth Amendment to Agreement and Plan of Merger dated as of July 12, 2021 (“Fourth Amendment to Merger Agreement”) by and among the Company, Merger Sub, and FF.

Pursuant to the terms of the Merger Agreement, Merger Sub merged with and into FF, with FF surviving the merger as a wholly owned subsidiary of the Company (the “Business Combination”). Upon the consummation of the Business Combination (the “Closing”), the registrant changed its name from “Property Solutions Acquisition Corp.” to “Faraday Future Intelligent Electric Inc.”

At the effective time of the Business Combination on July 21, 2021 (the “Effective Time”):

- each outstanding FF share (or indicative FF share, with respect to such outstanding FF converting debt and such other outstanding liabilities of FF) converted into a number of shares of new Class A common stock (or, in the case of FF Top (as defined below), shares of new Class B common stock) of the Company following the Business Combination equal to an exchange ratio (the “Exchange Ratio”) of 0.14130; and
- each FF option or FF warrant that is outstanding immediately prior to the closing of the Business Combination (and by its terms will not terminate upon the closing of the Business Combination) remained outstanding and converted into the right to purchase a number of shares of Company Class A common stock equal to the number of FF ordinary shares subject to such option or warrant multiplied by the Exchange Ratio at an exercise price per share equal to the current exercise price per share for such option or warrant divided by the Exchange Ratio, with the aggregate amount of shares of Class A common stock issuable upon exercise of such options and warrants to be 44,880,595.

The Company’s stockholders approved the Business Combination at a special meeting of the stockholders held on July 20, 2021 (the “Special Meeting”). The parties to the Merger Agreement consummated the Business Combination on July 21, 2021.

At the Effective Time, pursuant to the terms of the Merger Agreement, the outstanding FF shares (other than the outstanding FF shares held by FF Top Holding LLC (f/k/a FF Top Holding Ltd.) (“FF Top”), the outstanding FF converting debt and certain other outstanding liabilities of FF were converted into 153,954,009 shares of new Class A common stock of the Company following the Business Combination and, for FF Top, 64,000,588 shares of new Class B common stock of the Company were issued following the Business Combination. As of the Effective Time, holders of FF options and holders of FF warrants continued to hold such options or warrants, as applicable, but the aggregate amount of shares of Class A common stock issuable upon exercise of such options and warrants became 44,880,595.

Holders of 20,600 shares of PSAC common stock properly exercised their right to have such shares redeemed for a full pro rata portion of the trust account holding the proceeds from PSAC’s initial public offering, calculated as of two business days prior to the consummation of the business combination, which was approximately \$10.00 per share, or \$0.2 million in the aggregate. At the Effective Time, each non-redeemed outstanding share of PSAC common stock was converted into one share of Class A common stock.

Following the Business Combination, the Company will continue to have outstanding 23,652,119 warrants, consisting of (i) approximately 22,977,568 public warrants (the “Public Warrants”) listed on the Nasdaq Stock Market (the “Nasdaq”) and (ii) 674,551 private warrants (the “Private Warrants” and, collectively with the Public Warrants, the “Warrants”), each exercisable for one share of Company Class A common stock at a price of \$11.50 per share.

In connection with the Business Combination, the Company entered into Subscription Agreements on January 27, 2021 (collectively and as amended, the “Subscription Agreements”) with certain accredited investors or qualified institutional buyers (collectively, the “Subscription Investors”). Pursuant to the Subscription Agreements, the Subscription Investors agreed to subscribe for and purchase, and the Company agreed to issue and sell to such Subscription Investors, an aggregate of 76,140,000 shares of PSAC common stock for a purchase price of \$10.00 per share, or an aggregate of \$761.4 million in gross cash proceeds (the “Private Placement”). Pursuant to the Subscription Agreements, the Company gave certain registration rights to the Subscription Investors with respect to the shares issued and sold in the Private Placement. The closing of the Private Placement occurred immediately prior to the Closing.

***Business Prior to the Business Combination***

Prior to the Business Combination, the Company had one subsidiary, PSAC Merger Sub, Ltd., a wholly-owned subsidiary of the Company an exempted company with limited liability incorporated under the laws of the Cayman Islands on January 27, 2021 (“Merger Sub”).

All activity through June 30, 2021 related to the Company’s formation, the initial public offering (the “Initial Public Offering”), which is described below, and identifying a target company for an initial business combination and consummating the acquisition of Faraday Future Intelligent Electric Inc.

**FARADAY FUTURE INTELLIGENT ELECTRIC INC.**  
**(f/k/a PROPERTY SOLUTIONS ACQUISITION CORP.)**  
**NOTES TO CONDENSED FINANCIAL STATEMENTS**  
**JUNE 30, 2021**  
**(Unaudited)**

The registration statement for the Company's Initial Public Offering was declared effective on July 21, 2020. On July 24, 2020, the Company consummated the Initial Public Offering of 20,000,000 units (the "Units" and, with respect to the shares of common stock included in the Units sold, the "Public Shares"), at \$10.00 per Unit, generating gross proceeds of \$200,000,000, which is described in Note 3.

Simultaneously with the closing of the Initial Public Offering, the Company consummated the sale of 535,000 units (the "Private Units") at a price of \$10.00 per Private Unit in a private placement to Property Solutions Acquisition Sponsor, LLC (the "Sponsor") and EarlyBirdCapital, Inc. ("EarlyBirdCapital"), generating gross proceeds of \$5,350,000, which is described in Note 4.

Following the closing of the Initial Public Offering on July 24, 2020, an amount of \$200,000,000 (\$10.00 per Unit) from the net proceeds of the sale of the Units in the Initial Public Offering and the sale of the Private Units was placed in a trust account (the "Trust Account") located in the United States and invested only in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), with a maturity of 180 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of Rule 2a-7 of the Investment Company Act, as determined by the Company, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the funds in the Trust Account, as described below.

On July 29, 2020, the underwriters notified the Company of their intent to partially exercise their over-allotment option on July 31, 2020. As such, on July 31, 2020, the Company consummated the sale of an additional 2,977,658 Units, at \$10.00 per Unit, and the sale of an additional 59,551 Private Units, at \$10.00 per Private Unit, generating total gross proceeds of \$30,371,190. A total of \$29,775,680 of the net proceeds was deposited into the Trust Account, bringing the aggregate proceeds held in the Trust Account to \$229,775,680.

Transaction costs amounted to \$5,117,030 consisting of \$4,595,510 of underwriting fees and \$521,520 of other offering costs.

#### ***Risks and Uncertainties***

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States and the World. As of the date the financial statement was issued, there was considerable uncertainty around the expected duration of this pandemic. The Company has concluded that while it is reasonably possible that COVID-19 could have a negative effect on identifying a target company for a Business Combination, the specific impact is not readily determinable as of the date of this financial statement. The financial statement does not include any adjustments that might result from the outcome of this uncertainty.

#### ***Liquidity and Going Concern***

As of June 30, 2021, the Company had \$17,873 in its operating bank accounts, \$229,788,742 in cash and securities held in the Trust Account to be used for a Business Combination or to repurchase or redeem its common stock in connection therewith and a working capital deficit of \$2,276,754, which excludes \$79,800 of franchise taxes payable. As of June 30, 2021, \$13,062 of the amount on deposit in the Trust Account represented interest income, which is available to pay the Company's tax obligations.

On February 28, 2021, the Company entered into a convertible promissory note with the Sponsor pursuant to which the Sponsor agreed to loan the Company up to an aggregate principal amount of \$500,000.

On June 7, 2021, the Company entered into a convertible promissory note with the Sponsor pursuant to which the Sponsor agreed to loan the Company up to an aggregate principal amount of \$200,000.

On July 21, 2021, pursuant to the Subscription Agreements, the Subscription Investors purchased, and the Company agreed to sell to such Subscription Investors, an aggregate of 76,140,000 shares of PSAC common stock for a purchase price of \$10.00 per share, or an aggregate of \$761.4 million in gross cash proceeds (the "Private Placement"). The closing of the Private Placement occurred immediately prior to the Closing.

The Company may be required to obtain additional financing. If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, suspending the pursuit of a potential transaction, and reducing overhead expenses. The Company cannot provide any assurance that new financing will be available to it on commercially acceptable terms, if at all. These conditions raise substantial doubt about the Company's ability to continue as a going concern through twelve months of the issuance of this report. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and in accordance with the instructions to Form 10-Q and Article 8 of Regulation S-X promulgated under the Securities Act. Certain information or footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a complete presentation of financial position, results of operations, or cash flows. In the opinion of management, the accompanying unaudited condensed financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented.

The accompanying unaudited condensed financial statements should be read in conjunction with the Company’s Annual Report on Form 10-K/A, as filed with the SEC on May 26, 2021. The interim results for the three and six months ended June 30, 2021 are not necessarily indicative of the results to be expected for the year ending December 31, 2021 or for any future periods.

**Emerging Growth Company**

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company’s financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

**Use of Estimates**

The preparation of condensed financial statements in conformity with GAAP requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from those estimates.

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**Cash and Cash Equivalents**

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of June 30, 2021 and December 31, 2020.

**Cash and Marketable Securities Held in Trust Account**

At June 30, 2021 and December 31, 2020, substantially all of the assets held in the Trust Account were held in money market funds, which primarily invest in U.S. Treasury securities. The Company accounts for its securities held in the trust account in accordance with the guidance in Accounting Standards Codification (“ASC”) Topic 320 “Debt and Equity Securities.” These securities are classified as trading securities with unrealized gains or losses, if any, recognized through the statement of operations.

**Common Stock Subject to Possible Redemption**

The Company accounts for its common stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity.” Common stock subject to mandatory redemption is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including common stock that features redemption rights that is either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company’s control) is classified as temporary equity. At all other times, common stock is classified as stockholders’ equity. The Company’s common stock features certain redemption rights that are considered to be outside of the Company’s control and subject to occurrence of uncertain future events. Accordingly, common stock subject to possible redemption is presented at redemption value as temporary equity, outside of the stockholders’ equity section of the Company’s condensed balance sheets.

**Warrant Liability**

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant’s specific terms and applicable authoritative guidance in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 480, Distinguishing Liabilities from Equity (“ASC 480”) and ASC 815, Derivatives and Hedging (“ASC 815”). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company’s own ordinary shares, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the statements of operations. The Company determined that the Private Placement Warrants should be treated as a derivative liability under ASC 815 due to certain settlement provisions that depend on the holder of the warrant. The fair value of the warrants was estimated using a binomial lattice simulation model (see Note 9).

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**Income Taxes**

The Company follows the asset and liability method of accounting for income taxes under ASC 740, "Income Taxes" ("ASC 740"). Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of June 30, 2021 and December 31, 2020. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company is subject to income tax examinations by major taxing authorities since inception.

On March 27, 2020, the CARES Act was enacted in response to COVID-19 pandemic. Under ASC 740, the effects of changes in tax rates and laws are recognized in the period which the new legislation is enacted. The CARES Act made various tax law changes including among other things (i) increasing the limitation under Section 163(j) of the Internal Revenue Code of 1986, as amended (the "IRC") for 2019 and 2020 to permit additional expensing of interest (ii) enacting a technical correction so that qualified improvement property can be immediately expensed under IRC Section 168(k), (iii) making modifications to the federal net operating loss rules including permitting federal net operating losses incurred in 2018, 2019, and 2020 to be carried back to the five preceding taxable years in order to generate a refund of previously paid income taxes and (iv) enhancing the recoverability of alternative minimum tax credits. Given the Company's full valuation allowance position and capitalization of all costs, the CARES Act did not have an impact on the financial statements.

**Net Income (Loss) per Common Share**

Net income (loss) per share is computed by dividing net income by the weighted-average number of shares of common stock outstanding during the period, excluding shares of common stock subject to forfeiture. The Company has not considered the effect of the warrants sold in the Initial Public Offering and private placement to purchase an aggregate of 23,572,119 shares in the calculation of diluted loss per share, since the exercise of the warrants are contingent upon the occurrence of future events and the inclusion of such warrants would be anti-dilutive.

The Company's statement of operations includes a presentation of income (loss) per share for common shares subject to possible redemption in a manner similar to the two-class method of income (loss) per share. Net income (loss) per common share, basic and diluted, for Common stock subject to possible redemption is calculated by dividing the proportionate share of income or loss on marketable securities held by the Trust Account, net of applicable franchise and income taxes, by the weighted average number of Common stock subject to possible redemption outstanding since original issuance.

Net income (loss) per share, basic and diluted, for non-redeemable common stock is calculated by dividing the net income (loss), adjusted for income or loss on marketable securities attributable to Common stock subject to possible redemption, by the weighted average number of non-redeemable common stock outstanding for the period.

Non-redeemable common stock includes Founder Shares and non-redeemable shares of common stock as these shares do not have any redemption features. Non-redeemable common stock participates in the income or loss on marketable securities based on non-redeemable shares' proportionate interest.

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The following table reflects the calculation of basic and diluted net income (loss) per common share (in dollars, except per share amounts):

|  | <b>Three Months<br/>Ended<br/>June 30,</b> |             | <b>Six Months<br/>Ended<br/>June 30,</b> | <b>For the period<br/>from February 11,<br/>2020 (inception)<br/>through<br/>June 30,</b> |
|--|--|-------------|--|---|
|  | <b>2021</b>                                | <b>2020</b> | <b>2021</b>                              | <b>2020</b>   |
| <i>Common stock subject to possible redemption</i>   |  |             |  |   |
| Numerator: Earnings allocable to Common stock subject to possible redemption                       |  |             |  |   |
| Interest earned on marketable securities held in Trust Account                                     |  |             |  |   |
| Less: interest available to be withdrawn for payment of taxes                                      | \$ 7,694                                   | \$ —        | \$ 36,466                                | \$ —  |
| Company's portion available to pay taxes   | (7,694)                                    | —           | (36,466)                                 | —   |
| Net income allocable to Common stock subject to possible redemption                                | <u>\$ —</u>                                | <u>\$ —</u> | <u>\$ —</u>                              | <u>\$ —</u>   |
| Denominator: Weighted Average Common stock subject to possible redemption                          |  |             |  |   |
| Basic and diluted weighted average shares outstanding, Common stock subject to possible redemption | 22,103,036                                 | —           | 22,195,523                               | —   |
| Basic and diluted net income per share, Common stock subject to possible redemption                | <u>\$ (0.00)</u>                           | <u>\$ —</u> | <u>\$ (0.00)</u>                         | <u>\$ —</u>   |
| <i>Non-Redeemable Common Stock</i>   |  |             |  |   |
| Numerator: Net Loss minus Net Earnings   |  |             |  |   |
| Net Loss   | \$ (5,726,988)                             | \$ —        | \$ (7,544,047)                           | \$ (1,000)  |
| Non-Redeemable Net Loss  | <u>\$ (5,726,988)</u>                      | <u>\$ —</u> | <u>\$ (7,544,047)</u>                    | <u>\$ (1,000)</u>   |
| Denominator: Weighted Average Non-Redeemable Common Stock  |  |             |  |   |
| Basic and diluted weighted average shares outstanding, Non-redeemable common stock                 | 7,413,475                                  | 5,200,000   | 7,320,988                                | 5,200,000   |
| Basic and diluted net loss per share, Non-redeemable common stock                                  | <u>\$ (0.77)</u>                           | <u>\$ —</u> | <u>\$ (1.03)</u>                         | <u>\$ —</u>   |

**Concentration of Credit Risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist of a cash account in a financial institution, which, at times, may exceed the Federal Depository Insurance Coverage of \$250,000. The Company has not experienced losses on this account.

**Fair Value of Financial Instruments**

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC Topic 820, "Fair Value Measurement," approximates the carrying amounts represented in the accompanying condensed balance sheet, primarily due to their short-term nature.

**Recent Accounting Standards**

Management does not believe that any recently issued, but not yet effective, accounting standards update, if currently adopted, would have a material effect on the Company's condensed financial statements.

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**NOTE 3. INITIAL PUBLIC OFFERING**

Pursuant to the Initial Public Offering, the Company sold 20,000,000 Units, at \$10.00 per Unit. On July 31, 2020, in connection with the underwriters' partial exercise of their over-allotment option, the Company sold an additional 2,977,568 Units at a price of \$10.00 per Unit. Each Unit consists of one share of common stock and one warrant ("Public Warrant"). Each Public Warrant entitles the holder to purchase one share common stock at a price of \$11.50 per share, subject to adjustment (see Note 8).

**NOTE 4. PRIVATE PLACEMENT**

Simultaneously with the closing of the Initial Public Offering, the Sponsor and EarlyBirdCapital purchased an aggregate of 535,000 Private Units at a price of \$10.00 per Private Unit, for an aggregate purchase price of \$5,350,000. On July 31, 2020, in connection with the underwriters' partial exercise of their over-allotment option, the Company sold an additional 59,551 Private Units at a price of \$10.00 per Private Unit. The Sponsor purchased 483,420 Private Units and EarlyBirdCapital purchased 111,131 Private Units. Each Private Unit consists of one share of common stock ("Private Share") and one warrant ("Private Warrant"). Each Private Warrant entitles the holder to purchase one share of common stock at a price of \$11.50 per full share, subject to adjustment (see Note 8). The proceeds from the Private Units were added to the proceeds from the Initial Public Offering held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, the proceeds from the sale of the Private Units will be used to fund the redemption of the Public Shares (subject to the requirements of applicable law).

**NOTE 5. RELATED PARTY TRANSACTIONS**

**Founder Shares**

On February 11, 2020, the Sponsor purchased an aggregate of 5,750,000 shares of the Company's common stock for an aggregate price of \$25,000 (the "Founder Shares"). The Founder Shares included an aggregate of up to 750,000 shares subject to forfeiture by the Sponsor to the extent that the underwriters' over-allotment was not exercised in full or in part, so that the Sponsor would collectively own 20% of the Company's issued and outstanding shares after the Initial Public Offering (excluding the Private Shares). As a result of the underwriters' election to partially exercise their over-allotment option on July 31, 2020 and the expiration of the remaining over-allotment option, 5,608 Founder Shares were forfeited and 744,392 Founder's Shares are no longer subject to forfeiture, resulting in there being 5,744,392 Founder Shares issued and outstanding.

The Sponsor has agreed, subject to certain limited exceptions, not to transfer, assign or sell any of the Founder Shares until (1) with respect to 50% of the Founder Shares, the earlier of one year after the completion of a Business Combination and the date on which the closing price of the common stock equals or exceeds \$12.50 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing after a Business Combination and (2) with respect to the remaining 50% of the Founder Shares, one year after the completion of a Business Combination, or earlier, in either case, if, subsequent to a Business Combination, the Company completes a liquidation, merger, stock exchange or other similar transaction which results in all of the Company's stockholders having the right to exchange their shares of common stock for cash, securities or other property.

**Advances — Related Party**

The Sponsor advanced the Company an aggregate of \$75,000 to cover expenses related to the Initial Public Offering. The advances were non-interest bearing and due on demand. The outstanding advances of \$75,000 were repaid upon the consummation of the Initial Public Offering on July 24, 2020.

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**Promissory Note — Related Party**

On February 14, 2020, the Company issued an unsecured promissory note to the Sponsor (the “Promissory Note”), pursuant to which the Company may borrow up to an aggregate principal amount of \$150,000. The Promissory Note was non-interest bearing and payable on the earlier of (i) December 31, 2020, (ii) the consummation of the Initial Public Offering or (iii) the date on which the Company determines not to proceed with the Initial Public Offering. The outstanding balance under the Promissory Note of \$133,000 was repaid upon the consummation of the Initial Public Offering on July 24, 2020. As of June 30, 2021, there was \$500,000, outstanding under the Promissory Note, which is currently due on demand.

**Administrative Services Agreement**

The Company entered into an agreement whereby, commencing on the July 21, 2020, through the earlier of the Company’s consummation of a Business Combination and its liquidation, the Company will pay an affiliate of the Company’s executive officers a total of \$10,000 per month for office space and related services. For the three and six months ended June 30, 2021, the Company incurred and paid \$30,000 and \$60,000 in fees for these services, respectively.

**Related Party Loans**

In addition, in order to finance transaction costs in connection with a Business Combination, the Sponsor, or certain of the Company’s officers and directors or their affiliates may, but are not obligated to, loan the Company funds as may be required (“Working Capital Loans”). If the Company completes a Business Combination, the Company would repay the Working Capital Loans out of the proceeds of the Trust Account released to the Company. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination does not close, the Company may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans, but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. Except for the foregoing, the terms of such Working Capital Loans, if any, have not been determined and no written agreements exist with respect to such loans. The Working Capital Loans would either be repaid upon consummation of a Business Combination, without interest, or, at the lender’s discretion, up to \$1,500,000 of such Working Capital Loans may be convertible into units of the post Business Combination entity at a price of \$10.00 per unit. The units would be identical to the Private Units.

On February 28, 2021, the Company entered into a convertible promissory note with the Sponsor pursuant to which the Sponsor agreed to loan the Company up to an aggregate principal amount of \$500,000 (the “Note”). The Note is non-interest bearing and due on the date on which the Company consummates a Business Combination. If the Company does not consummate a Business Combination, the Company may use a portion of any funds held outside the Trust Account to repay the Note; however, no proceeds from the Trust Account may be used for such repayment. Up to \$500,000 of the Note may be converted into Class A common stock at a price of \$10.00 per common stock at the option of the Sponsor. As of the date of these financial statements, there is a \$500,000 balance outstanding under the Note.

On June 7, 2021, the Company entered into a convertible promissory note with the Sponsor pursuant to which the Sponsor agreed to loan the Company up to an aggregate principal amount of \$200,000 (the “Convertible Note”). The Convertible Note is non-interest bearing and due on the date on which the Company consummates a Business Combination. If the Company does not consummate a Business Combination, the Company may use a portion of any funds held outside the Trust Account to repay the Convertible Note; however, no proceeds from the Trust Account may be used for such repayment. Up to \$200,000 of the Note may be converted into units, with each unit consisting of one share of Class A common stock and one Private Placement warrant at a price of \$10.00 per unit at the option of the Sponsor. As of the date of these financial statements, there is a \$200,000 balance outstanding under the Note. As of June 30, 2021, the aggregate fair market value of the Convertible Note was \$480,400 (see Note 9).

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**NOTE 6. COMMITMENTS**

**Registration Rights**

Pursuant to a registration rights agreement entered into on July 21, 2020, the holders of the Founder Shares and Representative Shares, as well as the holders of the Private Units and any units that may be issued in payment of Working Capital Loans made to Company, will be entitled to registration rights. The holders of a majority of these securities are entitled to make up to two demands that the Company register such securities. The holders of the majority of the Founder Shares can elect to exercise these registration rights at any time commencing three months prior to the date on which these shares of common stock are to be released from escrow. The holders of a majority of the Representative Shares, Private Units and units issued in payment of Working Capital Loans (or underlying securities) can elect to exercise these registration rights at any time after the Company consummates a business combination. Notwithstanding anything to the contrary, EarlyBirdCapital may only make a demand on one occasion and only during the five-year period beginning on the effective date of the Initial Public Offering. In addition, the holders have certain “piggy-back” registration rights with respect to registration statements filed subsequent to the consummation of a Business Combination; provided, however, that EarlyBirdCapital may participate in a “piggy-back” registration only during the seven-year period beginning on the effective date of the Initial Public Offering. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

On the Closing Date, in connection with the consummation of the Business Combination, the Company entered into that certain Amended and Restated Registration Rights Agreement (the “Registration Rights Agreement”) with PSAC, the Sponsor, EarlyBirdCapital, Inc., and certain FF shareholders (collectively, with each other person who has executed and delivered a joinder thereto, the “RRA Parties”), pursuant to which the RRA Parties are entitled to certain registration rights in respect of the registrable securities under the Registration Rights Agreement. The material terms of the Registration Rights Agreement are described in the section of the Proxy Statement entitled “*Certain Agreements Related to the Business Combination—Registration Rights Agreement*,” which is incorporated herein by reference.

**Business Combination Marketing Agreement**

The Company has engaged EarlyBirdCapital as an advisor in connection with a Business Combination to assist the Company in holding meetings with its shareholders to discuss the potential Business Combination and the target business’ attributes, introduce the Company to potential investors that are interested in purchasing the Company’s securities in connection with a Business Combination, assist the Company in obtaining shareholder approval for the Business Combination and assist the Company with its press releases and public filings in connection with the Business Combination. The Company will pay EarlyBirdCapital a cash fee for such services upon the consummation of a Business Combination in an amount equal to 3.5% of the gross proceeds of Initial Public Offering, or \$8,042,149 (exclusive of any applicable finders’ fees which might become payable); provided that up to 33% of the fee may be allocated at the Company’s sole discretion to other third parties who are investment banks or financial advisory firms not participating in this offering that assist the Company in identifying and consummating a Business Combination.

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**NOTE 7. STOCKHOLDER'S EQUITY**

**Preferred Stock** — The Company is authorized to issue 1,000,000 shares of preferred stock with a par value of \$0.0001 per share with such designations, voting and other rights and preferences as may be determined from time to time by the Company's board of directors. At June 30, 2021 and December 31, 2020, there were no shares of preferred stock issued or outstanding.

**Common Stock** — The Company is authorized to issue 50,000,000 shares of common stock with a par value of \$0.0001 per share. At June 30, 2021 and December 31, 2020, there were 6,538,943 and 7,227,474 shares of common stock issued and outstanding, excluding 22,977,568 and 22,289,037 shares of common stock subject to possible redemption, respectively.

**NOTE 8. WARRANTS**

**Warrants** — As of June 30, 2021 and December 31, 2020, there were 22,977,568 Public Warrants outstanding. The Public Warrants will become exercisable on the later of (a) 30 days after the completion of a Business Combination or (b) 12 months from the closing of the Initial Public Offering. No warrants will be exercisable for cash unless the Company has an effective and current registration statement covering the shares of common stock issuable upon exercise of the warrants and a current prospectus relating to such shares of common stock. Notwithstanding the foregoing, if a registration statement covering the shares of common stock issuable upon exercise of the Public Warrants is not effective within a specified period following the consummation of a Business Combination, warrant holders may, until such time as there is an effective registration statement and during any period when the Company shall have failed to maintain an effective registration statement, exercise warrants on a cashless basis pursuant to the exemption provided by Section 3(a)(9) of the Securities Act, provided that such exemption is available. If that exemption, or another exemption, is not available, holders will not be able to exercise their warrants on a cashless basis. The Public Warrants will expire five years after the completion of a Business Combination or earlier upon redemption or liquidation.

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Once the warrants become exercisable, the Company may redeem the Public Warrants:

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption to each warrant holder;
- if, and only if, the reported last sale price of the shares of common stock equals or exceeds \$18.00 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations), for any 20 trading days within a 30 trading day period commencing at any time after the warrants become exercisable and ending on the third business day prior to the notice of redemption to warrant holders; and
- if, and only if, there is a current registration statement in effect with respect to the shares of common stock underlying such warrants.

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis," as described in the warrant agreement.

In addition, if (x) the Company issues additional shares of common stock or equity-linked securities for capital raising purposes in connection with the closing of a Business Combination at an issue price or effective issue price of less than \$9.20 per share of common stock (with such issue price or effective issue price to be determined in good faith by the Company's board of directors, and in the case of any such issuance to the Sponsor or their affiliates, without taking into account any Founder Shares held by them prior to such issuance), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of a Business Combination on the date of the consummation of a Business Combination (net of redemptions), and (z) the volume weighted average trading price of the Company's common stock during the 20 trading day period starting on the trading day prior to the day on which the Company consummates Business Combination (such price, the "Market Value") is below \$9.20 per share, the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the greater of (i) the Market Value or (ii) the price at which we issue the additional shares of common stock or equity-linked securities.

The exercise price and number of shares of common stock issuable on exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, extraordinary dividend or our recapitalization, reorganization, merger or consolidation. However, except as described above, the warrants will not be adjusted for issuances of shares of common stock at a price below their respective exercise prices. Additionally, in no event will the Company be required to net cash settle the warrants. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of warrants will not receive any of such funds with respect to their warrants, nor will they receive any distribution from the Company's assets held outside of the Trust Account with the respect to such warrants. Accordingly, the warrants may expire worthless.

At June 30, 2021, there were 594,551 Private Placement Warrants outstanding. The Private Warrants are identical to the Public Warrants underlying the Units sold in the Initial Public Offering, except that the Private Warrants and the common stock issuable upon the exercise of the Private Warrants will not be transferable, assignable or saleable until 30 days after the completion of a Business Combination, subject to certain limited exceptions. Additionally, the Private Warrants will be exercisable on a cashless basis and be non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

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**Representative Shares**

On February 11, 2020, the Company issued to the designees of EarlyBirdCapital 200,000 shares of common stock (the “Representative Shares”). The Company accounted for the Representative Shares as an offering cost of the Initial Public Offering, with a corresponding credit to stockholders’ equity. The Company estimated the fair value of Representative Shares to be \$820 based upon the price of the Founder Shares issued to the Sponsor. The holders of the Representative Shares have agreed not to transfer, assign or sell any such shares until the completion of a Business Combination. In addition, the holders have agreed (i) to waive their conversion rights (or right to participate in any tender offer) with respect to such shares in connection with the completion of a Business Combination and (ii) to waive their rights to liquidating distributions from the Trust Account with respect to such shares if the Company fails to complete a Business Combination within the Combination Period.

The Representative Shares have been deemed compensation by FINRA and are therefore subject to a lock-up for a period of 180 days immediately following the effective date of the registration statement related to the Initial Public Offering pursuant to Rule 5110(g)(1) of FINRA’s NASD Conduct Rules. Pursuant to FINRA Rule 5110(g)(1), these securities will not be the subject of any hedging, short sale, derivative, put or call transaction that would result in the economic disposition of the securities by any person for a period of 180 days immediately following the effective date of the registration statements related to the Initial Public Offering, nor may they be sold, transferred, assigned, pledged or hypothecated for a period of 180 days immediately following the effective date of the registration statements related to the Initial Public Offering except to any underwriter and selected dealer participating in the Initial Public Offering and their bona fide officers or partners.

**NOTE 9. FAIR VALUE MEASUREMENTS**

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually.

The fair value of the Company’s financial assets and liabilities reflects management’s estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

- Level 1: Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs based on our assessment of the assumptions that market participants would use in pricing the asset or liability.

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The following table presents information about the Company's assets that are measured at fair value on a recurring basis at June 30, 2021 and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

| <b>Description</b>                             | <b>Level</b> | <b>June 30,<br/>2021</b> | <b>December 31,<br/>2020</b> |
|--|--------------|--------------------------|------------------------------|
| <b>Assets:</b>                                 |              |                          |                              |
| Marketable securities held in Trust Account    | 1            | \$ 229,788,742           | \$ 229,884,479               |
| <b>Liabilities:</b>                            |              |                          |                              |
| Warrant Liability – Private Placement Warrants | 3            | \$ 6,605,462             | \$ 630,224                   |
| Convertible Promissory Notes – Related Party   | 3            | 480,400                  | —                            |

The Private Placement Warrants were accounted for as liabilities in accordance with ASC 815-40 and are presented within warrant liabilities on our balance sheet. The warrant liabilities are measured at fair value at inception and on a recurring basis, with changes in fair value presented within change in fair value of warrant liabilities in the consolidated statement of operations.

The Private Placement Warrants were initially valued using a binomial lattice model, which is considered to be a Level 3 fair value measurement. The binomial lattice model's primary unobservable input utilized in determining the fair value of the Private Placement Warrants is the expected volatility of the common stock. The expected volatility as of the IPO date was derived from observable public warrant pricing on comparable 'blank-check' companies without an identified target. The expected volatility as of subsequent valuation dates will be implied from the Company's own public warrant pricing.

The key inputs into the binomial lattice simulation model for the Private Placement Warrants were as follows at June 30, 2021 and December 31, 2020:

| <b>Input</b>            | <b>June 30,<br/>2021</b> | <b>December 31,<br/>2020</b> |
|-------------------------|--------------------------|------------------------------|
| Risk-free interest rate | 0.83%                    | 0.35%                        |
| Trading days per year   | 252                      | 252                          |
| Expected volatility     | 87.6%                    | 17.4%                        |
| Exercise price          | \$ 11.50                 | \$ 11.50                     |
| Stock Price             | \$ 15.58                 | \$ 10.00                     |

There were no transfers between Levels 1, 2 or 3 during the three months ended June 30, 2021.

The following table presents the changes in the fair value of warrant liabilities:

|   | <b>Private<br/>Placement<br/>Warrants</b> |
|---|---|
| Fair value as of January 1, 2021                | \$ 630,224                                |
| Change in valuation inputs or other assumptions | 5,975,238                                 |
| Fair value as of June 30, 2021                  | <u>\$ 6,605,462</u>                       |

The Company elected the fair value option for the Convertible Promissory Notes. The fair value of the Convertible Promissory Notes was determined using a binomial lattice simulation model, which is considered to be a Level 3 fair value measurement.

The estimated fair value of the Convertible Promissory Notes was based on the following significant inputs:

|                            | <b>June 30,<br/>2021</b> |
|----------------------------|--------------------------|
| Risk-free interest rate    | \$ 0.83%                 |
| Trading days per year      | \$ 252                   |
| Expected volatility        | 87.6%                    |
| Exercise price             | \$ 11.50                 |
| Stock Price                | \$ 15.58                 |
| Probability of transaction | 90.0%                    |

There were no transfers in or out of Level 3 from other levels in the fair value hierarchy during the three months ended June 30, 2021.

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The following table presents the changes in the fair value of the Level 3 Convertible Promissory Notes:

|   | <b>Convertible<br/>Promissory<br/>Note</b> |
|---|--|
| Fair value as of January 1, 2021                      | \$ —                                       |
| Proceeds received through Convertible Promissory Note | 200,000                                    |
| Change in valuation inputs or other assumptions       | 280,400                                    |
| Fair value as of June 30, 2021                        | \$ 480,400                                 |

**NOTE 10. SUBSEQUENT EVENTS**

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the condensed financial statements were issued. Based upon this review, the Company did not identify any subsequent events that would have required adjustment or disclosure in the condensed financial statements, aside from those already disclosed in the notes. See Note 1 for discussion of the closing of the Business Combination and related transactions.

## **ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

References in this report (the “Quarterly Report”) to “we,” “us” or the “Company” refer to Property Solutions Acquisition Corp. References to our “management” or our “management team” refer to our officers and directors, references to the “Sponsor” refer to Property Solutions Acquisition Sponsor, LLC. The following discussion and analysis of the Company’s financial condition and results of operations should be read in conjunction with the financial statements and the notes thereto contained elsewhere in this Quarterly Report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

### **Special Note Regarding Forward-Looking Statements**

This Quarterly Report 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”) that are not historical facts and involve risks and uncertainties that could cause actual results to differ materially from those expected and projected. All statements, other than statements of historical fact included in this Form 10-Q including, without limitation, statements in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” regarding the Company’s financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. Words such as “expect,” “believe,” “anticipate,” “intend,” “estimate,” “seek” and variations and similar words and expressions are intended to identify such forward-looking statements. Such forward-looking statements relate to future events or future performance, but reflect management’s current beliefs, based on information currently available. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the Risk Factors section of the Company’s Annual Report on Form 10-K/A filed with the U.S. Securities and Exchange Commission (the “SEC”). The Company’s securities filings can be accessed on the EDGAR section of the SEC’s website at [www.sec.gov](http://www.sec.gov). Except as expressly required by applicable securities law, the Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

### **Overview**

We are a blank check company formed under the laws of the State of Delaware on February 11, 2020 for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more businesses. We intend to effectuate our initial business combination using cash from the proceeds of our initial public offering and the sale of the private units, our shares, debt or a combination of cash, equity and debt.

We expect to continue to incur significant costs in the pursuit of our acquisition plans. We cannot assure you that our plans to complete a Business Combination will be successful.

### **Recent Developments**

On February 28, 2021, we entered into a convertible promissory note with the sponsor pursuant to which the sponsor agreed to loan us up to an aggregate principal amount of \$500,000 (the “Note”). The Note is non-interest bearing and due on the date on which we consummate a business combination. If we do not consummate a business combination, we may use a portion of any funds held outside the Trust Account to repay the Note; however, no proceeds from the Trust Account may be used for such repayment. Up to \$500,000 of the Note may be converted into units at a price of \$10.00 per unit at the option of the sponsor. The units would be identical to the Private Units. There is no outstanding balance under the Note.

On June 7, 2021, the Company entered into a convertible promissory note with the Sponsor pursuant to which the Sponsor agreed to loan the Company up to an aggregate principal amount of \$200,000 (the “Convertible Note”). The Convertible Note is non-interest bearing and due on the date on which the Company consummates a Business Combination. If the Company does not consummate a Business Combination, the Company may use a portion of any funds held outside the Trust Account to repay the Convertible Note; however, no proceeds from the Trust Account may be used for such repayment. Up to \$200,000 of the Note may be converted into units, with each unit consisting of one share of Class A common stock and one Private Placement warrant at a price of \$10.00 per unit at the option of the Sponsor. As of the date of these financial statements, there is a \$200,000 balance outstanding under the Note. As of June 30, 2021, the aggregate fair market value of the Convertible Note was \$480,400.

On July 21, 2021 (the “Closing Date”), Faraday Future Intelligent Electric Inc. (f/k/a Property Solutions Acquisition Corp. (“PSAC”)), a Delaware corporation (the “Company”), consummated the previously announced business combination pursuant to that certain Agreement and Plan of Merger, dated as of January 27, 2021 (as amended, the “Merger Agreement”), by and among the Company, PSAC Merger Sub Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands and wholly-owned subsidiary of the Company (“Merger Sub”), and FF Intelligent Mobility Global Holdings Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands (“FF”), as amended by the First Amendment to Agreement and Plan of Merger, dated as of February 25, 2021 (the “First Amendment to Merger Agreement”), the Second Amendment to Agreement and Plan of Merger, dated as of May 3, 2021 (“Second Amendment to Merger Agreement”) the Third Amendment to Agreement and Plan of Merger dated as of June 14, 2021 (“Third Amendment to Merger Agreement”) and the Fourth Amendment to Agreement and Plan of Merger dated as of July 12, 2021 (“Fourth Amendment to Merger Agreement”) by and among the Company, Merger Sub, and FF. Pursuant to the terms of the Merger Agreement, Merger Sub merged with and into FF, with FF surviving the merger as a wholly owned subsidiary of the Company (the “Business Combination”). Upon the consummation of the Business Combination (the “Closing”), the registrant changed its name from “Property Solutions Acquisition Corp.” to “Faraday Future Intelligent Electric Inc.”

The Company’s stockholders approved the Business Combination at a special meeting of the stockholders held on July 20, 2021 (the “Special Meeting”). The parties to the Merger Agreement consummated the Business Combination on July 21, 2021.

Pursuant to the terms of the Merger Agreement, the outstanding FF shares (other than the outstanding FF shares held by FF Top Holding LLC (f/k/a FF Top Holding Ltd.) (“FF Top”)), the outstanding FF converting debt and certain other outstanding liabilities of FF were converted into 153,954,009 shares of new Class A common stock of the Company following the Business Combination and, for FF Top, 64,000,588 shares of new Class B common stock of the Company following the Business Combination.

Holders of 20,600 shares of PSAC common stock properly exercised their right to have such shares redeemed for a full pro rata portion of the trust account holding the proceeds from PSAC’s initial public offering, calculated as of two business days prior to the consummation of the business combination, which was approximately \$10.00 per share, or \$0.2 million in the aggregate. At Closing, each non-redeemed outstanding share of PSAC common stock was converted into one share of Class A common stock.

Following the Business Combination, the Company will continue to have outstanding 23,652,119 warrants, consisting of (i) approximately 22,977,568 public warrants (the “Public Warrants”) listed on the Nasdaq Stock Market (the “Nasdaq”) and (ii) 674,551 private warrants (the “Private Warrants”) and, collectively with the Public Warrants, the “Warrants”), each exercisable for one share of Company Class A common stock at a price of \$11.50 per share.

In connection with the Business Combination, the Company entered into the previously disclosed Subscription Agreements on January 27, 2021 (collectively and as amended, the “Subscription Agreements”) with certain accredited investors or qualified institutional buyers (collectively, the “Subscription Investors”). Pursuant to the Subscription Agreements, the Subscription Investors agreed to subscribe for and purchase, and the Company agreed to issue and sell to such Subscription Investors, an aggregate of 76,140,000 shares of PSAC common stock for a purchase price of \$10.00 per share, or an aggregate of \$761.4 million in gross cash proceeds (the “Private Placement”). Pursuant to the Subscription Agreements, the Company gave certain registration rights to the Subscription Investors with respect to the shares issued and sold in the Private Placement. The closing of the Private Placement occurred immediately prior to the Closing.

## **Restatement**

As previously disclosed in our Amendment No. 1 to Annual Report on Form 10-K/A for the year ended December 31, 2020, as filed on May 26, 2021, we restated the Company’s previously issued financial statements (“Restatement”). This Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) gives effect to the Restatement. The Company has restated its historical financial results to reclassify its Private Warrants as derivative liabilities pursuant to ASC 815-40 rather than as components of equity as the Company previously treated the Private Warrants. The impact of the Restatement is reflected in the MD&A below.

## **Results of Operations**

We have neither engaged in any operations nor generated any revenues to date. Our only activities from February 11, 2020 (inception) through June 30, 2021 were organizational activities, those necessary to prepare for the initial public offering, described below, and, subsequent to the initial public offering, identifying a target company for a business combination. We do not expect to generate any operating revenues until after the completion of our business combination. We generate non-operating income in the form of interest income on marketable securities held after the initial public offering. We incur expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses.

For the three months ended June 30, 2021, we had a net loss of \$5,726,988, which consists of operating costs of \$442,736, changes in fair value of warrant liability of \$5,012,065, changes in fair value of convertible note \$280,400, offset by interest income on marketable securities held in the Trust Account of \$8,213.

For the six months ended June 30, 2021, we had a net loss of \$7,544,047, which consists of operating costs of \$1,327,335, changes in fair value of warrant liability of \$5,975,238, changes in fair value of convertible note \$280,400, offset by interest income on marketable securities held in the Trust Account of \$38,926.

For the period from February 11, 2020 (inception) through June 30, 2020, we had a net loss of \$1,000, which consists of operating costs.

### **Liquidity and Capital Resources**

On July 24, 2020, we consummated the Initial Public Offering of 22,977,568 Units, which included the partial exercise by the underwriters of their over-allotment option on July 31, 2020, in the amount of 2,977,568 additional Units, at \$10.00 per Unit, generating gross proceeds of \$229,775,680. Simultaneously with the closing of the Initial Public Offering and the partial exercise of the over-allotment option, we consummated the sale of 594,551 Private Units at a price of \$10.00 per Private Unit in a private placement to our stockholders, generating gross proceeds of \$5,945,510.

Following the Initial Public Offering, the partial exercise of the over-allotment option by the underwriters' and the sale of the Private Units, a total of \$229,775,680 was placed in the Trust Account and we had \$813,980 of cash held outside of the Trust Account, after payment of costs related to the Initial Public Offering, and available for working capital purposes. We incurred \$5,117,030 in transaction costs, including \$4,595,510 of underwriting fees and \$521,520 of other offering costs.

For the six months ended June 30, 2021, cash used in operating activities was \$1,366,185. Net loss of \$7,544,047 was affected by interest earned on marketable securities held in the Trust Account of \$38,926, changes in fair value of warrant liability of \$5,975,238 and changes in fair value- of convertible note \$280,400. Changes in operating assets and liabilities, which used \$38,850 of cash from operating activities.

As of June 30, 2021, we had cash and marketable securities held in the trust account of \$229,788,742. We intend to use substantially all of the funds held in the Trust Account, including any amounts representing interest earned on the Trust Account to complete our Business Combination. We may withdraw interest to pay franchise and income taxes. During the period ended June 30, 2021, we have withdrawn \$134,663 of interest earned on the Trust Account for the payment of franchise and income taxes. To the extent that our capital stock or debt is used, in whole or in part, as consideration to complete our Business Combination, the remaining proceeds held in the Trust Account will be used as working capital to finance the operations of the target business or businesses, make other acquisitions and pursue our growth strategies.

As of June 30, 2021, we had cash of \$17,873 outside of the Trust Account. We intend to use the funds held outside the Trust Account primarily to identify and evaluate target businesses, perform business due diligence on prospective target businesses, travel to and from the offices, plants or similar locations of prospective target businesses or their representatives or owners, review corporate documents and material agreements of prospective target businesses, and structure, negotiate and complete a Business Combination.

In order to fund working capital deficiencies or finance transaction costs in connection with a business combination, the sponsor, or certain of our officers and directors or their affiliates may, but are not obligated to, loan us funds as may be required. If we complete a business combination, we would repay such loaned amount out of the proceeds of the Trust Account released to us. Otherwise, such loans would be repaid only out of funds held outside the Trust Account.

Holder of 20,600 shares of PSAC common stock properly exercised their right to have such shares redeemed for a full pro rata portion of the trust account holding the proceeds from PSAC's initial public offering, calculated as of two business days prior to the consummation of the business combination, which was approximately \$10.00 per share, or \$0.2 million in the aggregate. At Closing, each non-redeemed outstanding share of PSAC common stock was converted into one share of Class A common stock.

In connection with the Business Combination, the Company entered into the previously disclosed Subscription Agreements on January 27, 2021 (collectively and as amended, the "Subscription Agreements") with certain accredited investors or qualified institutional buyers (collectively, the "Subscription Investors"). Pursuant to the Subscription Agreements, the Subscription Investors agreed to subscribe for and purchase, and the Company agreed to issue and sell to such Subscription Investors, an aggregate of 76,140,000 shares of PSAC common stock for a purchase price of \$10.00 per share, or an aggregate of \$761.4 million in gross cash proceeds (the "Private Placement"). Pursuant to the Subscription Agreements, the Company gave certain registration rights to the Subscription Investors with respect to the shares issued and sold in the Private Placement. The closing of the Private Placement occurred immediately prior to the Closing.

We monitor the adequacy of our working capital in order to meet the expenditures required for operating our business prior to our initial business combination.

#### **Off-Balance Sheet Arrangements**

We did not have any off-balance sheet arrangements as of June 30, 2021.

#### **Contractual Obligations**

We do not have any long-term debt, capital lease obligations, operating lease obligations or long-term liabilities, other than an agreement to pay an affiliate of the Company's executive officers a monthly fee of \$10,000 for office space and related services to the Company. We began incurring these fees on July 21, 2020 and will continue to incur these fees monthly until the earlier of the completion of the Business Combination and the Company's liquidation.

We have engaged EarlyBirdCapital as an advisor in connection with a Business Combination to assist us in holding meetings with its shareholders to discuss the potential Business Combination and the target business' attributes, introduce us to potential investors that are interested in purchasing our securities in connection with a Business Combination, assist us in obtaining shareholder approval for the Business Combination and assist us with its press releases and public filings in connection with the Business Combination. We will pay EarlyBirdCapital a cash fee for such services upon the consummation of a Business Combination in an amount equal to 3.5% of the gross proceeds of Initial Public Offering (exclusive of any applicable finders' fees which might become payable); provided that up to 33% of the fee may be allocated at our sole discretion to other third parties who are investment banks or financial advisory firms not participating in this offering that assist us in identifying and consummating a Business Combination.

## **Critical Accounting Policies**

The preparation of condensed financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. We have identified the following critical accounting policies:

### *Warrant Liability*

We account for the Private Warrants issued in connection with our Initial Public Offering in accordance with the guidance contained in ASC 815 under which the warrants do not meet the criteria for equity treatment and must be recorded as liabilities. Accordingly, we classify the Private Warrants as liabilities at their fair value and adjust the warrants to fair value at each reporting period. This warrant liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in our statement of operations. The fair value of the warrants was estimated using a Monte Carlo simulation approach.

### *Common Stock Subject to Possible Redemption*

We account for our shares of common stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity.” Common stock subject to mandatory redemption is classified as a liability instrument and is measured at fair value. Conditionally redeemable common stock (including common stock that features redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within our control) is classified as temporary equity. At all other times, common stock is classified as stockholders’ equity. Our common stock features certain redemption rights that are considered to be outside of our control and subject to occurrence of uncertain future events. Accordingly, the common stock subject to possible redemption is presented as temporary equity, outside of the stockholders’ equity section of our unaudited condensed balance sheets.

### *Net Loss Per Common Share*

We apply the two-class method in calculating earnings per share. Net income (loss) per common share, basic and diluted for common stock subject to possible redemption is calculated by dividing the interest income earned on the Trust Account, net of applicable taxes, if any, by the weighted average number of shares of common stock subject to possible redemption outstanding for the period. Net income (loss) per common share, basic and diluted for and non-redeemable common stock is calculated by dividing net loss less income attributable to common stock subject to possible redemption, by the weighted average number of shares of non-redeemable common stock outstanding for the period presented.

### *Recent Accounting Standards*

Management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on our condensed financial statements.

## **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

As of June 30, 2021, we were not subject to any market or interest rate risk. Following the consummation of our Initial Public Offering, the net proceeds of our Initial Public Offering, including amounts in the Trust Account, have been invested in U.S. government treasury bills, notes or bonds with a maturity of 180 days or less or in certain money market funds that invest solely in U.S. treasuries. Due to the short-term nature of these investments, we believe there will be no associated material exposure to interest rate risk.

## **Item 4. Controls and Procedures**

### **Evaluation of Disclosure Controls and Procedures**

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial and accounting officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the fiscal quarter ended June 30, 2021, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our principal executive officer and principal financial and accounting officer have concluded that during the period covered by this report, our disclosure controls and procedures were not effective at a reasonable assurance level, solely due to the events that led to the Company’s restatement of its December 31, 2020 annual financial statements to reclassify the Company’s Private Warrants as described in the Restatement section.

### **Changes in Internal Control over Financial Reporting**

Due solely to the events that led to the Company’s restatement of its December 31, 2020 financial statements on May 27, 2021, management has identified a material weakness in internal controls related to the accounting for our Private Warrants. While we have processes to identify and appropriately apply applicable accounting requirements, we plan to enhance our system of evaluating and implementing the accounting standards that apply to our financial statements, including through enhanced analyses by our personnel and third-party professionals with whom we consult regarding complex accounting applications. The elements of our remediation plan can only be accomplished over time, and we can offer no assurance that these initiatives will ultimately have the intended effects.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings.

None.

### Item 1A. Risk Factors.

Factors that could cause our actual results to differ materially from those in this report include the risk factors described in our Annual Report on Form 10-K/A filed with the SEC on May 26, 2021. As of the date of this Report, other than as described below, there have been no material changes to the risk factors disclosed in our Annual Report on Form 10-K/A filed with the SEC.

*The securities in which we invest the funds held in the Trust Account could bear a negative rate of interest, which could reduce the value of the assets held in trust such that the per-share redemption amount received by public stockholders may be less than \$10.00 per share.*

The proceeds held in the Trust Account are invested only in U.S. government treasury obligations with a maturity of 180 days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act, which invest only in direct U.S. government treasury obligations. While short-term U.S. government treasury obligations currently yield a positive rate of interest, they have briefly yielded negative interest rates in recent years. Central banks in Europe and Japan pursued interest rates below zero in recent years, and the Open Market Committee of the Federal Reserve has not ruled out the possibility that it may in the future adopt similar policies in the United States. In the event that we are unable to complete our initial business combination or make certain amendments to our Amended and Restated Certificate of Incorporation, our public stockholders are entitled to receive their pro-rata share of the proceeds held in the Trust Account, plus any interest income not released to us, net of taxes payable. Negative interest rates could impact the per-share redemption amount that may be received by public stockholders.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

### Item 3. Defaults Upon Senior Securities.

None.

### Item 4. Mine Safety Disclosures.

Not applicable.

### Item 5. Other Information.

None.

## Item 6. Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

| No.      | Description of Exhibit  |
|----------|---|
| 2.1+     | <a href="#">Agreement and Plan of Merger, dated as of January 27, 2021, by and among Property Solutions Acquisition Corp., PSAC Merger Sub Ltd., and FF Intelligent Mobility Global Holdings Ltd. (incorporated by reference to Annex A to Amendment No. 3 to Registration Statement on Form S-4 filed on June 23, 2021).</a>                     |
| 2.2      | <a href="#">First Amendment to Agreement and Plan of Merger, dated as of February 25, 2021, by and among Property Solutions Acquisition Corp., PSAC Merger Sub Ltd., and FF Intelligent Mobility Global Holdings Ltd. (incorporated by reference to Exhibit 2.2 to Registration Statement on Form S-4 filed on April 5, 2021).</a>                |
| 2.3      | <a href="#">Second Amendment to Agreement and Plan of Merger, dated as of May 3, 2021, by and among Property Solutions Acquisition Corp., PSAC Merger Sub Ltd., and FF Intelligent Mobility Global Holdings Ltd. (incorporated by reference to Exhibit 2.3 to Amendment No. 1 to Registration Statement on Form S-4 filed on June 1, 2021).</a>   |
| 2.4      | <a href="#">Third Amendment to Agreement and Plan of Merger, dated as of June 14, 2021, by and among Property Solutions Acquisition Corp., PSAC Merger Sub Ltd., and FF Intelligent Mobility Global Holdings Ltd. (incorporated by reference to Exhibit 2.4 to Amendment No. 3 to Registration Statement on Form S-4 filed on June 23, 2021).</a> |
| 31.1*    | <a href="#">Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>  |
| 31.2*    | <a href="#">Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>  |
| 32.1**   | <a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>   |
| 32.2**   | <a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>   |
| 101.INS* | Inline XBRL Instance Document   |
| 101.SCH* | Inline XBRL Taxonomy Extension Schema Document.   |
| 101.CAL* | Inline XBRL Taxonomy Extension Calculation Linkbase Document.   |
| 101.DEF* | Inline XBRL Taxonomy Extension Definition Linkbase Document.  |
| 101.LAB* | Inline XBRL Taxonomy Extension Label Linkbase Document.   |
| 101.PRE* | Inline XBRL Taxonomy Extension Presentation Linkbase Document.  |
| 104*     | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).   |

+ Certain schedules and exhibits to this Exhibit have been omitted in accordance with Regulation S-K Item 601(b)(2). The registrant agrees to furnish supplementally a copy of all omitted schedules and/or exhibits to the Securities and Exchange Commission upon its request

\* Filed herewith.

\*\* Furnished.

**SIGNATURES**

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**FARADAY FUTURE INTELLIGENT ELECTRIC INC.**

Date: August 13, 2021

By: /s/ Carsten Breinfeld  
Name: Dr. Carsten Breinfeld  
Title: Global Chief Executive Officer  
(Principal Executive Officer)

By: /s/ Zvi Glasman  
Name: Zvi Glasman  
Title: Chief Financial Officer  
(Principal Accounting and Financial Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Carsten Breitfeld, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Faraday Future Intelligent Electric Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
  - b) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2021

/s/ Carsten Breitfeld  
Dr. Carsten Breitfeld  
Global Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Zvi Glasman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Faraday Future Intelligent Electric Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
  - b) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2021

/s/ Zvi Glasman

Zvi Glasman

Chief Financial Officer

(Principal Accounting and Financial Officer)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Faraday Future Intelligent Electric Inc. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2021, as filed with the Securities and Exchange Commission (the "Report"), I, Carsten Breitfeld, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Dated: August 13, 2021

/s/ Carsten Breitfeld  
\_\_\_\_\_  
Dr. Carsten Breitfeld  
Global Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Faraday Future Intelligent Electric Inc. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2021, as filed with the Securities and Exchange Commission (the "Report"), I, Zvi Glasman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Dated: August 13, 2021

/s/ Zvi Glasman

\_\_\_\_\_  
Zvi Glasman

Chief Financial Officer

(Principal Accounting and Financial Officer)