

Faraday Future Regains Compliance with Nasdaq Timely Reporting Requirements Wednesday, July 31, 2024 03:15:00 AM (GMT)

- **Provides business update on strategic developments and operational progress.**

Faraday Future Intelligent Electric Inc. (Nasdaq: FFIE) ("FF" or the "Company"), a California-based global shared intelligent electric mobility ecosystem company today provided a business update, highlighting significant strategic developments and operational progress, including regaining compliance with Nasdaq timely reporting requirements.

Overview

- Financial Update – First Quarter 2024
- China-U.S. Automotive Bridge Strategy
- Fundraising and Expense Initiatives
- Investor Community Day
- Nasdaq Listing Compliance

Financial Update – First Quarter 2024

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

- Operating expenses declined significantly to \$22.9 million compared to \$95.8 million in the same prior year quarter.
- Loss from operations declined to \$43.6 million compared to a loss of \$95.8 million in same prior year quarter.
- Cash from operating activities improved meaningfully to a loss of \$14.7 million compared to negative \$103.0 million in first quarter 2023.
- The Company had \$499.9 million of assets, \$298.4 million liabilities and a book value of \$201.5 million at quarter end March 31, 2024.
- Shares of Class A common stock outstanding on July 30, 2024 were 441.3 million, as compared to Class A shares outstanding on May 17, 2024 of 439.7 million.

"The start of 2024 marked a transformative period for the Company," said Matthias Ayd, Global CEO of Faraday Future. "Our new China-U.S. Automotive Bridge Strategy positions us to leverage our cutting-edge AI and software technologies across multiple market segments, potentially accelerating our mass-market entry while maintaining our ultra-luxury offering. Coupled with our fundraising efforts, Nasdaq compliance efforts, and the success of our first Investor Community Day held recently, these developments underscore our commitment to innovation, sustainable growth, and stockholder value. As we move forward, we remain focused on executing our global strategy and bringing our unique vision of intelligent electric mobility to a broader audience."

China-U.S. Automotive Bridge Strategy

FF has unveiled its innovative China-U.S. Automotive Bridge Strategy, marking a return to a two-brand approach. As part of its dual-home-market strategy, FF could leverage its unique bridge value to integrate the strengths of the U.S. automotive industry with those of Chinese car companies and their respective supply chains. This strategy aims to establish a second mass market-focused brand by collaborating with China-based OEMs and parts suppliers. FF plans to enhance procured components with its proprietary AI and Vehicle Software technology, creating a compelling value proposition for the AI EV mass-market.

Fundraising and Expense Initiatives

The Company reported progress on strategic financing. If strategic investments are secured, this could allow for a ramp in production and additional deliveries of the FF 91. Furthermore, incremental funding could support the development of the China-U.S. Automotive Bridge Strategy that is being developed. FF will also keep working to optimize operations to support sustainability. This includes ongoing evaluations of current cost reductions and spending efficiency, including daily operations and FF 91 materials costs.

Investor Community Day

FF's Investor Community Day, held in July, provided a tour of the Company's facilities and an opportunity to experience the FF 91 firsthand. FF executives spent the day showcasing the Company's core values and marketplace advantages. The event highlighted FF's unique product power, transformative technology, brand strength, and innovative user ecosystem.

Nasdaq Listing Compliance

FF received approval for continued listing from the Nasdaq Hearings Panel, subject to compliance deadlines. FF successfully met one compliance deadline with the filing today of its Form 10-Q for the quarter ended March 31, 2024.

ABOUT FARADAY FUTURE

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

FORWARD LOOKING STATEMENTS

This communication includes “forward looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. When used in this press release, the words “estimates,” “projected,” “expects,” “anticipates,” “forecasts,” “plans,” “intends,” “believes,” “seeks,” “may,” “will,” “should,” “future,” “propose” and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements, which include statements regarding the Company’s “Bridge Strategy,” the Company’s growth strategy and the development of the markets in which it operates, and the production and delivery of the FF 91, and future compliance with Nasdaq listing requirements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the Company’s control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements.

Important factors, among others, that may affect actual results or outcomes include, among others: the Company’s ability to continue as a going concern and improve its liquidity and financial position; the Company’s ability to regain compliance with, and thereafter continue to comply with, the Nasdaq listing requirements; the Company’s ability to pay its outstanding obligations; the Company’s ability to raise necessary capital, including but not limited to the capital required to fund production of the FF 91 and the Bridge Strategy; the Company’s ability to remediate its material weaknesses in internal control over financial reporting and the risks related to the restatement of previously issued consolidated financial statements; the Company’s limited operating history and the significant barriers to growth it faces; the Company’s history of losses and expectation of continued losses; the success of the Company’s payroll expense reduction plan; the Company’s ability to execute on its plans to develop and market its vehicles and the timing of these development programs; the Company’s estimates of the size of the markets for its vehicles and cost to bring those vehicles to market; the rate and degree of market acceptance of the Company’s vehicles; the Company’s ability to cover future warrant claims; the success of other competing manufacturers; the performance and security of the Company’s vehicles; current and potential litigation involving the Company; the Company’s ability to receive funds from, satisfy the conditions precedent of and close on the various financings described elsewhere by the Company; the result of future financing efforts, the failure of any of which could result in the Company seeking protection under the Bankruptcy Code; the Company’s indebtedness; the Company’s ability to cover future warranty claims; insurance coverage; general economic and market conditions impacting demand for the Company’s products; potential negative impacts of a reverse stock split; potential cost, headcount and salary reduction actions may not be sufficient or may not achieve their expected results; circumstances outside of the Company’s control, such as natural disasters, climate change, health epidemics and pandemics, terrorist attacks, and civil unrest; risks related to the Company’s operations in China; the success of the Company’s remedial measures taken in response to the Special Committee findings; the Company’s dependence on its suppliers and contract manufacturer; the Company’s ability to develop and protect its technologies; the Company’s ability to protect against cybersecurity risks; the ability of the Company to attract and retain employees; any adverse developments in existing legal proceedings or the initiation of new legal proceedings; and volatility of the Company’s stock price. You should carefully consider the foregoing factors and the other risks and uncertainties described in the “Risk Factors” section of the Company’s Form 10-K filed with the Securities and Exchange Commission (“SEC”) on May 28, 2024, as amended on May 30, 2024 and June 24, 2024, as updated by the “Risk Factors” section of the Company’s Form 10-Q filed with the SEC on July 30, 2024, and other documents filed by the Company from time to time with the SEC.

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