



## FARADAY FUTURE CHARTS PATH FORWARD WITH NEW FINANCING AND PATH TO FULL PRODUCTION OF FF 91

- AGREEMENT ESTABLISHES UP TO \$225 MILLION SENIOR BRIDGE FINANCING LED BY BIRCH LAKE FUND MANAGEMENT, LP
- BRIDGE FINANCING INCLUDES UP TO \$150 MILLION VENDOR TRUST TO SUPPORT SUPPLY CHAIN
- COMMENCES \$1.25 BILLION EQUITY CAPITAL RAISE SUPPORTED BY STIFEL NICOLAUS & CO., AS FINANCIAL ADVISOR, EXPECTED TO CLOSE IN 2019
- FF'S LATEST FINANCING WILL ALLOW IT TO COMPLETE THE DEVELOPMENT OF ITS FLAGSHIP FF 91 AND LAUNCH IMMEDIATE CAPITAL-RAISING PROGRAM

**LOS ANGELES, APRIL 29, 2019** – Faraday Future (FF) today announced a series of strategic actions designed to support completion and launch of its flagship FF 91 EV, continue development of the mass-market FF 81 for launch in 2021, and support of its vendor and supply chain. Meanwhile, FF has continued to make steady progress on the 1,050-horsepower FF 91 flagship's development to finalize it for production. In connection with its previously announced restructuring, FF has resolved all previous disputes among its major shareholders, positioning the company for substantial capital raising during 2019.

Last month, the company signed a joint venture agreement with The9 Limited pursuant to which The9 will make capital contributions of up to \$600 million in three equal installments to the JV, and FF will make contributions including its usage rights in a piece of land in China for electric car manufacturing. FF will also grant the JV an exclusive license to manufacture, market, distribute and sell the Faraday Future V9 model and other potential car models in China, in each case subject to the satisfaction of certain conditions. The expected annual production capacity of the joint venture is 300,000 cars, and the first pre-production car is expected to roll off the production line next year.

The company has begun engaging with other investors who have expressed interest in the company and expects its current capital-raising programs to be completed early in the third quarter of this year. FF's investor outreach is tied to its successful leveraging of the talents of passionate creators from the technology and automotive industries to bring premium, seamlessly connected electric vehicles to market. The company, working in conjunction with Houlihan Lokey, its independent valuation advisor, has determined the value of its technology inclusive of its intellectual property at up to \$1.25 billion.

Working alongside its new financial partner, Birch Lake Associates, LLC, a boutique merchant bank that invests intellectual and financial capital in undervalued high-potential companies, FF has created a multiple-stream bridge financing program to support the



company pending completion of its announced equity-raising program. The up to \$225 million bridge financing facility announced today consists of a senior secured financing of \$75 million and a vendor trust of up to \$150 million. The secured vendor trust program of up to \$150 million has been created with Birch Lake's support to provide greater confidence to FF's key suppliers and obtain their commitments to support the scheduled production launch of FF 91. As part of the vendor program, Birch Lake has also provided financing to FF for the company to pay all past due amounts for approximately 60 percent of FF's vendor base, including smaller vendors who are owed less than \$20,000. FF's larger suppliers and vendors have the opportunity to benefit in the vendor trust program by exchanging unsecured trade claims for trust interests that will hold a secured claim equal to all vendor claims in the trust and will include a repayment schedule to be completed during 2019.

"Birch Lake is pleased to partner with FF at this critical juncture and is looking forward to assisting FF toward becoming a leading manufacturer of EVs in the United States, China and beyond," said Birch Lake CEO Jack Butler. "FF's technology, product strategy and unwavering commitment to its production launch of the FF 91 are impressive."

"FF is proud to call Birch Lake one of its strongest supporters and financial partners, and we thank them and our employees' perseverance for helping us see FF 91 to reality," said FF CEO YT Jia.

FF today also announced that it will launch its equity capital-raising program with the support of Stifel Nicolaus & Co. as financial advisor.

"Having worked closely with the Faraday team to accomplish a complex restructuring, we are more confident than ever that FF is well positioned to embark on the next stage of its success. We are excited to establish this bridge financing facility and move quickly to raise the additional capital to help Faraday redefine mobility," said Jim Nappo, managing director of Stifel.

In addition to the funding news, FF's potential lies in the strength of its management team, recently bringing on Waqar Hashim. Hashim is vice president of Vehicle Line and vice president of Vehicle Engineering and is responsible for streamlining engineering, design, manufacturing and budget objectives on vehicle programs; simplifying operational procedures to improve efficiencies; and working to adjust programs to optimize vehicles for market and regional conditions.

Prior to FF, Hashim most recently worked with General Motors, where he led the global crossover SUV programs, including leading the 2019 Chevrolet Blazer program and 2019 Holden Acadia for the Australia and New Zealand markets. Hashim led the global integration activities to design, validate and build those vehicles.



FF CEO Jia said of the company's newly sharpened focus: "I also want to give a special thank you to our entire supply chain team, our suppliers and vendors who have stood by our side," said Jia. "Together, we have the ability to create disruptive products like FF 91 and additional future products that will bring new ideas to the traditional auto industry."

Behind the scenes, FF continues its work on its preproduction test vehicles. With its growing fleet of preproduction vehicles being used as a testbed for cloud-connectivity, software releases and other validation measures, the engineering team has made steady progress to finalize FF 91 for production.

FF is being advised by Stifel Nicolaus & Co., Miller Buckfire & Co., and Sidley Austin LLP. Birch Lake Fund Management is being advised by Honigman LLP and Portage Point Partners, LLC.

## **ABOUT FARADAY FUTURE**

Faraday Future (FF) is a California-based global shared intelligent mobility company.

Established in May 2014, FF is a global company, headquartered in Los Angeles. FF's vision is to create a shared intelligent mobility ecosystem that empowers everyone to move, connect, breathe and live freely.

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## **ABOUT BIRCH LAKE**



Birch Lake is a Chicago-based boutique merchant bank. Established in 2016, Birch Lake seeks to invest intellectual and financial capital in undervalued, high potential companies to resolve complex and stressed situations and enhance long-term enterprise value.

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### **FORWARD LOOKING STATEMENTS**

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