

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

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

For the quarterly period ended September 30, 2025

OR

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

For the transition period from _____ to _____

Commission File Number: 001-39395 Faraday Future Intelligent Electric Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.0001 per share	FFAI	The Nasdaq Stock Market LLC
Redeemable warrants, exercisable for shares of Class A common stock at an exercise price of \$110,400.00 per share	FFAIW	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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

The registrant had outstanding 169,300,958 shares of Class A common stock and 6,667 shares of Class B common stock as of November 17, 2025.

Faraday Future Intelligent Electric Inc.
FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2025
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Faraday Future Intelligent Electric Inc.
Unaudited Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)

	(Unaudited)	
	September 30, 2025	December 31, 2024
Assets		
Current assets		
Cash	\$ 62,909	\$ 7,144
Restricted cash	28	30
Digital assets	1,592	—
Accounts receivable	589	—
Short-term notes receivable, net of allowance for credit losses of \$261 at September 30, 2025	4,348	—
Inventory, net (see Note 4)	381	27,486
Deposits (see Note 5)	7,784	31,094
Other current assets	12,397	6,127
Total current assets	90,028	71,881
Property, plant and equipment, net	164,610	348,587
Operating lease right-of-use assets, net	5,877	1,761
Intangible assets, net	3,290	1,042
Goodwill	27,783	—
Other non-current assets (see Notes 4 and 5)	23,996	2,129
Total assets	\$ 315,584	\$ 425,400
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 61,881	\$ 71,414
Accrued expenses and other current liabilities	60,669	45,677
Related party accrued expenses and other current liabilities	12,540	11,077
Warrant liabilities	40,238	28,864
Related party warrant liabilities	2,912	—
Accrued interest	—	25
Related party accrued interest	19,574	23,227
Other financing liabilities, current portion	899	761
Operating lease liabilities, current portion	2,110	2,128
Notes payable, current portion	7,450	4,224
Related party notes payable	2,940	5,310
Total current liabilities	211,213	192,707
Other financing liabilities, long term portion	45,633	38,698
Operating lease liabilities, long term portion	3,653	14
Notes payable, long term portion	71,452	45,264
Related party notes payable, long term portion	2,536	2,754
Derivative call options	15,416	29,709
Related party derivative call options	3,484	—
Other liabilities	1,737	1,287
Total liabilities	355,124	310,433
Stockholders' equity (deficit)		
Class A Common Stock, 0.0001 par value; 228,041,297 and 99,815,625 shares authorized; 161,305,526 and 65,919,127 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	16	6
Class B Common Stock, 0.0001 par value; 4,429,688 shares authorized; 6,667 shares issued and outstanding as of September 30, 2025 and December 31, 2024	—	—
Preferred Stock, 0.0001 par value; 5,931,000 and 10,000,000 shares authorized as of September 30, 2025 and December 31, 2024 respectively; zero and zero shares issued and outstanding as of September 30, 2025 and December 31, 2024 respectively	—	—

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Series B Preferred Stock, \$0.0001 par value; 12,000,000 and zero shares authorized as of September 30, 2025 and December 31, 2024 respectively; 10,737,017 and zero shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively

	—	—
Additional paid-in capital	4,587,541	4,421,563
Accumulated other comprehensive income	6,186	7,744
Accumulated deficit	(4,671,487)	(4,314,346)
Total stockholders' equity (deficit) attributable to the Company	(77,744)	114,967
Noncontrolling interest	38,204	—
Total stockholders' equity (deficit)	(39,540)	114,967
Total liabilities and stockholders' equity (deficit)	\$ 315,584	\$ 425,400

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

Faraday Future Intelligent Electric Inc.
Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue	\$ 37	\$ 9	\$ 407	\$ 304
Cost of revenue	34,256	21,453	82,549	63,110
Gross profit	(34,219)	(21,444)	(82,142)	(62,806)
Operating expenses				
Research and development	6,640	5,180	18,063	15,185
Sales and marketing	6,380	2,601	10,882	6,857
General and administrative	19,690	8,278	47,461	39,327
Settlement on accrued research and development expenses	—	(14,935)	—	(14,935)
Asset impairment	138,483	57	138,483	7,673
Loss on disposal of property, plant, and equipment	1,395	2,582	1,715	2,511
Total operating expenses	172,588	3,763	216,604	56,618
Loss from operations	(206,807)	(25,207)	(298,746)	(119,424)
Change in fair value of notes payable, warrant liabilities, and derivative call options	31,341	8,287	36,721	28,927
Change in fair value of related party notes payable, warrant liabilities, and derivative call options	2,144	654	(3,283)	315
Loss on settlement of notes payable	(46,517)	(59,128)	(84,895)	(117,509)
Loss on settlement of related party notes payable	—	—	(3,040)	(14,295)
Interest expense	(2,244)	(1,442)	(5,358)	(5,386)
Related party interest expense	—	(1,212)	—	(7,812)
Other (loss) income, net	(99)	361	1,475	599
Loss before income taxes	(222,182)	(77,687)	(357,126)	(234,585)
Income tax expense	(5)	1	(15)	(3)
Net loss	\$ (222,187)	\$ (77,686)	\$ (357,141)	\$ (234,588)
Per share information (See Note 16):				
Net loss per share of Class A and B Common Stock attributable to common stockholders:				
Basic	\$ (1.55)	\$ (5.32)	\$ (3.31)	\$ (27.42)
Diluted	\$ (1.55)	\$ (5.32)	\$ (3.31)	\$ (27.42)
Weighted average common shares used in computing net loss per share of Class A and Class B Common Stock:				
Basic	143,159,121	15,379,402	107,784,739	8,707,165
Diluted	143,159,121	15,379,402	107,784,739	8,707,165
Total comprehensive loss				
Net loss	\$ (222,187)	\$ (77,686)	\$ (357,141)	\$ (234,588)
Foreign currency translation adjustment	(969)	(2,510)	(1,558)	(1,646)
Total comprehensive loss	\$ (223,156)	\$ (80,196)	\$ (358,699)	\$ (236,234)

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

Faraday Future Intelligent Electric Inc.
Unaudited Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(in thousands, except share data)

	Common Stock				Preferred Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity (Deficit) Attributable to the Company	Noncontrolling Interests	Total Stockholder's Equity (Deficit)
	Class A		Class B		Series B							
	Shares	Amount	Shares	Amount	Shares	Amount						
Balance as of June 30, 2025	122,722,249	\$ 12	6,667	\$ —	4,400,232	\$ —	\$4,501,989	\$ 7,155	\$(4,449,300)	\$ 59,856	\$ —	\$ 59,856
Conversion of notes payable and accrued interest into Class A Common Stock (Note 8)	30,945,927	3	—	—	(2,031,268)	—	68,282	—	—	68,285	—	68,285
Issuance of preferred stock series B to SPA noteholders	—	—	—	—	8,368,053	—	—	—	—	—	—	—
Issuance of Common Stock and warrants	—	—	—	—	—	—	1	—	—	1	—	1
Stock-based compensation	—	—	—	—	—	—	67	—	—	67	—	67
Exercise of warrants	7,516,026	1	—	—	—	—	14,089	—	—	14,090	—	14,090
Issuance of shares for RSU vesting net of tax withholdings	121,324	—	—	—	—	—	—	—	—	—	—	—
Chongqing related party debt restructuring	—	—	—	—	—	—	3,113	—	—	3,113	—	3,113
Foreign currency translation adjustment	—	—	—	—	—	—	—	(969)	—	(969)	—	(969)
Net loss	—	—	—	—	—	—	—	—	(222,187)	(222,187)	—	(222,187)
Noncontrolling interest	—	—	—	—	—	—	—	—	—	—	38,204	38,204
Balance as of September 30, 2025	<u>161,305,526</u>	<u>\$ 16</u>	<u>6,667</u>	<u>\$ —</u>	<u>10,737,017</u>	<u>\$ —</u>	<u>\$4,587,541</u>	<u>\$ 6,186</u>	<u>\$(4,671,487)</u>	<u>\$ (77,744)</u>	<u>\$ 38,204</u>	<u>\$ (39,540)</u>

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

Faraday Future Intelligent Electric Inc.
Unaudited Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(in thousands, except share data)

	Common Stock				Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Class A		Class B					
	Shares	Amount	Shares	Amount				
Balance as of June 30, 2024	11,031,625	\$ 1	6,667	\$ —	\$ 4,257,356	\$ 6,726	\$(4,115,401)	\$ 148,682
Conversion of notes payable and accrued interest into Class A Common Stock (see Note 7)	19,107,321	2	—	—	84,079	—	—	84,081
Reclassification of SPA Warrants from liability to equity	—	—	—	—	160	—	—	160
Issuance of common stock and warrants	—	—	—	—	10	—	—	10
Settlement of Palantir dispute with issuance of Class A Common Stock (see Note 10)	252,768	—	—	—	2,400	—	—	2,400
Purchase of Class A Common Stock under Salary Deduction and Stock Purchase Agreements (see Note 11)	10,455	—	—	—	36	—	—	36
Reverse stock split related round up share issuances	306,472	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	1,593	—	—	1,593
Issuance of shares for RSU vesting net of tax withholdings	5,088	—	—	—	(10)	—	—	(10)
Foreign currency translation adjustment	—	—	—	—	—	(2,510)	—	(2,510)
Net loss	—	—	—	—	—	—	(77,686)	(77,686)
Balance as of September 30, 2024	<u>30,713,729</u>	<u>\$ 3</u>	<u>6,667</u>	<u>\$ —</u>	<u>\$ 4,345,624</u>	<u>\$ 4,216</u>	<u>\$(4,193,087)</u>	<u>\$ 156,756</u>

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements

Faraday Future Intelligent Electric Inc.
Unaudited Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(in thousands, except share data)

	Common Stock				Preferred Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity (Deficit) Attributable to the Company	Noncontrolling Interests	Total Stockholder's Equity (Deficit)
	Class A		Class B		Series B							
	Shares	Amount	Shares	Amount	Shares	Amount						
Balance as of December 31, 2024	65,919,127	\$ 6	6,667	\$ —	—	\$ —	\$ 4,421,563	\$ 7,744	\$(4,314,346)	\$ 114,967	\$ —	\$ 114,967
Conversion of notes payable and accrued interest into Class A Common Stock (Note 8)	86,028,126	9	—	—	(3,983,897)	—	145,266	—	—	145,275	—	145,275
Reclassification of SPA warrants from liability to equity as of August 1, 2024	—	—	—	—	14,720,914	—	—	—	—	—	—	—
Settlements with issuance of Class A Common Stock (Note 13)	1,591,035	—	—	—	—	—	2,245	—	—	2,245	—	2,245
Issuance of common stock	—	—	—	—	—	—	1	—	—	1	—	1
Related party debt restructuring	—	—	—	—	—	—	3,767	—	—	3,767	—	3,767
Stock-based compensation	—	—	—	—	—	—	536	—	—	536	—	536
Exercise of warrants	7,516,026	1	—	—	—	—	14,089	—	—	14,090	—	14,090
Issuance of shares for RSU vesting net of tax withholdings	251,212	—	—	—	—	—	74	—	—	74	—	74
Foreign currency translation adjustment	—	—	—	—	—	—	—	(1,558)	—	(1,558)	—	(1,558)
Net loss	—	—	—	—	—	—	—	—	(357,141)	(357,141)	—	(357,141)
Noncontrolling interest	—	—	—	—	—	—	—	—	—	—	38,204	38,204
Balance as of September 30, 2025	<u>161,305,526</u>	<u>\$ 16</u>	<u>6,667</u>	<u>\$ —</u>	<u>10,737,017</u>	<u>\$ —</u>	<u>\$ 4,587,541</u>	<u>\$ 6,186</u>	<u>\$(4,671,487)</u>	<u>\$ (77,744)</u>	<u>\$ 38,204</u>	<u>\$ (39,540)</u>

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

Faraday Faraday Future Intelligent Electric Inc.
Unaudited Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(in thousands, except share data)

	Common Stock				Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Class A		Class B					
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2023	1,060,833	\$ —	6,667	\$ —	\$4,180,873	\$ 5,862	\$(3,958,499)	\$ 228,236
Conversion of notes payable and accrued interest into Class A Common Stock (see Note 7)	29,077,806	3	—	—	159,903	—	—	159,906
Reclassification of SPA Warrants from liability to equity					160			160
Issuance of common stock and warrants					10			10
Settlement of Palantir dispute with issuance of Class A Common Stock (see Note 10)	252,768				2,400			2,400
Purchase of Class A Common Stock under Salary Deduction and Stock Purchase Agreements (see Note 11)	10,455				36			36
Reverse stock split related round up share issuances	306,779	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	2,252	—	—	2,252
Issuance of shares for RSU vesting net of tax withholdings	5,088				(10)			(10)
Foreign currency translation adjustment	—	—	—	—	—	(1,646)	—	(1,646)
Net loss	—	—	—	—	—	—	(234,588)	(234,588)
Balance as of September 30, 2024	<u>30,713,729</u>	<u>\$ 3</u>	<u>6,667</u>	<u>\$ —</u>	<u>\$4,345,624</u>	<u>\$ 4,216</u>	<u>\$(4,193,087)</u>	<u>\$ 156,756</u>

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements

Faraday Future Intelligent Electric Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
(in thousands)

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities		
Net loss	\$ (357,141)	\$ (234,588)
<i>Adjustments to reconcile net loss to net cash used in operating activities:</i>		
Depreciation and amortization expense	56,542	53,504
Amortization of operating lease right-of-use assets	2,199	1,947
Non-cash interest expense	2,825	2,030
Loss (gain) on digital assets, net	383	—
Loss (gain) on disposal of property and equipment	1,715	2,511
Asset impairment	138,483	7,673
Stock-based compensation	2,492	2,252
Reserve on inventory	14,385	—
Loss on settlement of notes payable	84,895	117,509
Loss on settlement of related party notes payable	3,040	14,295
H.S.L. SRL settlement adjustment	(295)	—
Settlement on accrued research and development expenses	—	(14,935)
Change in fair value of notes payable, warrant liabilities, and derivative liabilities	(36,721)	(28,927)
Change in fair value of related party notes payable, warrant liabilities, and derivative liabilities	3,283	(315)
Loss (gain) on foreign exchange	—	(40)
Other	250	366
Changes in operating assets and liabilities		
Accounts receivables	(589)	—
Inventory	1,468	6,949
Deposits	2,582	1,157
Accounts payable	(10,838)	(1,736)
Accrued expenses and other current liabilities	17,644	7,554
Related party accrued expenses and other current and non-current liabilities	1,303	3,612
Related party accrued interest expense	—	7,544
Operating lease liabilities	(2,684)	—
Financing lease liabilities	—	1,976
Other current and non-current assets	(4,392)	(2,134)
Net cash used in operating activities	(79,171)	(51,796)
Cash flows from investing activities		
Investment in Qualigen Therapeutics, Inc., net of cash acquired	8,777	—
Proceeds from sale of equipment	—	87
Purchase of digital assets	(10,500)	—
Sale of digital assets	8,525	—
Payments for property and equipment	(6,525)	(659)
Net cash provided by (used in) investing activities	277	(572)
Cash flows from financing activities		
Payments of notes payable issuance costs	(2,540)	(1,310)
Payments of related party notes payable issuance costs	(560)	—
Payments of notes payable and other financing obligations	(4,482)	(101)
Proceeds from notes payable, net of original issuance discount	132,391	54,021
Proceeds from related party notes payable, net of original issuance discount	4,731	3,075
Proceeds from other financial obligations	4,802	—
Proceeds from exercise of warrants	1,441	—
Net cash provided by financing activities	135,783	55,685
Effect of exchange rate changes on cash and restricted cash	(1,126)	7
Net (decrease) increase in cash and restricted cash	55,763	3,324
Cash and restricted cash, beginning of period	7,174	4,025
Cash and restricted cash, end of period	\$ 62,937	\$ 7,349

Faraday Future Intelligent Electric Inc.
Unaudited Condensed Consolidated Statements of Cash Flows — (Continued)
(in thousands)

The following table provides a reconciliation of cash and restricted cash reported within the Unaudited Condensed Consolidated Balance Sheets that aggregate to the total of the same such amounts shown in the Unaudited Condensed Consolidated Statements of Cash Flows:

	September 30, 2025	September 30, 2024
Cash and restricted cash		
Cash	\$ 62,909	\$ 7,269
Restricted cash	28	80
	<u>\$ 62,937</u>	<u>\$ 7,349</u>
Nine Months Ended September 30,		
	2025	2024
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 4,194	\$ 2,988
Cash paid for taxes	\$ —	\$ —
Supplemental disclosure of noncash investing and financing activities		
Conversion of notes payable and accrued interest into Class A Common Stock	\$ 57,341	\$ 44,891
Issuance of warrants and related party warrants with the SPA Portfolio Notes	\$ 48,110	\$ 17,914
Settlement of vendor liability in Class A Common Stock	\$ 2,245	\$ —
Non-Cash Warrant Exercise Activity and FV Reclassifications to Equity	\$ 12,649	\$ —
Additions of property and equipment included in accounts payable and accrued expenses	\$ 42,717	\$ 45,455
RSU tax withholdings	\$ —	\$ 10
Purchase of Class A Common Stock under the Salary Deduction and Stock Purchase Agreements	\$ —	\$ 36
Recognition of right-of use assets and liabilities for new leases and lease modifications	\$ 6,260	\$ —
Supplemental disclosure of noncash operating activities		
Settlement of Palantir dispute with issuance of Class A Common Stock	\$ —	\$ 2,400

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

Faraday Future Intelligent Electric Inc.
Notes to Unaudited Condensed Consolidated Financial Statements

1. Nature of Business and Organization, Basis of Presentation, and Summary of Significant Accounting Policies

Nature of Business and Organization

Unless otherwise stated or the context requires otherwise, references herein to the “Company,” “FFIE,” “FFAI,” “Faraday,” “FF,” “we,” “us,” and “our” mean Faraday Future Intelligent Electric Inc. and its wholly-owned subsidiaries, and controlled and managed entities.

The Company is a holding company incorporated in the State of Delaware on February 11, 2020, conducts its operations through its subsidiaries and is headquartered in 18455 S. Figueroa Street, Gardena, CA 90248.

We have three operating segments—AI Electric Vehicle (“AIEV”), Life Sciences, and Crypto—but only our AIEV segment meets the criteria of reportable segment under ASC 280 and therefore we concluded that we have one reportable segment in the quarter ended September 30, 2025. (For further information, see *Segments* in this note).

The Company designs and engineers next-generation intelligent electric vehicles, manufactures its vehicles at its production facility in Hanford, California, known as “FF ieFactory California,” and maintains additional engineering, sales, and operational capabilities in China and the United Arab Emirates (“UAE”) to support its global expansion and regional market strategy. The Company has created innovations in technology, products, and a user-centered business model that are being incorporated into its planned electric vehicle platform.

Principles of Consolidation

The Unaudited Condensed Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the U.S. (“GAAP”) and include the accounts of the Company, its wholly-owned subsidiaries and all other entities in which the Company has a controlling financial interest, including the accounts of any variable interest entity, in which the Company has a controlling financial interest and for which it is the primary beneficiary in accordance with Accounting Standards Codification (“ASC”) 810, *Consolidation* (“ASC 810”). All intercompany transactions and balances have been eliminated upon consolidation.

These Unaudited Condensed Consolidated Financial Statements do not include all disclosures that are normally included in the Annual audited financial statements prepared in accordance with GAAP and should be read in conjunction with the Company’s Audited Consolidated Financial Statements and notes thereto for the year ended December 31, 2024, included in the Company’s Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (“SEC”) on March 31, 2025, (the “Form 10-K”). Accordingly, the Unaudited Condensed Consolidated Balance Sheet as of September 30, 2025, has been derived from the Company’s Annual audited Consolidated Financial Statements but does not contain all of the footnote disclosures from the annual financial statements. The Company believes that the disclosures included in this Quarterly Report on Form 10-Q (this “Form 10-Q”) are adequate to make the information presented not misleading.

In the opinion of management, the Unaudited Condensed Consolidated Financial Statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of its financial position, results of operations, and cash flows for the periods presented. The accounting policies used in the preparation of these Unaudited Condensed Consolidated Financial Statements are the same as those disclosed in the audited Consolidated Financial Statement for the year ended December 31, 2024, included in the Form 10-K, except as described below.

Our annual reporting period is the calendar year. The results of operations for the three and nine months ended September 30, 2025 are not necessarily indicative of the results to be expected for the 2025 full year or any future periods.

Basis of Presentation

Use of Estimates and Judgments

The preparation of the Company’s Unaudited Condensed Consolidated Financial Statements in conformity with GAAP and in accordance with the rules and regulations of the SEC requires management to make estimates and assumptions which affect the reported amounts in the Unaudited Condensed Consolidated Financial Statements.

Estimates are based on historical experience, where applicable, and other assumptions which management believes are reasonable under the circumstances. On an ongoing basis management evaluates its estimates, including those related to the: (i) recognition and disclosure of contingent liabilities, including litigation reserves; (ii) fair value of related party notes payable and notes payable; (iii) calculations for evaluating potential long-lived asset impairment; (iv) inventory reserve and (v) valuation of warrants and other derivative instruments. Such estimates often require the selection of appropriate valuation methodologies

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and financial models and may involve significant judgment in evaluating ranges of assumptions and financial inputs. Actual results may differ from those estimates under different assumptions, financial inputs, or circumstances.

Given the global economic climate, estimates are subject to additional volatility. As of the date of filing the Company's Unaudited Condensed Consolidated Financial Statements on this Form 10-Q with the SEC for the period ended September 30, 2025, the Company is not aware of any specific event or circumstance that would require an update to its estimates or judgments or to revise the carrying value of its assets or liabilities. However, these estimates and judgments may change as new events occur and additional information is obtained, which may result in changes being recognized in the Company's Unaudited Condensed Consolidated Financial Statements in future periods. Actual results could differ from those estimates and any such differences may have a material impact on the Company's Unaudited Condensed Consolidated Financial Statements.

Variable Interest Entity

In accordance with ASC Topic 810, Consolidation ("ASC 810"), the Company assesses whether it has a variable interest in legal entities in which it has a financial relationship and, if so, whether or not those entities are variable interest entities ("VIEs"). For those entities that qualify as VIEs, ASC 810 requires the Company to determine if the Company is the primary beneficiary of the VIE, and if so, to consolidate the VIE.

Grow Fandor Inc

Grow Fandor Inc. ("Grow Fandor") was founded by Mr. Jiawei Wang and Mr. Yueting (YT) Jia and partners on May 28, 2024. Additional partners included current employees of FF and all founding members were granted equity in Grow Fandor. Grow Fandor is an IP commercializing company that leverages a business IP matrix of top entrepreneurs and celebrities to transform content and commerce across industries. Subsequently, Grow Fandor raised, \$1.0 million to capitalize the entity from parties that are existing FF investors.

On October 9, 2024, Mr. YT Jia donated 15 million shares of Grow Fandor common stock to FF. As a result of the donation FF has a 10% ownership interest in Grow Fandor. On October 29, 2024, the Company entered into a Trademark License Agreement (the "License Agreement") with Grow Fandor. This agreement grants Grow Fandor the right to use the Company's trademarks with its products.

The equity interest and the License Agreement held by the Company represent variable interests. Grow Fandor is a VIE, as it lacks sufficient equity to finance its activities. However, FF does not have the power to direct the activities of Grow Fandor and therefore is not the primary beneficiary. Accordingly, the Company does not consolidate the results of the operations of Grow Fandor.

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GlobeX AI Hong Kong Holding Limited (formerly Faraday X AIEV Hong Kong Holding Limited)

GlobeX AI Hong Kong Holding Limited (“GXHK”) is a company incorporated under the laws of the Hong Kong Special Administrative Region of the People’s Republic of China. On October 23, 2025, Faraday X AIEV Hong Kong Holding Limited (“FXHK”) completed a legal name change to GlobeX AI Hong Kong Holding Limited

As a subsidiary, GXHK is responsible for executing the FX strategy and driving the success of the FX brand. On March 31, 2025, the Company transferred 6,000 shares, representing 60% of the issued share capital of GXHK (then named FXHK), to Xiao Ma, the CEO of Faraday X and an employee of the Company. The Company continues to hold the remaining 40% of the issued shares of GXHK.

The Company consolidates GXHK pursuant to the VIE provisions of ASC 810. GXHK was established with nominal capital and is dependent on the Company to support its activities to develop, market, and sell the Company’s FX brand. The Company is the primary beneficiary of the GXHK entity as it has the power to direct the activities that most significantly impact GXHK’s economic performance. Through various agreements executed with Mr. Ma, along with Mr. Ma’s status as an employee of the Company, the Company is able to exercise sole control over stockholder decisions and maintains the unilateral right to remove Mr. Ma from his position as the majority stockholder. The Company is entitled to substantially all of the benefits and bears all of the risks associated with GXHK through a combination of equity ownership and contractual arrangements.

The assets and liabilities of GXHK are carried at their historical cost in the Company’s unaudited condensed consolidated balance sheets as the Company has had control over GXHK since its inception. References to FXHK in prior-period disclosures refer to the same legal entity prior to the October 23, 2025 name change.

AixCrypto Holdings, Inc. (formerly known as Qualigen Therapeutics Inc.)

On September 29, 2025, the Company entered into a lead investor subscription agreement with AIXCrypto Holdings, Inc. (“AIXC”) (then known as Qualigen Therapeutics, Inc.) (the “Business Combination”). Under the agreement, the Company acquired common and preferred equity interests in AIXC.

Despite only holding approximately 7.9% of AIXC’s outstanding voting shares as of September 30, 2025, the Company obtained governance and operating decision-making rights, including the appointment of a Co-Chief Executive Officer and the Chief Financial Officer of AIXC, each of whom is also an employee or officer of the Company, along with discretion over all digital-asset and cash management decisions. AIXC was determined to be a VIE because substantially all of the activities are controlled by a party with relatively few voting rights. Based on FF’s governance and operating decision-making rights, the Company determined that it has the power to direct the activities that most significantly impact AIXC’s economic performance and is therefore the primary beneficiary of AIXC. The Company consolidates AIXC pursuant to the VIE provisions of ASC 810. Furthermore, the Series B Convertible Preferred Stock became convertible into additional voting common shares upon receipt of stockholder approval, which occurred in November 2025, pursuant to applicable Nasdaq listing rules, increasing the Company’s share of voting common stock to approximately 57.5% on an as-converted basis.

As a result, the Company consolidated AIXC beginning on September 29, 2025. The assets and liabilities of AIXC are included in the Company’s condensed consolidated financial statements at their acquisition date fair value. Additional information regarding the initial measurement and accounting for the consolidation of AIXC, including the recognition of acquired intangible assets and the noncontrolling interest, is presented in Note 3, *Business Acquisition—Consolidation of AIXC*.

Further note that AIXC effected a name change on November 14, 2025 (see Note 17 - *Subsequent Events*).

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Segments

The Company has three operating segments—AI Electric Vehicle (“AIEV”), Life Sciences, and Crypto—but only our AIEV segment meets the criteria for separate reporting under ASC 280. Through August 12, 2025, the Company’s two Global Co-Chief Executive Officers (“Global Co-CEOs”), acting jointly serving as Co-Chief Operating Decision Makers (“CODMs”), and regularly evaluated the Company’s financial performance using consolidated financial information at the total-company level including consolidated loss from operations, cash flows, liquidity, and strategic initiatives. Effective August 13, 2025, in connection with temporary governance adjustments approved by the Board, Mr. Matthias Aydt serves as the Company’s sole CODM for purposes of ASC 280.

Management has identified Loss from operations, as presented in the Company's Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss, as the primary measure used by the CODM to evaluate the performance of the business and allocate resources. This measure is critical for a going concern that must carefully manage its cash outflows, particularly given that the timing of its cash inflows is influenced by external investor decisions. The Company defines “significant segment expense” as controllable operating costs that are regularly provided to and reviewed by management, which include the expenses presented in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss as Cost of revenue, Research and development, Sales and marketing, and General and administrative.

Management closely tracks its expenditure on these key expense categories through regular reviews of cash balances, near-term cash flow projections, monthly management reports, and project management reports. The CODM, works in close collaboration with the Company’s business leaders to establish critical operational targets, sets project timelines, and adjusts spending plans. These leaders are responsible for implementing its strategic plans and revising targets and deadlines based on continuous internal communications and review meetings, thereby ensuring that any deviations from target spending or project timelines are promptly addressed. This rigorous oversight supports the Company’s strategic objectives to focus business activities on production, sales, and leasing of its FF 91 vehicles, the planned FF 92 upgrade program, and the commercialization of the FX Series vehicles.

In addition, the Company defines “other segment items” as other operating expense adjustments that arise from lease or other impairments, gains and losses on the sale or disposition of its fixed assets, or other market-driven factors that impact Loss from operations presented in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss and are not part of the Company’s recurring and controllable operating costs. By segregating these “Other Segment Items” from “Loss from operations,” the Company provides investors with a clear view of the expenses that management can directly influence versus those driven by external factors.

During the third quarter of 2025, the Company consolidated AIXC, a VIE that operates a legacy life-sciences business. The acquisition closed on September 29, 2025, and AIXC’s results were included in the Company’s consolidated financial statements for the final two days of the quarter. AIXC does not earn revenue and the operating loss attributable to AIXC was immaterial and did not meet the quantitative thresholds under ASC 280 for separate segment reporting. The Company also intends to use AIXC as the platform for future crypto-related initiatives; however, no crypto operations were active during the quarter, and the Company liquidated its crypto holdings to fund the AIXC transaction. (For further information see Note 3 - *Business Acquisition - Consolidation of AIXC*, and Note 1 - *Nature of Business and Organization*).

Other potentially reportable items, such as separate automotive sales and leasing revenues (currently immaterial), geographic information, depreciation expense, interest expense, or other segment-specific activities, are not separately reviewed by the CODM. Accordingly, these detailed segment components do not influence the CODM’s decision-making or resource allocation processes and thus are not separately disclosed.

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Summary of Significant Accounting Policies*Cash and Cash Equivalents*

The Company considers all highly liquid instruments with an original maturity of 90 days or less from the date of purchase to be cash equivalents. The Company holds cash balances of \$38.2 million and \$0.0 million classified as cash equivalents as September 30, 2025 and December 31, 2024, respectively.

Digital Assets

In December 2023, FASB issued ASU 2023-08, Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets. When crypto assets do not meet the definition of cash, cash equivalent, financial assets or inventory, ASU 2023-08 requires certain crypto assets to be measured periodically at fair value and presented as a separate long-lived intangible asset on the balance sheet with gains and losses from changes in the fair value reported as unrealized gains or losses in the Company's *Condensed Consolidated Statement of Operations and Comprehensive Loss (Unaudited)* each reporting period. The Company determines fair value of its digital assets based on quoted prices in their principal markets, which represent the markets with the greatest volume and level of activity that the Company can access through its custodian and trading counterparty, BitGo. BitGo executes transactions via its institutional OTC desk, which sources U.S. accessible exchanges and institutional liquidity providers, including but not limited to Coinbase & Kraken etc. The Company records digital assets at the fair value as of 11:59pm on the final day of each quarter. The Company measures digital assets at fair value in accordance with ASC 820, Fair Value Measurement, based on quoted prices in its principal market, with changes recognized in earnings. Gains and losses from purchases, sales, and period-end remeasurement of Company-owned digital assets are presented in the Company's *Condensed Consolidated Statement of Operations and Comprehensive Loss (Unaudited)* as non-operating (income) and expenses. The Company does not currently recognize revenues from contracts with customers related to digital assets.

On August 16, 2025, Faraday Future Intelligent Electric Inc. issued a press release announcing the launch of its "EAI + Crypto" strategy and the unveiling of the "C10 Index" and the "C10 Treasury." The index is a market-capitalization-weighted basket of the world's top 10 crypto assets (excluding stablecoins), calculated from midnight Pacific Time on August 16, 2025, with a base value of 1,000. The index is centered on Bitcoin and Ethereum, and covers the top ten cryptocurrencies by free-float market capitalization, excluding stablecoins. It is calculated using market-capitalization weighted rules, with a maximum 50% allocation to any single asset. The C10 Treasury is a portfolio of investments aimed at being dynamically allocated based on the C10 Index. The strategy aims to grow assets through professional, compliant custody, staking yield from locked holdings, and portfolio compounding, while multiple downside-protection mechanisms help manage risk.

The addition of a crypto business is part of the Company's new strategy of generating high growth driven by crypto asset investments with dedicated financing that supplements the intelligent electric mobility EV business. The newly acquired business, AIXC, is expected to be rebranded as CXC10, reflecting the Company's new strategic direction around crypto investments.

During the quarter ended September 30, 2025, the Company invested \$10.5 million in crypto assets. As of September 30, 2025, the crypto holdings were predominantly liquidated in order to fund the acquisition of AIXC, except for ETH coins that were being staked. The realized total loss was \$0.2 million and the unrealized loss on staked ETH coins was \$0.2 million, presented as part of *Other (loss) income, net* in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss. The table below summarizes the cost basis, fair value at the time of sale, losses, net that are realized and unrealized by crypto asset, and the fair value of outstanding coin as of September 30, 2025 (amounts shown in thousands, except for units purchased and units sold, which are presented in whole numbers):

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Crypto Asset	Units Purchased	Total Cost ⁽¹⁾	Units Sold	Proceeds ⁽¹⁾ / Advances	Gain / (loss)	Fair Value of Outstanding Coins
Realized gains and (losses)						
USDC	500,000.00	\$ 500	500,000.00	\$ 500	\$ —	\$ —
BTC	35.31	3,947	35.31	3,894	(53)	—
DOGE	525,633.97	135	525,633.97	120	(15)	—
HYPE	6,518.85	232	6,518.85	267	34	—
LINK	8,816.53	173	8,816.53	182	9	—
TRX	355,433.17	127	355,433.17	117	(10)	—
XRP	219,060.68	705	219,060.68	614	(91)	—
BNB	1,317.08	1,173	1,317.08	1,291	119	—
ETH	162.09	739	162.09	628	(111)	—
SOL	1,261.38	272	1,261.38	244	(28)	—
ADA	131,830.65	113	131,830.65	101	(13)	—
SOL	2,936.70	633	2,936.70	568	(65)	—
		8,749		8,526	(224)	—
Unrealized gains and (losses)						
ETH	384.08	1,751			(159)	1,592
Advances received on staked coins				1,445 ⁽²⁾		
		\$ 10,500		\$ 9,971	\$ (383)	\$ 1,592

(1) includes transaction fees

(2) included as component of Accrued expenses and other current liabilities

Short-term notes receivable

Short-term notes receivable are measured in accordance with ASC 326-20 (Current Expected Credit Losses, “CECL”), which requires recognition of expected credit losses over the life of the receivable based on historical experience, current conditions, and reasonable and supportable forecasts.

The Company, through its acquisition of AIXC, holds short-term notes receivable originally issued by Marizyme, Inc. (“Marizyme”) in exchange for cash advances. These notes bear interest at 18% per annum, are payable on demand, and may be prepaid at any time without penalty. Because AIXC has limited loss history for similar exposures, expected credit losses are estimated using a probability-weighted model that considers multiple settlement scenarios, including potential recovery through acquisition, liquidation, or other realizations of the debtor’s assets. The resulting allowance for expected credit losses reflects an assessment of Marizyme’s financial condition, estimated recoverable amounts, and the likelihood of each outcome. The allowance is reassessed each reporting period and updated as new information becomes available.

As of September 30, 2025, the estimate for expected credit losses on the Marizyme Notes is \$0.3 million. Given the inherently uncertain nature of the debtor’s financial condition and future outcomes, actual credit losses may differ materially from this estimate. The Company will continue to monitor relevant events and conditions and update its assumptions and allowance as necessary.

Inventory

Inventory is stated at the lower of cost or net realizable value and consists of raw materials, work in progress, and finished goods. The Company primarily computes cost using standard cost, which approximates cost on the first-in, first-out basis. Net realizable value is the estimated selling price of inventory in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The Company assesses the valuation of inventory and periodically

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adjusts its value for estimated excess and obsolete inventory based upon expectations of future demand and market conditions, as well as damaged or otherwise impaired goods.

Inventory is classified as a current asset when it is expected to be sold, consumed, or used in production within twelve months or the operating cycle, whichever is longer.

Inventory that is not expected to be realized or used within twelve months or the operating cycle is classified as a non-current asset within *Other non-current assets* on the Unaudited Condensed Consolidated Balance Sheets. This includes, for example, spare parts, service parts, or production parts held for future models or to fulfill warranty obligations on discontinued products

During the three months ended September 30, 2025, the Company reclassified \$11.3 million of inventory from current to non-current. The reclassified inventory consists primarily of raw materials and spare parts that are not expected to be used within twelve months or the operating cycle. These inventories are intended to support future product models and service obligations.

Property, Plant and Equipment, Net

Property, plant and equipment are stated at cost less accumulated depreciation and amortization. Expenditures for major renewals and betterments are capitalized, while minor replacements, maintenance and repairs, which do not extend the assets lives, are charged to operating expense as incurred. Upon sale or disposition, the cost and related accumulated depreciation or amortization are removed from the Unaudited Condensed Consolidated Balance Sheets and any gain or loss is included in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

Depreciation and amortization on property and equipment is calculated using the straight-line method over the estimated useful lives of the assets and for building improvements, over the term of the lease, if shorter.

	Useful Life (in years)
Buildings	39
Building improvements	15
Computer hardware	5
Tooling, machinery, and equipment	5 to 10
Vehicles	5
Lease vehicles	7
Computer software	3
Leasehold improvements	Shorter of asset useful life or term of the lease

Construction in process (“CIP”) consists of the construction activities related to the FF ieFactory California production facility in plant and tooling, machinery and equipment being built to serve the manufacturing of production vehicles. These assets are depreciated once put into service.

The amounts capitalized in CIP that are held at vendor sites relate to the completed portion of work-in-progress of tooling, machinery and equipment built based on the Company’s specific needs. The Company may incur storage fees or interest fees related to CIP which are expensed as incurred. CIP is presented within Property, Plant, and Equipment, Net in the Unaudited Condensed Consolidated Balance Sheets.

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Impairment of Long-Lived Assets

The Company reviews its long-lived assets, consisting primarily of property and equipment, deposits and right-of-use assets (“ROU”), for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset (or asset groups) may not be recoverable. The Company performs impairment testing at the asset group level that represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability of these assets is determined by comparing the forecasted undiscounted cash flows attributable to such assets, including any cash flows upon their eventual disposition, to the assets carrying values. If the carrying value of the assets exceeds the forecasted undiscounted cash flows, then the assets are written down to their fair value. Assets classified as held for sale are also assessed for impairment and such amounts are determined at the lower of the carrying amount or fair value, less costs to sell the asset.

The Company’s long-lived assets have been evaluated for impairment on a quarterly basis due to the Company’s low market capitalization when compared with the carrying value of its long-lived assets. Additionally, in July 2025, the One, Big, Beautiful Bill Act (“Act”) was signed into law, eliminating federal tax credits for electric vehicles effective September 30, 2025. This policy change, combined with escalating U.S. - China trade tensions and potential restrictions on critical materials, created significant macroeconomic uncertainty and cost pressures. Management determined these developments, in addition to the Company’s low market-capitalization compared with the carrying value of our fixed assets, constituted triggering events under ASC 360 and performed an impairment assessment of long-lived assets during the quarter ended September 30, 2025.

The Company noted through the performance of the recoverability test and the calculation of the fair value of the long-lived assets, as proscribed in ASC 360, *Property, Plant and Equipment*, that certain of its long-lived assets were impaired. Fair value was determined based on a combination of income, sales comparison and market approaches, with valuation categories assigned to asset classes based on similar characteristics. The Company recorded an impairment charge of \$130.0 million for both the three and nine months ended September 30, 2025, related to its long-lived assets. No impairments were recognized for the three and nine months ended September 30, 2024.

The impairment was primarily attributable to certain tooling, machinery, and equipment located at vendor sites and at the Company’s FF ieFactory California production facility in Hanford, California, that are no longer fully supported under updated operational plans and near-term production forecasts, as the Company shifts focus from FF 91 program activities to the planned FF 92 upgrade program and to reorganization and retooling in preparation for the commercial production of the FX Super One. See Note 6, *Property, Plant, and Equipment, Net* for further details.

Additionally, the Company recorded impairments related to deposits the Company paid for future goods and services of \$8.5 million for the three and nine months ended September 30, 2025. No impairments were recognized for the three and nine months ended September 30, 2024. See Note 5, *Deposits and Other Current Assets*.

Further, the Company recorded a \$7.7 million impairment related to lease right-of-use assets associated with facility exits in the nine months ended September 30, 2024. See Note 11, *Leases* for further details.

Goodwill and Indefinite-lived Intangible Assets

Goodwill represents the excess of the purchase price paid over the fair value of the net assets acquired in business acquisitions. The Company annually reviews goodwill at the reporting unit level for impairment and when events or changes in circumstances indicate the carrying value of the reporting unit might exceed its current fair values.

The Company’s intangible assets consist of In-Process Research & Development (“IPR&D”) acquired in connection with the investment in AIXC and the Company’s domain name acquired in prior periods. The domain name is amortized on a straight-line basis over its estimated useful life of approximately five years. Amortization expense related to this asset was immaterial for all periods presented.

The IPR&D is considered an indefinite-lived intangible asset, and the Company evaluates its recoverability for possible impairment at least annually, or more frequently if events or circumstances indicate that the carrying amount may not be recoverable. See Note 3, *Business Acquisition—Consolidation of AICX* for information on the IPR&D asset purchased. To test indefinite-lived intangible assets for impairment, the Company first performs a qualitative assessment to determine if it is more likely than not that the carrying amount of each of its indefinite-lived intangible assets exceeds its fair value. If it is, a quantitative assessment is required. Alternatively, the Company may bypass the qualitative assessment and perform a quantitative impairment test. The qualitative assessment requires the consideration of factors such as recent market transactions,

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macroeconomic conditions and changes in projected future cash flows. The quantitative assessment compares the fair value of an indefinite-lived intangible asset to its carrying amount. If the carrying amount of an indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized for the excess. Fair values of indefinite-lived intangible assets are determined based on discounted cash flows or appraised values, as appropriate. If such a review indicates that the carrying amount of intangible assets is not recoverable, the carrying amount of such assets is reduced to fair value.

Revenue Recognition

The following table disaggregates our revenue by major source:

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Automotive sales	\$ 37	\$ —	\$ 37	\$ 312
Automotive leasing - Sales type	—	—	265	—
Automotive leasing - Operating type	—	9	105	(8)
	\$ 37	\$ 9	\$ 407	\$ 304

Automotive Sales Revenue

The Company recognizes automotive sales revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. Automotive sales revenue includes cash deliveries of new vehicles, and specific other features and services including home charger, charger installation, twenty-four-seven roadside assistance, over-the-air (“OTA”) software updates, internet connectivity and destination fees that meet the definition of a performance obligation under ASC 606.

As part of the first step in applying ASC 606, the Company assesses whether multiple contracts entered into with the same customer—such as a vehicle sale and a co-creation agreement—should be combined. When these contracts are negotiated together and are economically interdependent, they are accounted for as a single arrangement. This evaluation ensures that the revenue recognition reflects the substance of the transaction. Refer to the subsequent section of this note for a detailed discussion of the co-creation arrangements with customers and their impact on revenue recognition under ASC 606.

Revenue is recognized when control of the vehicle transfers upon delivery to the customer. Payments are typically received at the point control transfers or according to payment terms customary to the business as specified in the sales contract. Vehicle contracts do not contain a significant financing component. For obligations related to automotive sales, transaction prices are allocated among performance obligations based on relative standalone selling prices, determined using market prices, estimated internal costs, and comparable third-party offerings. The transaction price is allocated among the performance obligations in proportion to the standalone selling price of its performance obligations.

Other features and services as discussed above are provisioned upon transfer of control of the vehicle and are required to be recognized on a straight-line basis over the performance period, as the Company has a stand-ready obligation to deliver such services to the customer. However, due to immateriality, revenue from other features and services are combined with the vehicle performance obligation and recognized upon the transfer of the vehicle.

The Company provides certain customers with a residual value guarantee which may or may not be exercised in the future. Residual value guarantees provided to customers had an immaterial impact on revenue for the three and nine months ended September 30, 2025, and 2024.

Automotive Leasing Revenue

The Company accounts for its automotive leasing revenue program under ASC 606 and ASC Topic 842, *Leases* (“ASC 842”).

Operating Leasing Program: The Company offers a vehicle operating leasing program in the U.S., allowing qualifying customers to lease a vehicle directly from the Company for a lease term of up to 36 months. At the end of the lease term, customers are generally required to return the vehicle to the Company, at which point the Company may either sell or re-lease the returned vehicle. Leasing revenue from operating leases is recognized on a straight-line basis over the lease term, as long as collectability is probable in accordance with ASC 842. If collectability of lease payments is not probable at lease commencement, lease income is recognized on a cash basis, meaning payments received are recorded as revenue only when collected. Depreciation expense related to leased vehicles is recorded in cost of automotive leasing revenue on a straight-line basis over the lease term, reflecting the expected residual value of the vehicles at lease termination. Upfront payments related to

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lease agreements are deferred and recognized as revenue on a straight-line basis over the respective lease term. Taxes collected from customers in connection with automotive leasing transactions are excluded from the transaction price and reported separately in accordance with ASC 606.

As part of the revenue recognition process, the Company evaluates whether a lease contract should be combined with other agreements—such as co-creation arrangements—under ASC 606 when the contracts are negotiated together and are economically interdependent. Refer to the subsequent section of this note for a detailed discussion of the co-creation arrangements with customers and their impact on revenue recognition under ASC 606.

Sales-Type Leasing Program: The Company enters into sales-type lease arrangements in accordance with ASC 842, under which customers generally have the option to purchase the leased vehicle at the end of the lease term, which is typically 36 months. The lease is classified as a sales-type lease when the Company concludes that the customer is reasonably certain to exercise the purchase option and, as a result, the Company expects the customer to obtain title to the vehicle upon completion of all contractual payments. At lease commencement, if collectability of the lease payments is probable, the Company derecognizes the leased vehicle and recognizes:

- Automotive leasing revenue for the present value of lease payments and any guaranteed residual value; and
- Automotive leasing cost of revenue for the carrying value of the leased vehicle.

If collectability is not deemed probable at lease commencement, revenue recognition is deferred, and lease payments received are recorded as a deposit liability. The leased vehicle remains on the Company's balance sheet until collectability becomes probable, at which point revenue recognition is triggered.

The Company recognizes a net investment in sales-type leases, which includes both the lease receivable and the unguaranteed residual asset. The unguaranteed residual asset represents the estimated fair value of the leased vehicle at the end of the lease term that is not guaranteed by the lessee or any third party. As of September 30, 2025, the carrying amount of unguaranteed residual assets included in the net investment in sales-type leases, and presented within accounts receivable, was approximately \$0.2 million. The estimate of unguaranteed residual value reflects management's judgment, informed by historical residual value experience, current market conditions, and the anticipated future utility of the leased assets.

Co-creation Arrangements

As part of the Company's Futurist Product Officers ("FPO") Co-Creation Delivery program, which began in August 2023, the Company has entered into co-creation agreements with certain customers. This arrangement leverages select sales and leasing customers to provide valuable driving data, insights, marketing, and brand awareness for the FF 91 vehicle. In exchange for these services, the Company compensates customers through a one-time consulting fee, consulting fees paid in installments or a discount on their lease payments. The services provided are considered distinct and could be purchased separately from a third party.

The Company evaluates the economic substance of both the vehicle sale or lease contract and the co-creation agreement to determine whether they should be combined under the contract combination guidance in ASC 606. When the contracts are economically linked, the Company accounts for them as a single arrangement. Under this approach, the cash inflows from the customer and the cash outflows from the Company are netted and treated as a single transaction. The resulting net amount is recorded as marketing expense if the net amount is more than the sale price of the vehicle. In situations where the net amount is less than the vehicle's sale price or the contractual lease payment, the difference between the net amount and the sale price or lease payment is recognized as revenue.

For the three months ended September 30, 2025, and 2024, the Company recognized \$0.2 million and \$0.2 million, respectively, in co-creation fees as marketing expenses for the same periods. For the nine months ended September 30, 2025 and 2024, the Company recognized \$0.5 million and \$0.5 million, respectively, in co-creation fees as marketing expenses for the same periods. Co-creation fees related to R&D were considered insignificant and included in Sales and marketing expenses. All co-creation fees are presented in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

Customer Deposits

As of September 30, 2025, the Company held approximately \$4.1 million in customer deposits, compared to \$3.0 million as of December 31, 2024. These deposits relate to vehicle reservations under both business and consumer programs.

Business-to-business (B2B) reservations are made through non-binding pre-order deposits agreements and require fixed, non-refundable deposits that may be applied toward the purchase of a limited number of vehicles. These programs are designed to incentivize volume interest by allowing the deposits to be applied toward the purchase of a limited number of vehicles under

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future purchase agreements. Business-to-consumer (B2C) reservations are typically submitted on a one-to-one basis with a specific vehicle and involve refundable or promotional deposits.

Customer deposits are recorded in Accrued expenses and other current liabilities on the Company's Unaudited Condensed Consolidated Balance Sheets and will be recognized as revenue upon delivery of the vehicle or resolution of the reservation in accordance with the applicable terms.

Deferred Revenue

When vehicle purchase agreements are executed, the consideration for the vehicle and any accompanying products and services must be paid in advance before the transfer of products or services by the Company. Unlike customer deposits, which are refundable, these advance payments are non-refundable. The Company recognizes revenue when control of the vehicle or related services transfers to the customer and defers revenue only when payments are received for undelivered products or services. Deferred revenue represents the total transaction price allocated to performance obligations that remain unsatisfied or partially unsatisfied as of the balance sheet date. As of September 30, 2025 and December 31, 2024 deferred revenue related to products and services were insignificant for both periods.

Cost of Revenue

Automotive Sales Revenue

Cost of automotive sales revenue includes direct and indirect materials, labor costs, manufacturing overhead, including depreciation costs of tooling and machinery, shipping and logistic costs, vehicle connectivity costs, and reserves for estimated warranty expenses. Cost of automotive sales revenues also includes adjustments to warranty expense.

Cost of services and other revenue includes costs associated with providing non-warranty after-sales services, costs for retail merchandise, and costs to provide vehicle insurance. Cost of services and other revenue also includes direct parts and material. Cost of services and other revenue was insignificant for the three and nine months ended September 30, 2025, and 2024.

Automotive Leasing Program

Cost of automotive leasing revenue includes the depreciation of operating lease vehicles, cost of goods sold associated with direct sales-type leases and warranty expenses related to leased vehicles.

Warranties

The Company provides a manufacturer's warranty on all vehicles sold. The warranty covers the rectification of reported defects via repair, replacement, or adjustment of faulty parts or components. The warranty does not cover any item that fails due to normal wear and tear. This assurance-type warranty does not create a performance obligation separate from the vehicle. Management tracks warranty claims by vehicle ID, owner, and date. As the Company continues to manufacture and sell more vehicles it will reassess and evaluate its warranty claims for purposes of its warranty accrual.

<i>(in thousands)</i>	Nine Months Ended September 30,	
	2025	2024
Accrued warranty- beginning of period	\$ 545	\$ 684
Provision for warranty	22	(40)
Warranty costs incurred	(178)	(173)
Accrued warranty- end of period	\$ 389	\$ 471

Income Taxes

The Company accounts for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for temporary differences between the financial reporting and income tax bases of assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years when those temporary differences are anticipated to reverse.

A valuation allowance is established if it is more likely than not that some or all of the deferred tax assets will not be realized. The carrying value of deferred tax assets is adjusted to reflect the amount that is more likely than not to be realized. As

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of September 30, 2025 and December 31, 2024, the Company maintained a full valuation allowance against its net deferred tax assets, based on the conclusion that it is more likely than not the assets will not be realized.

The Company applies the guidance in ASC 740-10, *Income Taxes*, to account for uncertain tax positions. This guidance requires a two-step approach: (1) determine whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation; and (2) measure the tax benefit as the largest amount that is more likely than not to be realized upon settlement. The Company evaluates its tax positions based on a number of factors and may update its assessments as facts and circumstances change.

The Company is subject to taxation in the U.S. federal jurisdiction, the state of California, China, and U.A.E. The income tax provision for each period represents the aggregate estimated tax expense or benefit for these jurisdictions.

The income tax provision did not impact the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss for the three months ended September 30, 2025, and 2024, and by \$15 thousand and \$3 thousand, respectively, for the nine months ended September 30, 2025 and 2024. The Company recognizes interest and penalties on unrecognized tax benefits as a component of income tax expense. There were no material interest or penalties for the three and nine months ended September 30, 2025, and 2024.

Recent Accounting Pronouncements

In early 2025, the Financial Accounting Standards Board (“FASB”) issued several ASUs to enhance financial reporting and provide clearer guidance on various accounting topics. As a December 31 year-end filer and a Smaller Reporting Company (“SRC”), the Company is required to adopt these ASUs in accordance with the effective dates applicable to SRCs. The Company is currently evaluating the impact of these ASUs on the Company’s financial statements and related disclosures. Below is a summary of these ASUs:

Recently issued accounting pronouncements not yet adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This ASU enhances the transparency of income tax disclosures by requiring more detailed information about the rate reconciliation and income taxes paid, disaggregated by jurisdiction. This update is effective for the Company beginning January 1, 2025 and will first apply to the Company’s December 31, 2025 Form 10-K (as a public business entity, including SRCs). Early adoption is permitted.

In December 2024, the FASB issued ASU 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*. This ASU clarifies when a settlement of a convertible debt instrument should be accounted for as an induced conversion rather than a debt extinguishment. Key provisions include (a) applying a pre-existing-contract approach to assess whether the form and amount of consideration are preserved; and (b) expanding the guidance to cover certain convertible debt instruments not previously convertible. This update is effective for the Company beginning January 1, 2026 (fiscal year and interim periods beginning after December 15, 2025) and will first apply to the Company’s December 31, 2026 Form 10-K. Early adoption is permitted, provided ASU 2020-06 has been adopted.

In December 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*. This ASU requires public business entities to disclose additional details about certain expenses in the notes to financial statements, such as inventory purchases, employee compensation, depreciation, and intangible asset amortization. This update is effective for the Company beginning January 1, 2027 (fiscal year and interim periods beginning after December 15, 2026) and will first apply to the Company’s December 31, 2027 Form 10-K (as a public business entity, including SRCs). Early adoption is permitted.

In May 2025, the FASB issued ASU 2025-04, *Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer*. This ASU (a) revises the master-glossary definition of ‘performance condition’ to include customer-based targets; (b) eliminates the forfeiture-policy election for awards granted to customers unless exchanged for a distinct good or service; and (c) clarifies that the variable-consideration constraint in ASC 606 does not apply to share-based consideration payable to a customer. This update is effective for the Company beginning January 1, 2027 (fiscal year and interim periods beginning after December 15, 2026) and will first apply to the Company’s December 31, 2027 Form 10-K (as a public business entity, including SRCs). Early adoption is permitted.

In September 2025, the FASB issued ASU 2025-07, *Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606)*. This Update addresses stakeholders’ concerns about (1) the application of derivative accounting to contracts with features based on the operations or activities of one of the parties to the contract and (2) the diversity in accounting for share-based noncash consideration from a customer that is consideration for the transfer of goods or services.

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The amendments are expected to (a) reduce the cost and complexity of evaluating whether contracts with features based on the operations or activities of one of the parties to the contract are derivatives, (b) better portray the economics of those contracts in the financial statements, and (c) reduce diversity in practice resulting from the broad application of the current guidance and changing business environment. The amendments also are expected to reduce diversity in practice by clarifying the applicability of Topic 606, Revenue from Contracts with Customers, to share-based noncash consideration from a customer for the transfer of goods or services. This update is effective for the Company beginning January 1, 2027 (fiscal year and interim periods beginning after December 15, 2026) and will first apply to the Company's December 31, 2027 Form 10-K (as a public business entity, including SRCs). Early adoption is permitted.

2. Liquidity and Capital Resources and Going Concern

The Company has evaluated whether there are certain conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the Unaudited Condensed Consolidated Financial Statements are issued. Based on its recurring losses from operations since inception and continued cash outflows from operating activities (all as described below), the Company has concluded that there is substantial doubt about its ability to continue as a going concern for a period of one year from the date that these Unaudited Condensed Consolidated Financial Statements were issued.

Preparation of Financial statements

The Unaudited Condensed Consolidated Financial Statements do not include any adjustments that might result from the outcome of this uncertainty. Accordingly, the Unaudited Condensed Consolidated Financial Statements have been prepared on a basis that assumes the Company will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

Capital Investment, SPA Portfolio Debt, and Future Equity Plans

The Company has and will continue to devote substantial effort and, to the extent available, capital resources, to strategic planning, engineering, design, and development of its electric vehicle platform, development of vehicle models, finalizing the build out of the FF ieFactory California manufacturing facility, and capital raising. The Company incurred cumulative losses from operations, negative cash flows from operating activities, and has an accumulated deficit of \$4,671.5 million, an unrestricted cash balance of \$62.9 million and a negative working capital position of \$121.2 million as of September 30, 2025.

During 2023, the Company commenced deliveries of the FF Series, specifically the FF 91 model, to customers. The Company is currently manufacturing the FF 91 with plans to manufacture FF 92 models within the FF Series. The Company has launched the FX Series, beginning with the Super One model, and is accepting pre-orders. The Company is preparing to initiate full-scale, series production of the FX Series, including the Super One, for commercial sale, as distinct from prototype builds or validation units. The Company expects to continue to incur significant operating losses for the foreseeable future.

The Company has funded its operations and capital needs primarily through the issuance of notes payable and related party notes payable convertible notes (see Note 7, *Notes Payable* and Note 8, *Related Party Transactions*), and the sale of common stock. Substantial doubt exists about the Company's ability to continue as a going concern; however, management plans to continue funding operations through these means. *Debt Commitments under SPA Portfolio Notes and Other Notes*

SPA Portfolio Notes: The Company has issued various financing arrangements collectively known as the SPA Portfolio Notes. These are categorized as follows: (i) Secured SPA Notes (defined below); (ii) 2023 Unsecured SPA Notes (defined below); (iii) Junior Secured SPA Notes (defined below); (iv) 2024 Unsecured SPA Notes (defined below); (v) 2025 March Unsecured SPA Notes (defined below) and (vi) 2025 July Unsecured SPA Notes (defined below). As of September 30, 2025, the SPA Portfolio Notes were in good standing.

Pursuant to the SPA Portfolio Notes commitments (collectively the "SPA Commitments") (see Note 7, *Notes Payable* and Note 8, *Related Party Transactions*), the Company obtained commitments from several investors. As of September 30, 2025, the SPA Commitments totaled \$739.0 million, of which \$494.2 million was funded, \$189.2 million expired unfunded, \$55.6 million remained to be funded, and \$52.7 million in principal was outstanding. On September 30, 2025, Optional Commitments (including incremental warrants) under the SPA Commitments totaled \$467.0 million, of which \$100.4 million was funded, \$317.1 million expired unfunded, \$49.5 million remained to be funded, and \$40.7 million was outstanding. The remaining amounts to be funded as of September 30, 2025, are subject to satisfaction of closing conditions, certain of which include minimum share price requirements, minimum trading volume.

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Other Financing Arrangements and Related Party Notes: Additional financing is provided in the form of convertible debt instruments, equipment financing arrangements, sale-leaseback and related party notes that support the Company's operations and capital expenditures. As of September 30, 2025, the Company was in good standing on all of its other financing arrangements and Related Party Notes.

The Company may be unable to satisfy the closing conditions under the SPA Commitments or obtain additional incremental investors under the SPA Commitments or other debt or equity financing in a timely manner, on acceptable terms, or at all.

Standby Equity Purchase Agreement, At-The-Market Offering, and Equity Issuance Constraints

The Company has implemented a series of financing arrangements, including a Standby Equity Purchase Agreement with Yorkville and an At-The-Market offering. These initiatives are accompanied by equity issuance constraints, such as limitations imposed by authorized share counts and the impact of convertible securities and related provisions. Together, these elements define the Company's approach to capital raising and its management of associated regulatory and contractual obligations.

Standby Equity Purchase Agreement ("SEPA")

On November 11, 2022, the Company entered into the SEPA, which expires in November 2025. Under the terms of the SEPA, the Company may, at its option, issue and sell from time to time up to \$200.0 million (which can be increased up to \$350.0 million in the aggregate under the Company's option) of Class A Common Stock to YA II PN Ltd. ("Yorkville"), subject to certain limitations. Subsequent to September 30, 2025 and prior to the issuance of this Form 10Q, the SEPA expired. At September 30, 2025 and expiration, the Company had the right to issue and sell up to an additional \$192.5 million, or \$342.5 million if the Company exercised its option under the SEPA.

At-The-Market Offering

On September 26, 2023, the Company entered into a sales agreement with Stifel, Nicolaus & Company, Incorporated, B. Riley Securities, Inc., A.G.P./Alliance Global Partners, Wedbush Securities Inc. and Maxim Group LLC, as sales agents, to sell shares of Class A Common Stock, from time to time, with aggregate gross sales proceeds of up to \$90.0 million pursuant to the Registration Statement as an "at-the-market" offering under the Securities Act (the "ATM Program"). Under applicable SEC rules and regulations, because the Company failed to timely file its Form 10-K for the year ended December 31, 2023, as well as its Form 10-Qs for the quarters ended March 31, 2024 and June 30, 2024, the Company was previously ineligible to access the ATM Program. However, as of August 1, 2025, the Company regained eligibility to access the ATM Program.

Equity Issuance Constraints

The Company's ability to issue and sell additional shares of Common Stock or warrants to support ongoing capital needs is further constrained by the number of authorized shares. In addition to outstanding shares, the Company must also consider shares reserved for issuance under convertible debt, warrants or other obligations with equity rights. In addition, equity issuances can potentially trigger various anti-dilution features in the Company's debt and equity instruments that increase the number of shares to be issued and/or reduce the exercise price. This could result in the Company having inadequate authorized shares to meet its outstanding commitments.

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Capital Needs, FX Series Production, and Bankruptcy Risk

The Company projects that it will require substantial additional funds to continue operations and support production of the FF 91, advance the planned FF 92 upgrade program, and it also plans to initiate production of its FX Series of vehicles. If additional capital is not secured, the Company will not have sufficient resources to meet its obligations and continue operations, which could result in bankruptcy protection and asset liquidation, with equity holders receiving little to no recovery. The anticipated start of FX Series production is expected to generate new revenue streams and enhance operational performance, partially mitigating near-term cash flow pressures; however, if additional capital is not secured, the Company will not have sufficient resources to meet its obligations or continue operations, potentially resulting in bankruptcy protection, asset liquidation, and minimal or no recovery for equity holders.

On September 29, 2025, the Company completed its investment in AIXC, a Nasdaq-listed life sciences company. This transaction was executed as part of a strategic plan to use AIXC as a corporate platform for future non-automotive initiatives, including investment in digital assets, blockchain and other digital asset ventures. AIXC's historical life sciences operations post acquisition were immaterial to the Company's consolidated results for the period.

The consolidation of AIXC did not materially improve the Company's near-term liquidity position or alter its current working capital constraints. The Company expects to fund any new strategic initiatives executed through AIXC using external capital sources or asset reallocations, and no revenues were generated from these initiatives during the three or nine months ended September 30, 2025. While AIXC's consolidation supports the Company's long-term strategic flexibility, it does not alleviate the substantial doubt that remains regarding the Company's ability to continue as a going concern for the next twelve months.

Funding Alternatives and Risks

The Company continues to explore various funding and financing alternatives to fund its ongoing operations and to ramp up production. The particular funding and financing mechanisms, terms, timing, and amounts depend on the Company's assessment of opportunities available in the marketplace and the circumstances of the business at the relevant time. However, there have been delays in securing additional funding commitments, which have exacerbated supply chain pressures, among other things. If the Company's ongoing capital raising efforts are unsuccessful or significantly delayed, or if the Company experiences prolonged material adverse trends in its business, production will be delayed or decreased, and actual use of cash, production volume and revenue for 2025 will vary from the Company's previously disclosed forecasts, and such variances may be material. While the Company is actively engaged in negotiations with potential financing sources, it may be unable to raise additional capital on terms acceptable to it or at all. In addition to the risk that the Company's assumptions and analyses may prove incorrect, the projections may underestimate the professional fees and other costs to be incurred related to the pursuit of various financing options currently being considered and ongoing legal risks. Capital needed to fund the development of the Company's remaining product portfolio will largely depend on market success and profitability of the FF 91, the planned FF 92 upgrade program, and the launch and ramp-up of the FX Series, as well as the Company's ability to accurately estimate and control costs. Apart from the FF 91 series, the FF 92 program, and the FX Series, substantial additional capital would be required to fund operations, research, development, and design efforts for future vehicles.

In addition, elevated U.S. import tariffs on electric vehicle components sourced from China could increase the Company's future manufacturing costs as production of the FF 91, the planned FF 92 upgrade program, the FX Series, and other future vehicle models is introduced or scaled. While tariffs did not materially impact cost of goods sold for the three and nine months ended September 30, 2025 due to limited production volume, continued reliance on China-based suppliers may contribute to higher input costs, pressure gross margins, and increase the Company's future funding needs.

Going Concern and Future Capital Strategy

Despite the Company's diversified financing structure – including its SPA Portfolio Notes, convertible debt instruments, and equipment financing, and targeted inflows from new debt and anticipated equity, the Company's recurring operating losses and continuing negative cash flows from operations continue to raise substantial doubt about the Company's ability to continue as a going concern.

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3. Business Acquisition—Consolidation of AIXC

On September 29, 2025 the Company invested \$30.0 million in cash into AIXC and in exchange obtained a controlling financial interest. AIXC is a publicly traded life-sciences company that, with this investment, will transition towards cryptocurrency-related business. While the Company holds approximately 7.9% of AIXC’s outstanding voting shares as of September 30, 2025, it obtained governance and operating decision-making rights, including the appointment of a Co-Chief Executive Officer and the Chief Financial Officer of AIXC, each of whom is also an employee or officer of the Company, along with discretion over all digital-asset and cash management decisions. AIXC was determined to be a VIE because substantially all of the activities are controlled by a party with relatively few voting rights. Based on the Company’s governance and operating decision-making rights, the Company determined that it has the power to direct the activities that most significantly impact AIXC’s economic performance and is therefore the primary beneficiary of AIXC. The Company consolidates AIXC pursuant to the VIE provisions of ASC 810. The Series B Convertible Preferred Stock held by the Company as of September 30, 2025 became convertible into voting common shares upon stockholder approval in November 2025, in accordance with applicable Nasdaq listing rules, increasing the Company’s ownership to approximately 57.5% on an as-converted basis.

We accounted for the Business Combination using the acquisition method of accounting, as prescribed by ASC 805, “*Business Combinations*” (“ASC 805”). In accordance with valuation methodologies described in ASC 820, “*Fair Value Measurement*” (“ASC 820”), the acquired assets and assumed liabilities were recorded at their estimated fair values as of the date of the acquisition.

As part of this PIPE transaction, the Company received 248,722 shares of AIXC common stock and 13,108,358 shares of Series B Convertible Preferred Stock. Prior to conversion, only the common stock held voting rights, resulting in the Company owning approximately 7.9% of AIXC’s outstanding voting shares as of September 30, 2025. Upon stockholder approval of the Series B conversion terms on November 12, 2025 (see Note 17 - *Subsequent Events*), the preferred shares became convertible into common stock. On an as-converted basis, the Company held a total of approximately 13.4 million AIXC shares, representing 57.5% of the fully diluted share count of approximately 23.2 million shares at the acquisition date.

The Company contributed \$30.0 million in cash to AIXC as part of a larger \$40.7 million private placement financing (the “PIPE”) round whereby AIXC issued new shares of Common and Preferred Stock to the Company and other investors. For purchase accounting purposes under ASC 805, the Company concluded that the acquired fair value of AIXC’s net assets is approximately \$38.2 million, as shown below. Goodwill, IPR&D and deferred tax liabilities, totaling \$29.7 million, were recognized based on the fair value AIXC’s net assets, \$38.2 million, which also represents the fair value of the non-controlling interest held by non FF investors in AIXC, less net assets acquired of \$8.5 million. The Company’s acquisition-related costs were insignificant.

ASC 805 requires the acquirer to recognize the acquiree’s tangible and intangible assets and liabilities at their acquisition-date fair values and to recognize identifiable intangible assets separately from goodwill when they are contractual or separable. The Company believes that the historical values of AIXC’s current assets and current liabilities approximate fair value based on the short-term nature. The provisional allocation to AIXC’s net assets is as follows (amounts in thousands):

Description (balance sheet line item)	Fair Value	Methodology
Cash (includes funds from non FF PIPE Investors)	\$8,777	Carrying value
Prepaid expenses and other current assets	343	Recorded based on existing contracts and balances
Short term note receivable	4,348	Evaluated based on contractual terms and recoverability
Other receivable	2	Nominal; carried at book value
Intangibles (in-process R&D)	2,500	Valued with third-party specialist using cost build-up approach
Accounts payable and accruals	(1,324)	Carried at book value; represents working capital obligations
Warrant Liability	(362)	Based on acquisition-date Black-Scholes valuation by external expert
Promissory Notes	(3,237)	Fair value as of acquisition date
Other liabilities (deferred tax liability)	(625)	Estimated based on book-to-tax basis differences, prepared with specialist input
Net identifiable assets acquired	10,422	Subtotal of above
Goodwill	27,783	Calculated as residual of purchase price less net assets

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Total Net Assets Acquired ¹	\$38,205	Total investment allocated
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1. The Net Assets of AIXC acquired by the Company also represent the fair value of the non controlling interest in AIXC within the Company's Unaudited Condensed Consolidated Financial Statements. The Company recognized NCI as the estimated fair value of the equity interests in AIXC not owned by the Company, measured in accordance with ASC 805 and ASC 820. The NCI will be adjusted in future periods for the Company's proportionate share of AIXC's earnings or losses and other changes in equity.

NCI is measured on the acquisition date as the fair value of the equity interests not held by the Company. NCI is computed by summing the other-holders' components on a fair-value and as-converted basis for preferred shares. Amounts are in thousands.

<i>Component</i>	<i>Amount</i>
<i>Common Shares</i>	\$ 15,368
<i>Preferred Shares</i>	22,837
	<u>\$ 38,205</u>

Provisional impact on consolidated results

The preliminary purchase price allocation is based on current information and is subject to change during the measurement period (up to one year from the closing) as valuations are finalized. Any material adjustments will be recorded as adjustments in the Company's financial statements.

Goodwill and Measurement Period

The goodwill recorded at closing relates principally to intangible assets that do not qualify for separate recognition under GAAP. The goodwill recognized at the acquisition date primarily reflects the impact of measuring the noncontrolling interest at fair value, which was determined using directly observable quoted prices of AIXC's shares on the acquisition date. AIXC's stock price on that date experienced notable volatility associated with the closing of a financing round that significantly enhanced AIXC's liquidity. Additionally, AIXC provided an established public-company platform, including an existing registration, exchange listing, and shareholder base. Goodwill was measured as the excess of the purchase price over net tangible and identifiable intangible assets.

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4. Inventory, net (Current and non current)

Inventory, net, consists of the following as of:

<i>(in thousands)</i>	September 30, 2025	December 31, 2024
Raw materials (net of reserves)	\$ 11,252	\$ 27,440
Work in progress	182	46
Finished goods	199	—
	<u>\$ 11,633</u>	<u>\$ 27,486</u>
Inventory, current portion	\$ 381	\$ 27,486
Inventory, non-current portion ⁽¹⁾	\$ 11,252	\$ —

1) Non-current inventory presented as part of Other non-current assets in the Unaudited Condensed Consolidated Balance Sheets

The inventory reserve was \$17.7 million and \$3.3 million as of September 30, 2025 and December 31, 2024, respectively. During the three and nine months ended September 30, 2025 the Company increased its inventory reserve by \$10.6 million and \$14.4 million, respectively. Of these amounts, approximately \$9.6 million related to market conditions such as anticipated tariffs and higher transportation costs, and approximately \$4.8 million, related to excess and obsolete (“E&O”) inventory identified during the period.

5. Deposits (current and non-current) and Other Current Assets

Deposits and other current assets consist of the following as of:

<i>(in thousands)</i>	September 30, 2025	December 31, 2024
Deposits		
Deposits for research and development, prototype and production parts, and other	\$ 18,519	\$ 29,318
Deposits for goods and services yet to be received (“Future Work”)	1,676	1,776
	<u>\$ 20,195</u>	<u>\$ 31,094</u>
Deposits, current portion	\$ 7,784	\$ 31,094
Deposits, non-current portion ⁽¹⁾	\$ 12,411	\$ —
Other current assets		
Prepaid expenses	\$ 10,921	\$ 4,832
Other current assets	1,476	1,295
	<u>\$ 12,397</u>	<u>\$ 6,127</u>

1) Non-current deposits presented as part of Other non-current assets in the Unaudited Condensed Consolidated Balance Sheets

Deposits for R&D, prototype and production parts, and other related items are recognized and reported as R&D expenses in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss when services are provided or as prototype parts are received. The Company makes deposits for inventory and property and equipment items which are classified

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as Deposits for goods and services yet to be received (“Future Work”). Prepaid expenses primarily consist of software subscriptions and insurance, and Other current assets includes certain deferred expenses.

Prepaid expenses primarily consist of software subscriptions and insurance, and Other current assets includes certain deferred expenses.

The Company recorded an impairment charge of \$8.5 million and \$8.5 million for the three and nine months ended September 30, 2025, respectively. The impairment loss is included within *Asset impairment* on the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

As of September 30, 2025, \$12.4 million of deposits were classified as non-current, relating primarily to production parts not expected to be received within twelve months.

6. Property, Plant, and Equipment, Net

Property, plant, and equipment, net, consists of the following as of:

<i>(in thousands)</i>	September 30, 2025	December 31, 2024
Land, buildings and building improvements	\$ 77,951	\$ 111,443
Computer hardware	2,397	2,397
Tooling, machinery and equipment	122,376	319,313
Vehicles	699	245
Lease vehicles	1,390	3,121
Computer software	4,339	4,339
Construction in process	9,572	27,563
	218,724	468,421
Less: Accumulated depreciation	(54,114)	(119,834)
	<u>\$ 164,610</u>	<u>\$ 348,587</u>

The Company’s CIP is primarily related to the construction of tooling, machinery and equipment for the FF ieFactory California. Tooling, machinery, and equipment are either held at Company facilities, primarily the FF ieFactory California, or at the vendor’s location until the tooling, machinery and equipment is completed.

Depreciation and amortization expense totaled \$19.1 million and \$17.5 million for the three months ended September 30, 2025, and 2024, respectively and 56.3 million and \$53.5 million for the nine months ended September 30, 2025 and 2024. For the nine months ended September 30, 2025, the Company disposed of property, plant, and equipment, with a carrying value of approximately \$1.7 million. For the nine months ended September 30, 2024, the Company disposed of property, plant, and equipment, with a carrying value of approximately \$2.5 million.

During the third quarter of 2025, the Company identified impairment triggering events and performed an impairment assessment under ASC 360. As described in section *Impairment of Long-Lived Assets* within *Summary of Significant Accounting Policies*, these events included the elimination of federal EV tax credits, escalating U.S.–China trade tensions, and the Company’s market capitalization relative to carrying value. Based on this assessment and an independent third-party valuation, the Company recorded an impairment charge of \$130.0 million and \$130.0 million for the three and nine months ended September 30, 2025, respectively, including impairment of Construction in progress of \$10.1 million. There were no impairment charges for the three and nine months ended September 30, 2024. The impairment loss is included within *Asset impairment* on the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

The impairment relates primarily tooling, machinery, and equipment at vendor sites and at the Company’s FF ieFactory California production facility in Hanford, California, that are no longer supported under updated operational plans, as the Company shifts focus from FF 91 program activities to the planned FF 92 upgrade and prepares for FX Super One production.

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7. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities—which include both third-party and related-party balances—comprise the following items as of:

<i>(in thousands)</i>	September 30, 2025	December 31, 2024
Accrued payroll and benefits	\$ 34,063	\$ 27,713
Accrued legal contingencies	8,638	9,091
Customer deposits	4,124	3,027
Accrued liabilities with related parties	12,540	11,077
Other current liabilities	13,845	5,846
	<u>\$ 73,210</u>	<u>\$ 56,754</u>

Asset Retirement Obligation

Due to the build out of the FF ieFactory California, the Company has an asset retirement obligation (“ARO”) totaling \$0.8 million and \$0.8 million as of September 30, 2025 and December 31, 2024, respectively. The ARO is recorded in Other liabilities with a corresponding ARO asset within Land, buildings and building improvements and Tooling, machinery, and equipment. The ARO asset is depreciated to operating expense over the remaining term of the lease through December 2027.

8. Notes Payable

Faraday Future Intelligent Electric Inc.
Notes to Unaudited Condensed Consolidated Financial Statements

The Company has entered into notes payable agreements with third parties. The tables below summarize these agreements as of September 30, 2025 and December 31, 2024, providing details on contractual maturity dates, contractual interest rates, unpaid principal balances, fair value adjustments, original issue discounts, including proceeds allocated to warrants, and net carrying values.

During the three months ended September 30, 2025, the Company obtained control of AIXC (refer to Note 3 *Business Acquisition—Consolidation of AIXC* for details of the transaction). Accordingly, AIXC's assets and liabilities, including its outstanding debt instruments, have been consolidated as of September 29, 2025. The inclusion of AIXC's debt in the consolidated balances below reflects the fair value of such obligations recognized upon initial consolidation.

Most of the Company's notes payable are accounted for under the fair value option in accordance with ASC 825, with changes in fair value recorded in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss. For instruments measured at fair value, no effective interest rate is presented, as changes in fair value capture all economic returns associated with these debt instruments. Although the stated interest rates on the SPA Portfolio Notes are 10% or 15%, the Company's effective cost of capital is substantially higher. Each SPA Portfolio Note permits the holder to settle in shares at a value exceeding the stated principal and accrued interest. In addition, each noteholder receives an SPA Portfolio Warrant, and certain holders receive an Incremental Warrant. These settlement features and additional instruments have significant value and materially increase the effective cost of capital above the stated rates. Further, these instruments carry high interest rate structures and embedded economics that can result in a loss on issuance. The financial impact of the SPA Portfolio Notes is reflected in the change in fair value and loss on extinguishment line items in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

September 30, 2025						
(in thousands)	Contractual Maturity Date	Contractual Interest Rates	Unpaid Principal Balance	Fair Value Measurement Adjustments	Original Issue Discount and Proceeds Allocated to Warrants	Net Carrying Value
2023 Unsecured SPA Notes	Various through August 2031	10 % - 15%	\$ 8,100	\$ 203	\$ (810)	\$ 7,493
Junior Secured SPA Notes	Various through September 2030	10%	18,000	(471)	—	17,529
2024 Unsecured SPA Notes	Various through October 2030	10%	9,070	756	—	9,826
2025 March Unsecured SPA Notes	Various dates in 2030	10%	16,188	3,503	(12,479)	7,212
2025 July Unsecured SPA Notes	August 2030	10%	39,200	(1,872)	(7,936)	29,392
Notes payable – China other	Due on Demand	—%	4,213	—	—	4,213
2025 Convertible Note - AIXC	January 2026	—%	132	230	(22)	340
Promissory Notes - AIXC	Various through November 26, 2025	—%	3,250	—	(353)	2,897
			<u>\$ 98,153</u>	<u>\$ 2,349</u>	<u>\$ (21,600)</u>	<u>\$ 78,902</u>
Notes payable, current portion						\$ 7,450
Notes payable, long-term portion						\$ 71,452

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Notes to Unaudited Condensed Consolidated Financial Statements

December 31, 2024

<i>(in thousands)</i>	Contractual Maturity Date	Contractual Interest Rates	Unpaid Principal Balance	Fair Value Measurement Adjustments	Original Issue Discount and Proceeds Allocated to Warrants	Net Carrying Value
Secured SPA Notes	Various	10 % - 15%	\$ 3,118	\$ 2,651	\$ (312)	\$ 5,457
2023 Unsecured SPA Notes	Various dates in 2029	10 % - 15%	4,380	2,844	(508)	6,716
Junior Secured SPA Notes	September 2029	10%	28,840	13,163	(15,944)	26,059
2024 Unsecured SPA Notes	December 2029	10%	10,015	8,741	(11,724)	7,032
Notes payable – China other	Due on Demand	—%	4,173	—	—	4,173
Auto loans	October 2026	7%	51	—	—	51
			<u>\$ 50,577</u>	<u>\$ 27,399</u>	<u>\$ (28,488)</u>	<u>\$ 49,488</u>
Notes payable, current portion						\$ 4,224
Notes payable, long-term portion						\$ 45,264

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Roll Forward of the Fair Value of Notes payable, current portion by Transaction Type

The following table presents a roll forward of the Company's Notes payable, current portion balances from June 30, 2025 to September 30, 2025 with third parties. The table summarizes beginning and ending balances by debt category and details changes during the period, including repayments, conversions, reclassifications, fair value adjustments, and other significant transactions.

<i>(in thousands)</i>	Categories of Debt									Total
	Secured SPA Notes	2023 Unsecured SPA Notes	Junior Secured SPA Notes	2024 Unsecured SPA Notes	2025 March Unsecured SPA Notes	2025 July Unsecured SPA Notes	Notes payable – China other	2025 Convertible Note - AIXC	Promissory Notes - AIXC	
Balance as of June 30, 2025 (a)	\$ —	\$ 4,539	\$ —	\$ 10,009	\$ 9,297	\$ —	\$ 4,188	\$ —	\$ —	\$ 28,033
New Issuances (b)	—	4,500	17,423	21,859	5,103	38,564	—	—	\$ —	87,449
Addition of Debt upon Consolidation of AICX (c)	—	—	—	—	—	—	—	340	\$ 2,897	3,237
Repayment of Debt (d)	—	—	—	—	—	—	—	—	\$ —	—
Conversion of Debt to Equity (e)	—	(1,757)	—	(15,809)	(4,202)	—	—	—	\$ —	(21,768)
Fair Value Adjustments of Debt (f)	—	212	106	(6,233)	(2,987)	(9,172)	—	—	\$ —	(18,074)
Other Adjustments (g)	—	—	—	—	—	—	25	—	\$ —	25
Balance as of September 30, 2025 (h)	<u>\$ —</u>	<u>\$ 7,494</u>	<u>\$ 17,529</u>	<u>\$ 9,826</u>	<u>\$ 7,211</u>	<u>\$ 29,392</u>	<u>\$ 4,213</u>	<u>\$ 340</u>	<u>\$ 2,897</u>	<u>\$ 78,902</u>

(a) The carrying value for each note category, fair value or amortized cost depending on the election, as of June 30, 2025.

(b) Debt instruments issued during the period, recorded at fair value upon issuance if the fair value option is elected, or at principal balance net of discounts. For notes measured at fair value, the aggregate fair value adjustment recognized at issuance increased the principal amount of notes issued during the period by \$3,130 thousand. This reduction reflects the allocation of total transaction proceeds between the SPA Portfolio Notes and the related SPA Portfolio Warrants and Incremental Warrants issued as part of the bundled transaction.

(c) Represents the addition of AICX's outstanding debt instruments upon consolidation on September 29, 2025. The AICX debt instruments were recognized at fair value on the acquisition date. For the AICX promissory notes, historical carrying value is deemed to approximate fair value.

(d) Cash repayments of principal amounts during the period.

(e) Fair value of debt converted into equity during the period.

(f) Adjustments to debt fair value due to the fair value option election, embedded derivatives, or anti-dilution provisions. These adjustments are presented as a component of 'Change in fair value of notes payable, warrant liabilities, and call option derivatives' in the Unaudited Condensed Consolidated Statements of Operations. Line-item 'Change in fair value of notes payable, warrant liabilities, and call option derivatives' also includes debt issuance costs of \$3,063 thousand, which are separately identifiable from the fair value adjustments noted above.

(g) Miscellaneous changes not captured in other columns, such as currency adjustments and reclassification to accrued expenses.

(h) The carrying value for each note category, fair value or amortized cost depending on the election, as of September 30, 2025.

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The following table presents a roll forward of the Company's Notes payable, current portion balances from June 30, 2024 to September 30, 2024 with third parties. The table summarizes beginning and ending balances by debt category and details changes during the period, including repayments, conversions, reclassifications, fair value adjustments, and other significant transactions.

<i>(in thousands)</i>	Categories of Debt						Total
	Secured SPA Notes	2023 Unsecured SPA Notes	Unsecured Convertible Notes	Junior Secured SPA Notes	Notes payable – China other	Auto Loans	
Balance as of June 30, 2024 (a)	\$ 42,715	\$ 10,503	\$ 19,234	\$ —	\$ 4,878	\$ 64	\$ 77,394
New Issuances (b)	1,125	—	10,816	5,932	—	—	17,873
Repayment of Debt, including periodic interest on debt carried at fair value (c)	—	—	—	—	—	(6)	(6)
Conversion of Debt to Equity (d)	(20,376)	(7,275)	—	—	—	—	(27,651)
Modifications and Extinguishments of Debt (e)	5,158	(2,394)	(65)	—	—	—	2,699
Fair Value Adjustments of Debt (f)	(8,408)	(2,355)	(114)	(4,004)	—	—	(14,881)
Reclassification of Debt Between Debt Categories (g)	—	22,371	(29,871)	7,500	—	—	—
Other Adjustments (h)	—	—	—	—	72	—	72
Balance as of September 30, 2024 (i)	\$ 20,214	\$ 20,850	\$ —	\$ 9,428	\$ 4,950	\$ 58	\$ 55,500

(a) The carrying value for each note category, fair value or amortized cost depending on the election, as of June 30, 2024.

(b) Debt instruments issued during the period, recorded at fair value upon issuance if the fair value option is elected, or at principal balance net of discounts. For notes measured at fair value, the aggregate fair value adjustment recognized at issuance reduced the principal amount of notes issued during the period by \$7,467 thousand. This reduction reflects the allocation of total transaction proceeds between the SPA Notes and the related SPA Warrants and Incremental Warrants issued as part of the bundled transaction.

(c) Cash repayments of principal amount and periodic interest, where fair value option is elected, during the period.

(d) Fair value of debt converted into equity during the period.

(e) Adjustments from amendments, modifications, or extinguishment of existing debt, in accordance with ASC 470-50, and presented as a component of Loss on settlement of notes payable in the Consolidated Statements of Operations.

(f) Adjustments to debt fair value due to the fair value option election, embedded derivatives, or anti-dilution provisions. These adjustments are presented as a component of Change in fair value of notes payable, warrant liabilities, and call option derivatives in the Unaudited Condensed Consolidated Statements of Operations. Line-item 'Change in fair value of notes payable, warrant liabilities, and call option derivatives' also includes debt issuance costs of \$681 thousand, which are separately identifiable from the fair value adjustments noted above.

(g) Transfers of amounts between debt categories, such as from secured to unsecured classifications.

(h) Miscellaneous changes not captured in other columns, such as currency adjustments.

(i) The carrying value for each note category, fair value or amortized cost depending on the election, as of September 30, 2024.

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Roll Forward of the Fair Value of Notes payable, current portion by Transaction Type

The following table presents a roll forward of the Company's Notes payable, current portion balances from December 31, 2024 to September 30, 2025 with third parties. The table summarizes beginning and ending balances by debt category and details changes during the period, including repayments, conversions, reclassifications, fair value adjustments, and other significant transactions.

<i>(in thousands)</i>	Categories of Debt										Total
	Secured SPA Notes	2023 Unsecured SPA Notes	Junior Secured SPA Notes	2024 Unsecured SPA Notes	2025 March Unsecured SPA Notes	2025 July Unsecured SPA Notes	Notes payable – China other	2025 Convertible Note - AIXC	Promissory Notes - AIXC	Auto Loans	
Balance as of December 31, 2024 (a)	\$ 5,457	\$ 6,716	\$26,059	\$ 7,032	—	—	\$ 4,173	\$ —	\$ —	\$ 51	\$ 49,488
New Issuances (b)	—	9,000	17,423	32,955	15,197	38,564	—	—	—	—	113,139
Addition of Debt upon Consolidation of AICX (c)	—	—	—	—	\$ —	\$ —	—	340	2,897	—	3,237
Repayment of Debt (d)	—	—	—	—	\$ —	\$ —	—	—	—	(6)	(6)
Conversion of Debt to Equity (e)	(3,535)	(6,449)	(16,468)	(21,656)	\$ (7,712)	\$ —	—	—	—	—	(55,820)
Fair Value Adjustments of Debt (f)	(1,922)	(1,773)	(9,485)	(8,505)	(274)	(9,172)	—	—	—	—	(31,131)
Other Adjustments (g)	—	—	—	—	\$ —	\$ —	40	—	—	(45)	(5)
Balance as of September 30, 2025 (h)	<u>\$ —</u>	<u>\$ 7,494</u>	<u>\$17,529</u>	<u>\$ 9,826</u>	<u>\$ 7,211</u>	<u>\$ 29,392</u>	<u>\$ 4,213</u>	<u>\$ 340</u>	<u>\$ 2,897</u>	<u>\$ —</u>	<u>\$ 78,902</u>

(a) The carrying value for each note category, fair value or amortized cost depending on the election, as of December 31, 2024.

(b) Debt instruments issued during the period, recorded at fair value upon issuance if the fair value option is elected, or at principal balance net of discounts. For notes measured at fair value, the aggregate fair value adjustment recognized at issuance reduced the principal amount of notes issued during the period by \$20,250 thousand. This reduction reflects the allocation of total transaction proceeds between the SPA Notes and the related SPA Warrants and Incremental Warrants issued as part of the bundled transaction.

(c) Represents the addition of AICX's outstanding debt instruments upon consolidation on September 29, 2025. The AICX debt instruments were recognized at fair value on the acquisition date. For the AICX promissory notes, historical carrying value is deemed to approximate fair value.

(d) Cash repayments of principal amounts during the period.

(e) Fair value of debt converted into equity during the period.

(f) Adjustments to debt fair value due to the fair value option election, embedded derivatives, or anti-dilution provisions. These adjustments are presented as a component of Change in fair value of notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss. Line-item Change in fair value of notes payable, warrant liabilities, and derivative call options also includes debt issuance costs of \$5,293 thousand, which are separately identifiable from the fair value adjustments noted above.

(g) Miscellaneous changes not captured in other columns, such as currency adjustments and reclassification to accrued expenses.

(h) The carrying value for each note category, fair value or amortized cost depending on the election, as of September 30, 2025.

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The following table presents a roll forward of the Company's Notes payable, current portion balances from December 31, 2023 to September 30, 2024 with third parties. The table summarizes beginning and ending balances by debt category and details changes during the period, including repayments, conversions, reclassifications, fair value adjustments, and other significant transactions.

<i>(in thousands)</i>	Categories of Debt						Total
	Secured SPA Notes	2023 Unsecured SPA Notes	Unsecured Convertible Notes	Junior Secured SPA Notes	Notes payable — China other	Auto Loans	
Balance as of December 31, 2023 (a)	\$ 74,232	\$ 11,938	\$ —	\$ —	\$ 4,898	\$ 82	\$ 91,150
New Issuances (b)	8,451	—	27,386	5,932	—	—	41,769
Repayment of Debt, including periodic interest on debt carried at fair value (c)	—	—	—	—	—	(24)	(24)
Conversion of Debt to Equity (d)	(36,961)	(7,495)	—	—	—	—	(44,456)
Modifications and Extinguishments of Debt (e)	5,158	(2,394)	(65)	—	—	—	2,699
Fair Value Adjustments of Debt (f)	(30,666)	(3,570)	2,550	(4,004)	—	—	(35,690)
Reclassification of Debt Between Debt Categories (g)	—	22,371	(29,871)	7,500	—	—	—
Other Adjustments (h)	—	—	—	—	52	—	52
Balance as of September 30, 2024 (i)	\$ 20,214	\$ 20,850	\$ —	\$ 9,428	\$ 4,950	\$ 58	\$ 55,500

(a) The carrying value for each note category, fair value or amortized cost depending on the election, as of December 31, 2023.

(b) Debt instruments issued during the period, recorded at fair value upon issuance if the fair value option is elected, or at principal balance net of discounts. For notes measured at fair value, the aggregate fair value adjustment recognized at issuance reduced the principal amount of notes issued during the period by \$8,302 thousand. This reduction reflects the allocation of total transaction proceeds between the SPA Notes and the related SPA Warrants and Incremental Warrants issued as part of the bundled transaction.

(c) Cash repayments of principal amount and periodic interest, where fair value option is elected, during the period.

(d) Fair value of debt converted into equity during the period.

(e) Adjustments from amendments, modifications, or extinguishment of existing debt, in accordance with ASC 470-50, and presented as a component of Loss on settlement of notes payable in the Consolidated Statements of Operations.

(f) Adjustments to debt fair value due to the fair value option election, embedded derivatives, or anti-dilution provisions. These adjustments are presented as a component of Change in fair value of notes payable, warrant liabilities, and call option derivatives in the Unaudited Condensed Consolidated Statements of Operations. Line-item 'Change in fair value of notes payable, warrant liabilities, and call option derivatives' also includes debt issuance costs of \$871 thousand, which are separately identifiable from the fair value adjustments noted above.

(g) Transfers of amounts between debt categories, such as from secured to unsecured classifications.

(h) Miscellaneous changes not captured in other columns, such as currency adjustments.

(i) The carrying value for each note category, fair value or amortized cost depending on the election, as of September 30, 2024.

Schedule of Principal Maturities of Notes Payable

The future scheduled principal maturities of Notes payable, current portion as of September 30, 2025, are as follows:

<i>(in thousands)</i>	
Due on demand	\$ 4,213
2025	3,250
2026	132
2027	—
2028	—
2029	—
2030	82,458
Thereafter	8,100
	\$ 98,153

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The Company has issued various financing arrangements, including secured and unsecured notes, convertible notes, and loans. These are categorized as follows: (i) Secured SPA Notes; (ii) 2023 Unsecured SPA Notes; (iii) Unsecured Convertible Notes; (iv) Junior Secured SPA Notes; (v) 2024 Unsecured SPA Notes; (vi) 2025 March Unsecured SPA Notes; (vii) 2025 July Unsecured SPA Notes; (viii) Notes payable – China other; and (ix) Auto loans. In addition, during the three months ended September 30, 2025, the Company consolidated AIXC, and accordingly recognized AIXC's outstanding debt instruments at fair value as of the consolidation date. These obligations are included within the categories presented above.

Below is a discussion of the terms, amendments, letter agreements, and financial impacts for each category of debt.

Secured SPA Notes

Overview and Terms

The Secured SPA Notes were issued under the securities purchase agreement (the "Secured SPA") dated August 14, 2022, with FF Simplicity Ventures LLC ("FFSV") acting as administrative agent, collateral agent, and purchaser, along with additional purchasers. These senior secured convertible notes are supported by a second lien on substantially all of the Company's assets and are guaranteed by the Company's domestic subsidiaries.

The Secured SPA Notes bear an annual interest rate of 10%, increasing to 15% if interest is paid in shares of Class A Common Stock. Principal and interest are due at maturity, unless converted earlier pursuant to the Secured SPA Notes' conversion privileges. Issued at a 10% original issue discount, these notes are convertible into Class A Common Stock at the lesser of a fixed conversion price or 90% of the lowest volume-weighted average price ("VWAP") for the trading day immediately prior to the conversion date. The Secured SPA Notes are subject to full ratchet anti-dilution price protection and as of September 30, 2025 the fixed price conversion price was \$1.16. The Secured SPA Notes mature six years from each date of issuance. There were no outstanding Secured SPA Notes, as of September 30, 2025.

In connection with the issuance of the Secured SPA Notes, the Company also granted to each purchaser a warrant (the "Secured SPA Warrants") to purchase shares of Class A Common Stock equal to 33% of the shares issuable upon conversion of the aggregate principal amount under the Secured SPA Notes funded. The Secured SPA Warrants are subject to the same full ratchet anti-dilution price protection as the Secured SPA Notes. The Secured SPA Warrants are indexed to the Company's Class A Common Stock and, as such, meet the scope exception in ASC 815-40 to be classified within equity.

The Company elected the fair value option afforded by *ASC 825, Financial Instruments*, with respect to the Secured SPA Notes because the notes include features, such as a contingently exercisable put option, that meet the definition of an embedded derivative. The Company expenses transaction costs to Change in fair value of notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss. The Company also elected to apply the fair value option for all other SPA Portfolio Notes.

Amendments and Modifications

The Secured SPA Notes have undergone several amendments:

- ***Unanimous Written Consents***: During the nine months ended September 30, 2024, the Company's Board of Directors (the "Board") exercised its authority via a series of written consents (the "Unanimous Written Consents") to adjust the principal conversion price of the Secured SPA Notes as it considered desirable. The Board chose to reduce the principal conversion price from \$29.33 to 105% of the listed market price of the Company's Common Stock at the close of the trading day on which a conversion notice is delivered. The adjustments to the principal conversion price were temporary in nature and contractually concluded on June 30, 2024. The actions of the Board in the Unanimous Written Consents did not trigger any full ratchet anti-dilution price protection in the Company's debt and equity securities.
- ***Eleventh and Twelfth Amendments (July 11, 2024)***: Permitted entry into the Collateralized Loan by subordinating liens securing the Secured SPA Notes to liens under the Collateralized Loan (See Note 10, *Other Financing Liabilities*, Section *Collateralized Loan* below).
- ***The Waiver Agreement (August 2, 2024)***: Revised key financial terms of the Secured SPA Notes and 2023 Unsecured SPA Notes, including elimination of the Make-Whole Amount. The Make-Whole Amount was a provision that entitled noteholders to compensation for the interest they would have received had the notes been held to maturity. Additionally, pursuant to the Waiver Agreement, the holders agreed that accrued interest shall be due at maturity or conversion. Further, the conversion price was reduced to the lesser of (1) the conversion price then in effect, \$29.33, subject to full ratchet anti-dilution price protection (as adjusted for stock splits, stock dividends, stock combinations, recapitalizations or other similar transactions occurring thereafter) or (2) 90% of the VWAP of the Company's

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Common Stock as of the trading day ended immediately prior to the time the conversion notice is delivered to the Company. The provisions of the Waiver Agreement will apply to all Secured SPA Notes and 2023 Unsecured SPA Notes currently issued or issuable in the future pursuant to the Secured SPA and 2023 Unsecured SPA (as defined below).

In accordance with ASC 470-50, Debt—Modifications and Extinguishments, the changes pursuant to the Waiver Agreement qualified as an extinguishment because the change in the fair value of the conversion feature was substantial. Accordingly, the Company recognized a Loss on settlement of notes payable in the Consolidated Statements of Operations and Comprehensive Loss for the year ended December 31, 2024, calculated as the difference between the reacquisition price of the debt and the net carrying amount of the notes.

Anti-Dilution Adjustments

During the year ended December 31, 2024, the Company entered into dilutive stock sale and purchase transactions, that triggered the full ratchet anti-dilution price protections embedded in the Secured SPA Notes and Secured SPA Warrants. As a result, the fixed-price conversion price of the Secured SPA Notes and exercise price of the Secured SPA Warrants outstanding prior to such financings was reduced to a price equal to the price per share paid in the dilutive financings.

On September 5, 2024, the Company entered into the Junior Secured SPA, which triggered the full ratchet anti-dilution price protection in the Secured SPA Notes and Secured SPA Warrants. The issuance of the Junior Secured SPA Notes constituted a dilutive issuance, as the stated conversion price of \$5.24 was less than the Secured SPA Notes and Secured SPA Warrant exercise price.

On December 21, 2024, the Company entered into the 2024 Unsecured SPA Notes, which triggered the full ratchet anti-dilution price protection in the Secured SPA Notes and Secured SPA Warrant. The issuance of the 2024 Unsecured SPA Notes constituted a dilutive issuance, as the stated conversion price of \$1.16 was less than the Secured SPA Notes conversion price and Secured SPA Warrant exercise price.

During the nine months ended September 30, 2025 there have not been any dilutive sale and purchase transactions effecting the Secured SPA Notes.

Summary of Secured SPA Notes Activity

As of September 30, 2025, the fair value of the Secured SPA Notes was zero, compared to \$5.5 million as of December 31, 2024.

During the three months ended September 30, 2024, the Company received net cash proceeds of \$1.1 million, after original issue discounts, in exchange for the issuance of Secured SPA Notes. During the same period, the Company converted debt with a principal amount of \$49.8 million into 15,453,305 shares of Class A Common Stock. The conversion of Secured SPA Notes into Class A Common Stock resulted in a loss on extinguishment of \$48.9 million. For the three months ended September 30, 2024, the Company recognized a gain of \$8.4 million from the fair value remeasurement of Secured SPA Notes under ASC 825, which was recorded in Change in fair value of notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss, and a \$5.2 million loss on extinguishment of notes payable triggered by the Waiver Agreement recorded in Loss on settlement of notes payable in the Consolidated Statements of Operations and Comprehensive Loss. There were no transactions involving Secured SPA Notes during the three months ended September 30, 2025.

During the nine months ended September 30, 2025 and 2024, the Company received net cash proceeds of zero and \$8.5 million, respectively, after original issue discounts, in exchange for the issuance of Secured SPA Notes. During the same periods, the Company converted debt with a principal amount of \$3.1 million and \$83.1 million into 3,164,911 and 25,335,671 shares of Class A Common Stock, respectively. The conversion of Secured SPA Notes into Class A Common Stock resulted in a loss on extinguishment of \$0.3 million and \$107.0 million for each period. For the nine months ended September 30, 2025 and 2024, the Company recognized a gain of \$1.9 million and \$30.7 million, respectively, from the fair value remeasurement of Secured SPA Notes under ASC 825, which was recorded in Change in fair value of notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss. For the nine months ended September 30, 2024 the Company also recognized a \$5.2 million loss on extinguishment of notes payable triggered by the Waiver Agreement recorded in Loss on settlement of notes payable in the Consolidated Statements of Operations and Comprehensive Loss.

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2023 Unsecured SPA Notes***Overview and Terms***

Pursuant to that certain Securities Purchase Agreement dated May 8, 2023, (the “2023 Unsecured SPA”) by and between the Company and the investors party thereto, including Metaverse Horizon Limited (“MHL”), a related party, the Company issued certain unsecured convertible promissory note (the “2023 Unsecured SPA Notes”). These 2023 Unsecured SPA Notes are unsecured and have terms similar to the Secured SPA Notes, except they lack collateral backing.

The 2023 Unsecured SPA Notes bear an annual interest rate of 10%, increasing to 15%, if interest is paid in shares of Class A Common Stock. Principal and interest are due at maturity, unless converted earlier pursuant to the 2023 Unsecured SPA Notes’ conversion privileges. Issued at a 10% original issue discount, these notes are convertible into the Company’s Class A Common Stock at the lesser of a fixed conversion price or 90% of the VWAP for the trading day immediately prior to the conversion date. The 2023 Unsecured SPA Notes are subject to full ratchet anti-dilution price protection and as of September 30, 2025 the fixed conversion prices were \$1.16 and \$5.24 for different tranches outstanding. The 2023 Unsecured SPA Notes mature primarily six years from each date of issuance. There were \$7.5 million outstanding 2023 Unsecured SPA Notes, as of September 30, 2025.

In connection with the issuance of the 2023 Unsecured SPA Notes, the Company also granted to each purchaser a warrant (the “2023 Unsecured SPA Warrants”) to purchase shares of Class A Common Stock equal to 33% of the shares issuable upon conversion of the aggregate principal amount under the Secured SPA Notes funded. The 2023 Unsecured SPA Warrants are subject to the same full ratchet anti-dilution price protection as the 2023 Unsecured SPA Notes. The 2023 Unsecured SPA Warrants are indexed to the Company’s Class A Common Stock and, as such, meet the scope exception in ASC 815-40 to be classified within equity.

The activity below does not include related party transactions, which are discussed separately in Note 9, *Related Party Transactions*.

Amendments, Waivers, and Modifications

The Waiver Agreement dated August 2, 2024, by and between the Company and the investors party thereto (the “Waiver Agreement”) revised the terms of the Secured SPA Notes and 2023 Unsecured SPA Notes. The terms of the 2023 Unsecured SPA Notes are substantially similar to those of the Secured SPA Notes and were similarly impacted by the Waiver Agreements. Details of the Waiver Agreements and their effects on the Secured SPA Notes and 2023 Unsecured SPA Notes are discussed in the section on Secured SPA Notes.

Anti-Dilution Adjustments

Throughout 2024, the Company entered into numerous dilutive sale and purchase transactions as described in the section on the Secured SPA Notes. The dilutive sale and purchase transactions applicable to the Secured SPA Notes caused the same full ratchet anti-dilution price protection triggers for the 2023 Unsecured SPA Notes.

During the three months ended September 30, 2025, the Company entered into several dilutive sale and purchase transactions through issuance of Junior Secured SPA Notes and 2024 Unsecured SPA Notes upon the exercise of the Junior Secured SPA and 2024 Unsecured SPA Incremental Warrants. These transactions triggered the full ratchet anti-dilution price protection for the 2023 Unsecured SPA Notes issued prior to such dilutive transactions. Accordingly, as of September 30, 2025, the conversion price of the 2023 Unsecured SPA Notes was \$1.16 or \$5.24, depending on the tranche.

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Summary of 2023 Unsecured SPA Notes Activity

As of September 30, 2025, the fair value of the outstanding 2023 Unsecured SPA Notes was \$7.5 million. As of December 31, 2024, the fair value of the outstanding 2023 Unsecured SPA Notes was \$6.7 million.

During the three months ended September 30, 2025, and 2024, the Company received net cash proceeds of \$4.5 million and zero, respectively, after original issue discounts, in exchange for the issuance of 2023 Unsecured SPA Notes. During the same periods, the Company converted debt with a principal amount of \$1.9 million and \$12.1 million into 1,622,455 and 3,658,727 shares of Class A Common Stock, respectively. The conversion of 2023 Unsecured SPA Notes into Class A Common Stock resulted in a loss of \$0.4 million and \$7.6 million on extinguishment, for each period, respectively. For the three months ended September 30, 2025, and 2024, the Company recognized a loss of \$0.2 million and a gain of \$2.4 million, respectively, from the fair value remeasurement of 2023 Unsecured SPA Notes under ASC 825, which was recorded in Change in fair value of notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss. For the three months ended September 30, 2024, the Company also recorded a \$2.4 million gain on extinguishment of notes payable triggered by the Waiver Agreement recorded in Loss on settlement of notes payable in the Consolidated Statements of Operations and Comprehensive Loss.

During the nine months ended September 30, 2025 and 2024, the Company received net cash proceeds of \$9.0 million and zero, respectively, after original issue discounts, in exchange for the issuance of 2023 Unsecured SPA Notes. During the same periods, the Company converted debt with a principal amount of \$6.3 million and \$12.5 million into 5,790,219 and 3,782,135 shares of Class A Common Stock, respectively. The conversion of 2023 Unsecured SPA Notes into Class A Common Stock resulted in a loss on extinguishment of \$3.2 million and \$7.8 million for each period. For the nine months ended September 30, 2025 and 2024, the Company recognized a gain of \$1.8 million and \$3.6 million, respectively, from the fair value remeasurement of Unsecured Convertible Notes under ASC 825, which was recorded in Change in fair value of notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss. For the nine months ended September 30, 2024, the Company also recorded a \$2.4 million gain on extinguishment of notes payable triggered by the Waiver Agreement recorded in Loss on settlement of notes payable in the Consolidated Statements of Operations and Comprehensive Loss.

Unsecured Convertible Notes**Overview and Terms**

In 2024 and 2025, the Company issued unsecured convertible notes (the “Unsecured Convertible Notes”), with various investors, including MHL, a related party. These Unsecured Convertible Notes, mature three months from issuance, accrue interest at 4.27% and are convertible at issuance into Class A Common Stock, certain SPA Portfolio Notes, or a future security purchase agreement issued by the Company. The activity below does not include related parties activity, discussed separately in Note 9, *Related Party Transactions*.

The Company elected the fair value option afforded by *ASC 825, Financial Instruments*, with respect to the Unsecured Convertible Notes because the notes are exchangeable into SPA Portfolio Notes and the Company expects that to be how the Unsecured Convertible Notes settle. The Company expenses transaction costs to Change in fair value of notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

Summary of Unsecured Convertible Notes Activity

There were no outstanding Unsecured Convertible Notes as of September 30, 2025, following their conversion into other SPA Portfolio Notes during the year ended December 31, 2024. During the nine months ended September 30, 2025, the Company issued related party Unsecured Convertible Notes discussed separately in Note 9, *Related Party Transactions*.

During the three and nine months ended September 30, 2024, the Company received net cash proceeds of \$10.8 million and \$27.4 million, respectively, after original issue discounts, in exchange for the issuance of Unsecured Convertible Notes. During the same periods, the Company neither converted any Unsecured Convertible Notes into shares of Class A Common Stock, nor incurred gain or a loss on extinguishment for each period. For the three and nine months ended September 30, 2024, the Company recognized a gain of \$0.1 million and a loss of \$2.6 million, respectively, from the fair value remeasurement of Unsecured Convertible Notes under ASC 825, which was recorded in Change in fair value of notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss. For the three and nine months ended September 30, 2024, the Company also recorded a \$0.1 million gain on extinguishment of notes payable triggered by the Waiver Agreement recorded in Loss on settlement of notes payable in the Consolidated

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Statements of Operations and Comprehensive Loss. During the three and nine months ended September 30, 2024 and exchanged the entire outstanding balance of Unsecured Convertible Notes for 2023 Unsecured SPA Notes and Junior Secured SPA Notes.

There were no transactions involving third party Unsecured Convertible Notes during the three and nine months ended September 30, 2025.

Junior Secured SPA Notes

Overview and Terms

Pursuant to that certain Securities Purchase Agreement dated September 5, 2024 by and between the Company and the investors party thereto (the “Junior Secured SPA”), the Company issued certain secured convertible promissory notes (the “Junior Secured SPA Notes”). These Junior Secured SPA Notes are secured by a second-priority lien on certain assets and bear an annual interest rate of 10%. Principal and interest are payable at maturity or at each conversion date. The notes are convertible along with accrued interest into Class A Common Stock at the lesser of (a) a fixed conversion price or (b) the greater of (1) the floor price, \$1.05, or (2) the average VWAP of the common stock for the five previous trading days. Junior Secured SPA Notes are subject to full ratchet anti-dilution price protection and as of September 30, 2025 the fixed price conversion price was \$1.16 or \$5.24 for different tranches outstanding. These notes mature in Various through September 2030.

The original Junior Secured SPA Investors were given warrants (the “Junior SPA Warrants”) equal to 100% of the shares issuable upon conversion of the aggregate principal amount under the Junior Secured SPA Note funded. The Junior SPA Warrants are exercisable immediately with a term of five years. The Company issued to the placement agent for the transaction a warrant (the “Placement Agent Warrant”) identical to that of the Junior Secured SPA Investors for 202,768 shares of Common Stock, exercisable immediately. These warrants are subject to the same full ratchet anti-dilution price protection as the Junior Secured SPA Notes. The Company’s Junior SPA Warrants meet the requirements for liability classification pursuant to ASC 480-10, Distinguishing Liabilities from Equity. The Junior SPA Warrants could require cash settlement upon events that are considered outside of the control of the Company.

The Junior Secured SPA Investors were issued incremental warrants (the “Junior SPA Incremental Warrants”) to purchase additional Junior Secured SPA Notes up to the amounts originally funded under their original Junior Secured SPA Note commitments. The Junior SPA Incremental Warrants, presented in the Unaudited Condensed Consolidated Balance Sheets as Derivative call options, are exercisable immediately upon issuance and have a one-year term. They allow the purchase of the respective notes at an exercise price equal to the principal amount of the notes issued to the investor, subject to full ratchet anti-dilution price protection, as adjusted for stock splits, stock dividends, stock combinations, recapitalizations, or similar transactions. See Note 15, *Fair Value of Financial Instruments* for further details on the Junior SPA Incremental Warrants.

Amendments and Modifications

- ***Letter Agreements:*** On January 28, 2025, the Company entered into a letter agreement (the “September Letter Agreement”) with certain Junior Secured SPA Investors. These investors agreed not to convert outstanding notes below the initial \$5.24 conversion price prior to the Company’s receipt of stockholder approval for the issuance of the Junior Secured SPA Notes, Junior SPA Warrants and Junior SPA Incremental Warrants. In return, the Company agreed to issue “True-Up Shares” after approval to adjust for any pre-approval conversions, based on a formula considering accrued interest and market pricing. The September Letter Agreement include a provision preventing the issuance of shares of common stock underlying the applicable securities if the Company’s available authorized stock is insufficient. However, the Company must deliver the shares once a sufficient number of authorized but unissued shares becomes available.

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Anti-Dilution Adjustments

On December 21, 2024, the Company entered into the 2024 Unsecured SPA (as defined below), pursuant to which the Company issued certain 2024 Unsecured SPA Notes to the purchasers party thereto, which triggered the full ratchet anti-dilution price protection in the Junior Secured SPA Notes and Junior Secured SPA Warrants. The issuance of the 2024 Unsecured SPA Notes constituted a dilutive issuance, as the stated conversion price of \$1.16 was less than the Junior Secured SPA Notes conversion and Junior Secured SPA Warrant exercise price.

During the three months ended September 30, 2025, the Company entered into a dilutive transaction through the issuance of 2024 Unsecured SPA Notes upon the exercise of 2024 Unsecured SPA Incremental Warrants. This transaction triggered the full ratchet anti-dilution provisions of the Junior Secured SPA Notes issued during the three months ended September 30, 2025, but prior to the dilutive transaction. Accordingly, as of September 30, 2025, conversion price of certain Junior Secured SPA Notes issued during the same period was \$1.16.

Summary of Junior Secured SPA Notes Activity

As of September 30, 2025, the fair value of the Junior Secured SPA Notes was \$17.5 million, compared to \$26.1 million as of December 31, 2024.

During the three and nine months ended September 30, 2024, the Company received net cash proceeds of \$13.3 million after original issue discounts, in exchange for the issuance of Junior Secured SPA Notes. During the same periods, the Company recognized a gain of \$4.0 million from the fair value remeasurement of Junior Secured SPA Notes under ASC 825, which was recorded in Change in fair value of notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

During the three and nine months ended September 30, 2025, the Company received net cash proceeds of \$18.0 million after original issue discounts, in exchange for the issuance of Junior Secured SPA Notes upon exercise of Junior secured Incremental Warrants. During the same periods, the Company converted debt with a principal amount of zero and \$28.8 million into zero and 27,412,545 shares of Class A Common Stock, respectively. The conversion of Junior Secured SPA Notes into Class A Common Stock resulted in a loss on extinguishment of zero and \$20.4 million, for each period. For the three and nine months ended September 30, 2025, the Company recognized a loss of \$0.1 million and a gain of \$9.5 million, respectively, from the fair value remeasurement of Junior Secured SPA Notes under ASC 825, which was recorded in Change in fair value of notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

2024 Unsecured SPA Notes**Overview and Terms**

The 2024 Unsecured SPA Notes were issued under a securities purchase agreement (the “2024 Unsecured SPA”) dated December 21, 2024, by and between the Company and the investors party thereto. These notes bear an annual interest rate of 10%. Principal and interest are payable at maturity or at each conversion date. The notes are convertible along with accrued interest into Class A Common Stock at the lesser of (a) a fixed conversion price, which was \$1.16 at issuance, or (b) the greater of (1) the floor price, \$1.05, or (2) the lowest one-day VWAP of the common stock for the five previous trading days. 2024 Unsecured SPA Notes are subject to full ratchet anti-dilution price protection. These 2024 Unsecured SPA Notes mature on various dates through January 2030.

The original 2024 Unsecured SPA Investors were issued warrants (the “2024 Unsecured SPA Warrants”) equal to 33% of the shares issuable upon conversion of the aggregate principal amount under the 2024 Unsecured SPA Notes (defined below) purchased by such 2024 Unsecured SPA Investor. The 2024 Unsecured SPA Warrants are exercisable immediately with a term of five years. 2024 Unsecured SPA Warrants are subject to the same full ratchet anti-dilution price protection as the 2024 Unsecured SPA Notes. The Company’s 2024 Unsecured SPA Warrants meet the requirements for liability classification pursuant to ASC 480-10, Distinguishing Liabilities from Equity. The 2024 Unsecured SPA Warrants could require cash settlement upon events that are considered outside of the control of the Company in a manner that is not consistent with the holders of the Company’s Common Stock.

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The original 2024 Unsecured SPA Investors were issued incremental warrants (the “2024 Unsecured SPA Incremental Warrants”) to purchase additional 2024 Unsecured SPA Notes up to the amounts originally funded under their original 2024 Unsecured SPA Note commitments. The 2024 Unsecured SPA Incremental Warrants, presented in the Unaudited Condensed Consolidated Balance Sheets as Derivative call options, are exercisable immediately upon issuance and have a one-year term. They allow the purchase of the respective notes at an exercise price equal to the principal amount of the notes issued to the investor, subject to full ratchet anti-dilution price protection, as adjusted for stock splits, stock dividends, stock combinations, recapitalizations, or similar transactions. See Note 15, *Fair Value of Financial Instruments* for further details on the 2024 Unsecured SPA Incremental Warrants.

Amendments and Modifications

- ***Letter Agreements:*** On January 28, 2025, the Company entered into a letter agreement (the “December Letter Agreement”) with certain 2024 Unsecured SPA Investors, modifying terms related to their previously disclosed investment. These investors agreed not to convert outstanding notes below the initial \$1.16 conversion price before stockholder approval for the issuance of the 2024 Unsecured SPA Notes, 2024 Unsecured SPA Warrants and 2024 Unsecured Incremental Warrants. The Company agreed to issue True-Up Shares post-approval using an adjustment formula. Additionally, if a resale registration statement becomes effective, and the conversion price exceeds the prior day's closing bid price, the conversion price will be adjusted downward. The December Letter Agreement includes a provision preventing the issuance of shares of common stock underlying the applicable securities if the Company's available authorized stock is insufficient. However, the Company must deliver the shares once sufficient stock becomes available.

Summary of 2024 Unsecured SPA Notes Activity

As of September 30, 2025, the fair value of the 2024 Unsecured SPA Notes was \$9.8 million, compared to \$7.0 million as of December 31, 2024.

During the three and nine months ended September 30, 2025, the Company received net cash proceeds of \$14.0 million and \$34.0 million, respectively, after original issue discounts, in exchange for the issuance of 2024 Unsecured SPA Notes. The proceeds received during the three months ended September 30, 2025 were attributable to the issuance of 2024 Unsecured SPA Notes upon the exercise of 2024 Unsecured Incremental Warrants. During the same periods, the Company converted debt with a principal amount of \$23.2 million and \$34.9 million into 20,894,171 and 31,690,932 shares of Class A Common Stock, respectively. The conversion of 2024 Unsecured SPA Notes into Class A Common Stock resulted in a loss on extinguishment of \$36.3 million and \$45.6 million, for each period. For the three and nine months ended September 30, 2025, the Company recognized a gain of \$6.2 million and \$8.5 million, respectively, from the fair value remeasurement of 2024 Unsecured SPA Notes under ASC 825, which was recorded in Change in fair value of notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

There were no transactions involving 2024 Unsecured SPA Notes during three and nine months ended September 30, 2024 as the 2024 Unsecured SPA Notes had not yet been issued.

2025 March Unsecured SPA Notes

Overview and Terms

On March 21, 2025, the Company entered into a securities purchase agreement (the “2025 March Unsecured SPA”) with certain accredited investors, including MHL a related party (collectively, the “2025 March Unsecured SPA Investors”), pursuant to which the Company agreed to issue and sell an aggregate of \$41.0 million in principal amount of senior unsecured convertible promissory notes (the “2025 March Unsecured SPA Notes”). The 2025 March Unsecured SPA will be completed in four closings, each subject to specified closing conditions including minimum trading price and volume thresholds. The activity below does not include related party activity, discussed separately in Note 9, *Related Party Transactions*.

The 2025 March Unsecured SPA Notes mature five years from the date of issuance and bear interest at a fixed rate of 10% per annum. Interest is payable on each conversion date or at maturity and may be settled in cash, shares of Class A common stock, or a combination thereof, at the Company's election and subject to certain conditions. In the event of a default, the interest rate increases to 18% per annum. The Company may redeem the notes at a premium of 10% over the greater of (i) the value of the shares otherwise issuable upon conversion and (ii) the value of the note's outstanding principal. In a bankruptcy-related default, the notes are redeemable at a 25% premium, unless waived by the holder.

The 2025 March Unsecured SPA Notes are convertible at the option of the holder into shares of the Company's Class A common stock at an initial fixed conversion price of \$1.29 per share, subject to customary anti-dilution adjustments and full ratchet anti-dilution price protection. The number of shares issuable upon conversion is determined by dividing the outstanding principal and accrued interest, together with an 8% premium, by the conversion price. The notes also include an alternate

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conversion feature that permits the holder to convert at the lower of (i) the then-effective conversion price or (ii) the greater of \$1.048 per share (the “floor price”) and the lowest VWAP of the Class A common stock during the five trading days immediately preceding the conversion notice. If a conversion under the alternate mechanism would result in issuance below the floor price, the Company must either settle the difference in cash or increase the principal balance of the note by the shortfall amount.

The 2025 March Unsecured SPA Investors were issued warrants (the “2025 March Unsecured SPA Warrants”) equal to 100% of the shares issuable upon conversion of the aggregate principal amount under the 2025 March Unsecured SPA Notes funded, calculated using the initial conversion price of the 2025 March Unsecured SPA Notes. The 2025 March Unsecured SPA Warrants are exercisable immediately with a term of five years. The 2025 March Unsecured SPA Warrants are subject to the same full ratchet anti-dilution price protection as the 2025 March Unsecured SPA Notes. The Company’s 2025 March Unsecured SPA Warrants meet the requirements for liability classification pursuant to ASC 480-10, *Distinguishing Liabilities from Equity*. The 2025 March Unsecured SPA Warrants could require cash settlement upon events that are considered outside of the control of the Company in a manner that is not consistent with the holders of the Company’s Common Stock.

The 2025 March Unsecured SPA Investors were issued incremental warrants (the “2025 March Unsecured SPA Incremental Warrants”) to purchase additional 2025 March Unsecured SPA Notes up to the amounts funded under their 2025 March Unsecured SPA commitments. The 2025 March Unsecured SPA Incremental Warrants, presented in the Unaudited Condensed Consolidated Balance Sheets as Derivative call options, are exercisable immediately upon issuance and have a five-year term. They allow the purchase of the respective notes at an exercise price equal to the principal amount of the notes issued to the investor, subject to full ratchet anti-dilution price protection, as adjusted for stock splits, stock dividends, stock combinations, recapitalizations, or similar transactions. See Note 15, *Fair Value of Financial Instruments* for further details on the 2025 March Unsecured SPA Incremental Warrants.

The 2025 March Unsecured SPA Investors received a number of shares of Series B Preferred Stock equal to the lesser of (i) the number of shares of common stock into which such purchaser’s notes are convertible, and (ii) such purchaser’s pro rata share (based on commitment percentage) of an aggregate cap of 9,000,000 shares of Series B Preferred Stock. See Note 13 *Stockholders’ Equity* for further details on the shares of Series B Preferred Stock.

Amendments and Modifications

On May 15, 2025, the Company entered into a Waiver and Amendment Agreement (the “SPA Waiver”) with the 2025 March Unsecured SPA Investors. The SPA Waiver modified certain registration and closing conditions provisions under the SPA, as described below.

Under the SPA Waiver, the Investors agreed that the Company is required to register for resale on the initial registration statement (the “Initial Registration Statement”) only the shares of Class A common stock issuable upon conversion of the 2025 March Unsecured SPA Notes issued at the first closing. The Company is not required to register on the Initial Registration Statement any shares issuable upon exercise of the 2025 March Unsecured SPA Warrants or 2025 March Unsecured SPA Incremental Warrants or securities issued in subsequent closings. However, the Company agreed to use commercially reasonable efforts to file a subsequent registration statement to cover (i) the remaining shares underlying the 2025 March Unsecured Notes, 2025 March Unsecured SPA Warrants, and 2025 March Unsecured SPA Incremental Warrants within 45 calendar days after the later of (a) the effectiveness of the Initial Registration Statement or (b) the date an Investor requests registration, and (ii) shares issuable under instruments from any subsequent closing within 45 calendar days after the later of (a) the effectiveness of the Initial Registration Statement or (b) the applicable closing date.

Under the original terms of the 2025 March Unsecured SPA, if the conditions to a subsequent closing were not satisfied by the scheduled closing date, the closing could be delayed for up to twenty (20) business days. Pursuant to the SPA Waiver, the SPA was amended to provide that if, during such 20-business-day deferral period, the closing price of the Company’s Class A common stock is below \$1.00, the applicable subsequent closing shall instead occur within twenty (20) business days following the first trading day on which the closing price equals or exceeds \$1.00.

In addition, the Company obtained the right, at its sole discretion, to reduce the portion of a 2025 March Unsecured SPA Investor’s purchase amount to be funded at any individual closing, provided that no such investor’s aggregate commitment is reduced.

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Note Conversion and exercise price re-set

Pursuant to the terms of the 2025 March Unsecured SPA, on May 28, 2025, the fixed conversion price of the 2025 March Unsecured SPA Notes and the exercise price of the related common stock warrants were reset to 100% and 120%, respectively, of the closing price of the Company's Class A common stock on the trading day immediately prior to the receipt of stockholder approval for the related private placement. As a result, the fixed conversion price and warrant exercise price of the 2025 March Unsecured SPA instruments re-set to \$1.22 and \$1.464, respectively.

Anti-Dilution Adjustments

During the three months ended September 30, 2025, the Company entered into a dilutive sale and purchase transaction, through issuance of 2024 Unsecured SPA Notes upon exercise of 2024 Unsecured SPA Incremental Warrants. This transaction triggered the full ratchet anti-dilution price protection for 2025 March Unsecured SPA Notes and related warrants issued prior to this transaction. Accordingly, as of September 30, 2025, the conversion price of certain 2025 March Unsecured SPA Notes was \$1.16 and the exercise price of certain 2025 March Unsecured SPA Notes Warrants \$1.392.

Summary of 2025 March Unsecured SPA Notes Activity

As of September 30, 2025, the fair value of the outstanding 2025 March Unsecured SPA Notes, was approximately \$7.2 million compared to zero as of December 31, 2024.

During the three and nine months ended September 30, 2025, the Company received net cash proceeds of \$8.1 million and \$32.2 million, respectively, after original issue discounts, in exchange for the issuance of 2025 March Unsecured SPA Notes, including cash proceeds of \$7.5 million from issuance of 2025 March Unsecured SPA Notes upon exercise of related Incremental Warrants. During the same periods, the Company converted debt with a principal amount of \$9.3 million and \$16.0 million into 8,429,301 and 14,598,957 shares of Class A Common Stock, respectively. The conversion of 2025 March Unsecured SPA Notes into Class A Common Stock resulted in a loss on extinguishment of \$9.8 million and \$15.3 million, for each period. For the three and nine months ended September 30, 2025, the Company recognized a gain of \$3.0 million and \$0.3 million, respectively, from the fair value remeasurement of 2025 March Unsecured SPA Notes under ASC 825, which was recorded in Change in fair value of notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

There were no transactions involving 2025 March Unsecured SPA Notes during three and nine months ended September 30, 2024 as the 2025 March Unsecured SPA Notes had not yet been issued.

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2025 July Unsecured SPA Notes***Overview and Terms***

On July 14, 2025, the Company entered into a securities purchase agreement (the “2025 July Unsecured SPA”) with certain accredited investors (collectively, the “2025 July Unsecured SPA Investors”), pursuant to which the Company agreed to issue and sell an aggregate of \$82.0 million in principal amount of senior unsecured convertible promissory notes (the “2025 July Unsecured SPA Notes”). The 2025 July Unsecured SPA will be completed in two closings, each subject to specified closing conditions including minimum trading price and volume thresholds.

The 2025 July Unsecured SPA Notes mature five years from the date of issuance and bear interest at a fixed rate of 10% per annum. Interest is payable on each conversion date or at maturity and may be settled in cash, shares of Class A common stock, or a combination thereof, at the Company’s election and subject to certain conditions. In the event of a default, the interest rate increases to 18% per annum. The Company may redeem the notes at a premium of 10% over the greater of (i) the value of the shares otherwise issuable upon conversion and (ii) the value of the note’s outstanding principal. In a bankruptcy-related default, the notes are redeemable at a 25% premium, unless waived by the holder.

The 2025 July Unsecured SPA Notes are convertible at the option of the holder into shares of the Company’s Class A common stock at an initial fixed conversion price of \$1.75 per share, subject to customary anti-dilution adjustments and full ratchet anti-dilution price protection. The number of shares issuable upon conversion is determined by dividing the outstanding principal and accrued interest, together with an 8% premium, by the conversion price. The notes also include an alternate conversion feature that permits the holder to convert at the lower of (i) the then-effective conversion price or (ii) the greater of \$1.048 per share (the “floor price”) and the lowest VWAP of the Class A common stock during the five trading days immediately preceding the conversion notice.

The 2025 July Unsecured SPA Investors were issued warrants (the “2025 July Unsecured SPA Warrants”) equal to 33% of the shares issuable upon conversion of the aggregate principal amount under the 2025 July Unsecured SPA Notes funded. The 2025 July Unsecured SPA Warrants are exercisable immediately with a term of five years. The 2025 July Unsecured SPA Warrants are subject to the same full ratchet anti-dilution price protection as the 2025 July Unsecured SPA Notes. The Company’s 2025 July Unsecured SPA Warrants meet the requirements for liability classification pursuant to ASC 480-10, *Distinguishing Liabilities from Equity*. The 2025 July Unsecured SPA Warrants could require cash settlement upon events that are considered outside of the control of the Company in a manner that is not consistent with the holders of the Company’s Common Stock.

The 2025 July Unsecured SPA Investors received a number of shares of Series B Preferred Stock equal to the lesser of (i) the number of shares of common stock into which such purchaser’s notes are convertible, and (ii) such purchaser’s pro rata share (based on commitment percentage) of an aggregate cap of 6,813,785 shares of Series B Preferred Stock. See *Note 13 Stockholders’ Equity* for further details on the shares of Series B Preferred Stock.

Amendments and Modifications

On August 21, 2025, the Company and the required purchasers under the 2025 July Unsecured SPA entered into an amendment to the 2025 July Unsecured SPA. Pursuant to the amendment, the aggregate Note Commitment Amount under the 2025 July Unsecured SPA was increased from \$82.0 million to \$83.5 million, and the Commitment Annex to the 2025 July Unsecured SPA was amended and restated in its entirety to reflect such increase.

Note Conversion and exercise price re-set

Pursuant to the terms of the 2025 July Unsecured SPA Notes, on September 19, 2025, the fixed conversion price of the 2025 July Unsecured SPA Notes and the exercise price of the related common stock warrants were reset to 100% and 120%, respectively, of the closing price of the Company’s Class A common stock on the trading day immediately prior to the receipt of stockholder approval for the related private placement. As a result, as of September 30, 2025, the fixed conversion price and warrant exercise price of the 2025 July Unsecured SPA instruments were \$1.68 and \$2.02, respectively. This reset did not trigger any price-based anti-dilution provisions of other outstanding convertible instruments.

Summary of 2025 July Unsecured SPA Notes Activity

As of September 30, 2025, the fair value of the outstanding 2025 July Unsecured SPA Notes, was approximately \$29.4 million compared to zero as of December 31, 2024.

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During the three and nine months ended September 30, 2025, the Company received net cash proceeds of \$39.2 million, after original issue discounts, in exchange for the issuance of 2025 July Unsecured SPA Notes. For the three and nine months ended September 30, 2025, the Company recognized a gain of \$9.2 million from the fair value remeasurement of 2025 July Unsecured SPA Notes under ASC 825, which was recorded in Change in fair value of notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

2025 Convertible Note - AIXC

On April 28, 2025, AIXC entered into a Secured Convertible Note (the “2025 Convertible Note - AIXC”) with Alpha Capital Anstalt (“Alpha”, or “Holder”), pursuant to which AIXC issued to Alpha a non-interest-bearing note with a principal of approximately \$0.3 million, and an original issue discount (“OID”) of 20%, in exchange for approximately \$0.2 million cash, net of immaterial issuance costs. The Note is convertible at any time at Alpha’s option, into shares of the AIXC’s common stock at a price equal to \$2.25 per share (the “Conversion Price”), subject to customary adjustments. The Convertible Note bears no stated interest, and is due on January 28, 2026 (the “Maturity Date”). On June 4, 2025 AIXC repaid approximately \$0.1 million in principal at the request of Alpha.

AIXC concluded that the 2025 Convertible Note - AIXC did not contain a substantial premium and therefore elected to account for the instrument under the fair value option in accordance with ASC 825-10-15-4. As of September 30, 2025 the fair value of the 2025 Convertible Note - AIXC was \$0.3 million. Prior to the acquisition, any gains or losses resulting from the remeasurement of this instrument to fair value were recognized in AIXC’s standalone statements of operations.

Promissory Notes - AIXC

During the nine months ended September 30, 2025 AIXC issued short-term notes (the “Promissory Notes - AIXC”). The Notes mature six months from their respective funding dates, bear no stated interest, and are repayable at 30% premium upon repayment. The premium is accreted to the carrying amount over their term using the effective interest method, with the offsetting impact recognized as interest expense. The Notes have effective interest rates ranging from approximately 88.78% to 98.8%.

As of September 30, 2025, the Promissory Notes - AIXC had a carrying value of \$2.9 million and contractual repayment amount, including the premium, totaled approximately \$3.3 million. Any interest expense related to accretion of the premium for three and nine months ended September 30, 2025, and other gains and losses associated with the Promissory Notes - AIXC, were recognized in AIXC’s standalone statements of operations prior to the acquisition by the Company.

Faraday Future Intelligent Electric Inc.
Notes to Unaudited Condensed Consolidated Financial Statements

9. Related Party Transactions

The Company has entered into notes payable agreements with related parties. The Company receives funding through notes payable from various parties, including related parties. These related parties include employees, affiliates of employees, affiliates, and other companies controlled or previously controlled by one of the Company's Global Co-CEOs, Mr. Yueting Jia. Effective August 13, 2025, during the pendency of the SEC investigation, Mr. Jia was temporarily excluded from oversight of the finance, legal, accounting, and public reporting functions. The tables below summarize the related party note payable agreements as of September 30, 2025 and December 31, 2024, providing details on contractual maturity dates, contractual interest rates, and net carrying values.

	September 30, 2025		
	Contractual Maturity Date	Contractual Interest Rates	Net Carrying Value
<i>(in thousands)</i>			
2025 March Unsecured SPA Notes	Various dates in 2030	10.00%	1,272
Notes Payable — China	April 2027	18.0 % ⁽¹⁾	3,708
Notes Payable on Demand — China	Due on Demand	—%	421
Other Notes	Due on Demand	12.0%	75
			\$ 5,476
Related party notes payable, current			\$ 2,940
Related party notes payable, long-term			\$ 2,536

⁽¹⁾The restructured loan bears no stated interest, and the repayment schedule requires fixed installment payments through the contractual maturity date. If the Company fails to comply with the payment schedule, interest at a rate of 18.0% would be retroactively applied to the unpaid balance. During the term of the revised loan, the Company remained in compliance with the payment schedule, and no contingent interest has been recorded as of September 30, 2025.

	December 31, 2024		
	Contractual Maturity Date	Contractual Interest Rates	Net Carrying Value
<i>(in thousands)</i>			
2023 Unsecured Convertible Note	April 2024 ⁽¹⁾	4.27%	\$ 1,364
Notes Payable — China	April 2027	18.0%	4,382
Notes Payable on Demand — China	Due on Demand	—%	417
FFGP Note	Various ⁽¹⁾	4.27%	1,576
Convertible FFGP Note	May 2024 ⁽¹⁾	4.27%	250
Other Notes	Due on demand	12.00%	75
			\$ 8,064
Related party notes payable, current			\$ 5,310
Related party notes payable, long-term			\$ 2,754

⁽¹⁾The term was extended upon receipt of waivers of enforcement rights and remedies under the loan agreements, as described below, with the expected settlement in 2025.

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Notes to Unaudited Condensed Consolidated Financial Statements

Roll Forward of Related Party Debt by Transaction Type

The following table presents a roll forward of the Company's notes payable balances from June 30, 2025 to September 30, 2025 with related parties. It summarizes beginning and ending balances by debt category and details changes during the period, including repayments, conversions, reclassifications, fair value adjustments, and other significant transactions.

(in thousands)	Categories of Related Party Debt						Total
	2025 March Unsecured SPA Notes	Notes Payable — China	Notes Payable on Demand — China	Convertible FFGP Note	FFGP Note	Other Notes	
Balance as of June 30, 2025 (a)	\$ 1,463	\$ 4,271	\$ 419	\$ 85	\$ 1,250	\$ 75	\$ 7,563
New Issuances (b)	72	—	—	—	—	—	72
Repayment of Debt (c)	—	(590)	—	(85)	(1,250)	—	(1,925)
Fair Value Adjustments of Debt (d)	(263)	—	—	—	—	—	(263)
Other Adjustments (e)	—	27	2	—	—	—	29
Balance as of September 30, 2025 (f)	<u>\$ 1,272</u>	<u>\$ 3,708</u>	<u>\$ 421</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 75</u>	<u>\$ 5,476</u>

(a) The carrying value for each note category, fair value or amortized cost depending on the election, as of June 30, 2025.

(b) Debt instruments issued during the period, recorded at fair value upon issuance if the fair value option is elected, or at principal balance net of discounts. For notes measured at fair value, the aggregate fair value adjustment recognized at issuance reduced the principal amount of notes issued during the period by \$58 thousand. This reduction reflects the allocation of total transaction proceeds between the SPA Notes and the related SPA Warrants and Incremental Warrants issued as part of the bundled transaction.

(c) Cash repayments of principal amounts during the period.

(d) Adjustments to debt fair value due to the fair value option election, embedded derivatives, or anti-dilution provisions. These adjustments are presented as a component of 'Change in fair value of notes payable, warrant liabilities, and call option derivatives' in the Unaudited Condensed Consolidated Statements of Operations. Line item 'Change in fair value of notes payable, warrant liabilities, and call option derivatives' also includes debt issuance costs of \$5 thousand, which are separately identifiable from the fair value adjustments noted above.

(e) Miscellaneous changes not captured in other columns, such as currency adjustments and reclassification to accrued expenses.

(f) The carrying value for each note category, fair value or amortized cost depending on the election, as of September 30, 2025.

Faraday Future Intelligent Electric Inc.
Notes to Unaudited Condensed Consolidated Financial Statements

The following table presents a roll forward of the Company's Related party notes payable balances from June 30, 2024 to September 30, 2024. It summarizes beginning and ending balances by debt category and details changes during the period, including repayments, conversions, reclassifications, fair value adjustments, and other significant transactions.

(in thousands)	Categories of Related Party Debt						Total
	Unsecured Convertible Note	Notes Payable — China	Notes Payable on Demand — China	Convertible FFGP Note	FFGP Note	Other Notes	
Balance as of June 30, 2024 (a)	\$ 1,951	\$ 7,577	\$ 3,805	\$ 250	\$ 1,576	\$ —	\$ 15,159
New Issuances (b)	—	—	—	—	—	75	75
Fair Value Adjustments of Debt (c)	(649)	—	—	—	—	—	(649)
Other Adjustments (d)	—	129	—	—	—	—	129
Balance as of September 30, 2024 (e)	\$ 1,302	\$ 7,706	\$ 3,805	\$ 250	\$ 1,576	\$ 75	\$ 14,714

(a) The carrying value for each note category, fair value or amortized cost depending on the election, as of June 30, 2024.

(b) Debt instruments issued during the period, recorded at fair value upon issuance if the fair value option is elected, or at principal balance net of discounts.

(c) Adjustments to debt fair value due to the fair value option election, embedded derivatives, or anti-dilution provisions. These adjustments are presented as a component of Change in fair value of notes payable, warrant liabilities, and call option derivatives in the Unaudited Condensed Consolidated Statements of Operations.

(d) Miscellaneous changes not captured in other columns, such as currency adjustments.

(e) The carrying value for each note category, fair value or amortized cost depending on the election, as of September 30, 2024.

Faraday Future Intelligent Electric Inc.
Notes to Unaudited Condensed Consolidated Financial Statements

Roll Forward of Related Party Debt by Transaction Type

The following table presents a roll forward of the Company's notes payable balances from December 31, 2024 to September 30, 2025 with related parties. It summarizes beginning and ending balances by debt category and details changes during the period, including repayments, conversions, reclassifications, fair value adjustments, and other significant transactions.

(in thousands)	Categories of Related Party Debt							Total
	March 2025 Unsecured SPA Notes	Unsecured Convertible Note	Notes Payable — China	Notes Payable on Demand — China	Convertible FFGP Note	FFGP Note	Other Notes	
Balance as of December 31, 2024 (a)	\$ —	\$ 1,364	\$ 4,382	\$ 417	\$ 250	\$ 1,576	\$ 75	\$ 8,064
New Issuances (b)	1,435	470	—	—	—	—	—	1,905
Repayment of Debt (c)	—	—	(714)	—	(250)	(1,576)	—	(2,540)
Conversion of Debt to Equity (d)	(792)	(727)	—	—	—	—	—	(1,519)
Fair Value Adjustments of Debt (e)	178	(656)	—	—	—	—	—	(478)
Reclassification of Debt Between Debt Categories (f)	451	(451)	—	—	—	—	—	—
Other Adjustments (g)	—	—	40	4	—	—	—	44
Balance as of September 30, 2025 (h)	<u>\$ 1,272</u>	<u>\$ —</u>	<u>\$ 3,708</u>	<u>\$ 421</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 75</u>	<u>\$ 5,476</u>

(a) The carrying value for each note category, fair value or amortized cost depending on the election, as of December 31, 2024.

(b) Debt instruments issued during the period, recorded at fair value upon issuance if the fair value option is elected, or at principal balance net of discounts. For notes measured at fair value, the aggregate fair value adjustment recognized at issuance reduced the principal amount of notes issued during the period by \$2,825 thousand. This reduction reflects the allocation of total transaction proceeds between the SPA Notes and the related SPA Warrants and Incremental Warrants issued as part of the bundled transaction.

(c) Cash repayments of principal amounts during the period.

(d) Fair value of debt converted into equity during the period.

(e) Adjustments to debt fair value due to the fair value option election, embedded derivatives, or anti-dilution provisions. These adjustments are presented as a component of 'Change in fair value of notes payable, warrant liabilities, and call option derivatives' in the Unaudited Condensed Consolidated Statements of Operations. Line item 'Change in fair value of notes payable, warrant liabilities, and call option derivatives' also includes debt issuance costs of \$189 thousand, which are separately identifiable from the fair value adjustments noted above.

(f) Transfers of amounts between debt categories, such as from secured to unsecured classifications.

(g) Miscellaneous changes not captured in other columns, such as currency adjustments and reclassification to accrued expenses.

(h) The carrying value for each note category, fair value or amortized cost depending on the election, as of September 30, 2025.

Faraday Future Intelligent Electric Inc.
Notes to Unaudited Condensed Consolidated Financial Statements

The following table presents a roll forward of the Company’s Related party notes payable balances from December 31, 2023 to September 30, 2024. It summarizes beginning and ending balances by debt category and details changes during the period, including repayments, conversions, reclassifications, fair value adjustments, and other significant transactions.

(in thousands)	Categories of Related Party Debt							Total
	2023 Unsecured Convertible Note	Unsecured SPA Notes	Notes Payable — China	Notes Payable on Demand — China	Convertible FFGP Note	FFGP Note	Other Notes	
Balance as of December 31, 2023 (a)	\$ 542	\$ —	\$ 5,103	\$ 3,789	\$ —	\$ 326	\$ —	\$ 9,760
New Issuances (b)	—	1,499	—	—	250	1,250	75	3,074
Repayment of Debt, including periodic interest on debt carried at fair value (c)	—	—	—	—	—	—	—	—
Conversion of Debt to Equity (d)	(435)	—	—	—	—	—	—	(435)
Fair Value Adjustments of Debt (e)	(107)	(197)	—	—	—	—	—	(304)
Other Adjustments (f)	—	—	2,603	16	—	—	—	2,619
Balance as of September 30, 2024 (g)	\$ —	\$ 1,302	\$ 7,706	\$ 3,805	\$ 250	\$ 1,576	\$ 75	\$ 14,714

(a) The carrying value for each note category, fair value or amortized cost depending on the election, as of December 31, 2023".

(b) Debt instruments issued during the period, recorded at fair value upon issuance if the fair value option is elected, or at principal balance net of discounts. For notes measured at fair value, the aggregate fair value adjustment recognized at issuance reduced the principal amount of notes issued during the period by \$835 thousand. This reduction reflects the allocation of total transaction proceeds between the SPA Notes and the related SPA Warrants and Incremental Warrants issued as part of the bundled transaction.

(c) Cash repayments of principal amount and periodic interest, where fair value option is elected, during the period.

(d) Fair value of debt converted into equity during the period.

(e) Adjustments to debt fair value due to the fair value option election, embedded derivatives, or anti-dilution provisions. These adjustments are presented as a component of Change in fair value of notes payable, warrant liabilities, and call option derivatives in the Unaudited Condensed Consolidated Statements of Operations.

(f) Miscellaneous changes not captured in other columns, such as currency adjustments.

(g) The carrying value for each note category, fair value or amortized cost depending on the election, as of September 30, 2024.

Schedule of Principal Maturities of Related Party Notes Payable

The future scheduled principal maturities of Related party notes payable as of September 30, 2025, are as follows:

(in thousands)	Amount
Years Ending December 31,	
Due on demand	\$ 496
2025 (3 months remaining)	927
2026	2,022
2027	759
2028	—
2029	—
2030	2,855
Thereafter	—
	<u>\$ 7,059</u>

The Company has entered into various financing arrangements with related parties, categorized as follows: (i) 2023 Unsecured Convertible Note; (ii) Unsecured Convertible Notes; (iii) 2025 March Unsecured SPA Notes; (iv) Notes Payable — China; (v) Notes Payable on Demand — China; (vi) FFGP Note; and (vii) Convertible FFGP Note.

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Notes to Unaudited Condensed Consolidated Financial Statements

2023 Unsecured Convertible Note

In May 2023, June 2023, and October 2023, the Company issued unsecured convertible notes to MHL, a related party, under the 2023 Unsecured SPA Notes as the anchor investor. (For information on the terms of this note, see Note 7, *Notes Payable* 2023 Unsecured SPA Notes issued to third-parties.)

The Company elected the fair value option under ASC 825, *Financial Instruments*, for the 2023 Unsecured SPA Notes because the notes include features such as a contingently exercisable put option, which meets the definition of an embedded derivative.

Summary of Activity

As of September 30, 2025 and December 31, 2024, there were no outstanding related party 2023 Unsecured SPA Notes.

There was no related party activity related to the 2023 Unsecured SPA Notes during the three and nine months ended September 30, 2025 or the three months ended September 30, 2024.

During the nine months ended September 30, 2024, the Company converted related party debt with a principal amount of \$0.7 million into 33,107 shares of Class A Common Stock. The conversion of 2023 Unsecured SPA Notes into Class A Common Stock resulted in a loss on extinguishment of \$0.2 million. For the nine months ended September 30, 2024, the Company recognized a gain of \$0.1 million from the fair value remeasurement of 2023 Unsecured SPA Notes under ASC 825, which was recorded in Change in fair value of related party notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

Unsecured Convertible Notes

In January 2024, the Company issued an unsecured convertible note to MHL, a related party, in a principal amount of \$1.5 million. The note was due three months from the date of issuance (April 2024), accrued interest at an annual rate of 4.27% per annum, and is convertible at the option of the holder into either Class A Common Stock or into a 2023 Unsecured Convertible Note.

In February 2025, MHL converted the outstanding debt with a principal balance of \$1.5 million into 1,352,767 shares of Class A Common Stock. The conversion of the Unsecured Convertible Notes into Class A Common Stock resulted in a loss on extinguishment of \$1.2 million which was recorded in Loss on settlement of related party notes payable in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

In March 2025, the Company issued an unsecured convertible note to MHL, in a principal amount of \$1.5 million. The note was due three months from the date of issuance, accrued interest at an annual rate of 4.27% per annum, and was convertible at the option of the holder into either Class A Common Stock or into unsecured convertible notes issued subsequently pursuant to a securities purchase agreement. If conversion into Class A Common Stock is elected, the conversion price would be based on the latest closing price of the Company's Class A Common Stock on the conversion date. If settlement in a subsequent Securities Purchase Agreement is elected, the new note would be issued with a 15% original issue discount. In April 2025, MHL exchanged the Unsecured Convertible Notes into 2025 March Unsecured SPA Notes.

The Company elected to apply the fair value option under ASC 825, *Financial Instruments*, for these notes, based on its expectation that the notes would be exchanged into SPA Portfolio Notes pursuant to the holder's conversion rights. SPA Portfolio Notes include features such as a contingently exercisable put option, which meet the definition of an embedded derivative under applicable accounting standards.

As of September 30, 2025, the fair value of the Unsecured Convertible Notes was zero, compared to \$1.4 million as of December 31, 2024.

For the three months ended September 30, 2025, and 2024, the Company recognized a gain of zero and \$0.6 million, respectively, from the fair value remeasurement of Unsecured Convertible Notes under ASC 825, which was recorded in Change in fair value of related party notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

For the nine months ended September 30, 2025 and 2024, the Company recognized a gain of \$0.7 million and \$0.2 million, respectively, from the fair value remeasurement of Secured SPA Notes under ASC 825, which was recorded in Change in fair value of related party notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

Faraday Future Intelligent Electric Inc.
Notes to Unaudited Condensed Consolidated Financial Statements

2025 March Unsecured SPA Notes

Investors in the 2025 March Unsecured SPA Notes include related parties. (For information on the terms of these notes, see Note 7, *Notes Payable 2025 March Unsecured SPA Notes* issued to third-parties.)

Summary of Activity

As of September 30, 2025, the fair value of the outstanding 2025 March Unsecured SPA Notes to related party investors was approximately \$1.3 million compared to zero as of December 31, 2024.

During the three and nine months ended September 30, 2025, the Company received net cash proceeds of \$0.1 million and \$3.2 million, respectively, after original issue discounts, in exchange for the issuance of 2025 March Unsecured SPA Notes to related party investors. During the same periods, the Company converted debt with a principal amount of zero and \$2.1 million into zero and 2,017,794 shares of Class A Common Stock, respectively. The conversion of 2025 March Unsecured SPA Notes to related party investors, into Class A Common Stock resulted in a loss on extinguishment of zero and \$1.9 million, for each period, which was recorded in Loss on settlement of related party notes payable in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss. For the three and nine months ended September 30, 2025, the Company recognized a gain of \$0.3 million and a loss of \$0.2 million, respectively, from the fair value remeasurement of Secured SPA Notes under ASC 825, which was recorded in Change in fair value of related party notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

There was no related party activity related to the 2025 March Unsecured SPA Notes during the three and nine months ended September 30, 2024 as the 2025 March Unsecured SPA Notes had not yet been issued.

Notes Payable — China

The Company has outstanding debt payable to Leshi Small Loan Co., Ltd. (“Chongqing”), a related party, also known as “Notes Payable — China.” In 2022, Chongqing agreed to modify the debt agreement, contingent on the Company making an initial payment of 10% of the agreed upon discounted principal amount. Under the modified terms, the Company received a waiver of accrued interest, a reduction in the principal balance, and an extended repayment schedule requiring full payment of the discounted principal by December 31, 2023. However, the Company did not pay the outstanding principal amount in full by the maturity date of December 31, 2023, and as a result, in January 2024 the Company incurred substantial interest and penalties. Per the terms of the 2022 agreement, in the event of a default at maturity all outstanding interest and penalties since the inception of the original agreement reverted to Chongqing and the discounted principal balance returned to the full unpaid amount. As a result, the Company recognized a loss of \$14.1 million shown as component of Loss on settlement of related party notes payable in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss during the nine months ended September 30, 2024.

In December 2024, the Company repaid \$0.1 million and entered into supplementary agreements with Chongqing, further restructuring its outstanding debt. The December 2024 agreements largely restored the debt to amounts outstanding prior to the default on December 31, 2023. If the Company defaults again on its payment plan with Chongqing the interest and penalties accrued since the inception of the original agreement and the note principal will revert back to Chongqing in proportion to the unpaid portion of the discounted principal balance. The agreements maintain an 18.0% stated interest rate for the debt and establish a payment plan for periodic principal and interest payments until the revised maturity date of April 2027. The Company accounted for the restructuring as a troubled debt restructuring under ASC 470-60, *Debt – Troubled Debt Restructurings by Debtors*. The restructuring did not result in debt extinguishment for accounting purposes, as the modified terms were not deemed substantially different under ASC 470. As a result of the restructuring, the Company recognized a gain of \$0.7 million in additional paid-in capital, reflecting the related party nature of the transaction. Following the restructuring and subsequent principal payments, the Company's Notes Payable—China is in good standing as of September 30, 2025.

Summary of Activity

As of September 30, 2025, the principal value of this note payable was \$3.7 million, compared to \$4.4 million as of December 31, 2024. As of September 30, 2025 and December 31, 2024, the Company had accrued but unpaid interest and penalties of \$19.6 million and \$23.1 million recorded in Related party accrued interest on the Unaudited Condensed Consolidated Balance Sheets.

During the three and nine months ended September 30, 2025, the Company repaid \$0.6 million and \$0.7 million and recognized a gain of \$3.1 million and \$3.8 million in additional paid-in capital.

Faraday Future Intelligent Electric Inc.
Notes to Unaudited Condensed Consolidated Financial Statements

Notes Payable on Demand — China

The Company's notes payable with investors based in China (“Notes Payable on Demand — China”) bear a zero percent interest rate. The outstanding balance as of September 30, 2025 and December 31, 2024, was \$0.4 million and \$0.4 million, respectively.

FFGP Note

In November 2023 and January 2024, the Company issued unsecured promissory notes to FFGP Investment Holding I, LLC (“FFGP”), a related party, in an aggregate principal amount of \$1.6 million. These notes, referred to as the “FFGP Note”, were due three months from their respective dates of issuance and accrued interest at either 4.27% or 5.27%.

FFGP fully waived its enforcement rights and remedies under the loan agreement with respect to the outstanding principal balance until final settlement. During the three and nine months ended September 30, 2025, the Company repaid \$1.3 million and 1.6 million, respectively. The carrying values of the FFGP Note were zero and \$1.6 million as of September 30, 2025 and December 31, 2024, respectively.

Convertible FFGP Note

In February 2024, the Company and FFGP entered into an unsecured convertible note in the principal amount of \$0.3 million. The note referred to as the “Convertible FFGP Note”, has a maturity date of May 2024 accrued interest at a rate of 4.27% per annum, and is convertible into the Company’s Class A Common Stock at the holder’s option. The conversion price is the latest closing price of the Company’s Class A Common Stock on the conversion date.

FFGP fully waived its enforcement rights and remedies under the loan agreement with respect to the outstanding principal balance until final settlement. During the three and nine months ended September 30, 2025, the Company repaid \$0.1 million and \$0.3 million, respectively. The carrying value of the Convertible FFGP Note was zero and \$0.3 million as of September 30, 2025 and December 31, 2024, respectively.

Related Party Accounts Payable, Accrued Liabilities and Other Significant Transactions

The Company enters into various related party transactions that do not involve notes payable, such as property leases, consulting services, advertising services, and other financial arrangements with entities affiliated with its founder, key executives, or their family members. This section specifically excludes related party notes payable, which are discussed in a separate section above, and instead focuses on summarizing the nature, terms, and financial impact of these non-debt transactions, including payments made, outstanding balances, and other pertinent details.

FF Global Transactions and Consulting Services

FF Global Partners LLC (“FFGP”) is an affiliate of the Company’s founder and Global Co-CEO, Mr. Yueting Jia, and has historically exerted significant influence over the Company’s governance. Effective August 13, 2025, during the pendency of the SEC investigation, Mr. Jia was temporarily excluded from oversight of the finance, legal, accounting, and public reporting functions. The Company entered into a Consulting Services Agreement with FFGP effective February 1, 2023, under which FFGP provided strategic and operational advisory services for a monthly fee of \$200,000. The agreement automatically renewed on March 6, 2024, for an additional 12-month term and permitted reimbursement of certain documented out-of-pocket expenses, subject to specified limits. The Company terminated the agreement effective March 23, 2025, in connection with entering into a new consulting arrangement with FFGP.

During 2025, the Company and FFGP amended their consulting agreement. As revised, the agreement provides for a fixed monthly consulting fee of \$100,000 and includes a quarterly bonus opportunity of up to \$1.0 million. Any bonus is contingent on FFGP’s performance and is subject to the sole discretion of the Company’s Board of Directors. The Board is responsible for determining whether any performance objectives have been met and whether a bonus award is warranted. The agreement does not specify quantitative performance targets but allows the Board to consider overall contributions to business strategy, operational execution, and organizational planning.

For the nine months ended September 30, 2025, the Company paid approximately \$7.1 million to FFGP, including a \$2.0 million bonus payment to FFGP in September 2025 and \$1.7 million to repay two loans payable to FFGP (see FFGP Note and Convertible FFGP Note, above for details). As of September 30, 2025 the Company had a Related Party Accrued Liability balance of \$0.3 million related to consulting services provided by FFGP.

In early 2023, FFGP submitted a reimbursement request for approximately \$6.5 million of legal expenses related to governance matters. The Board did not approve the request, and accordingly no liability has been recorded. The matter remains

Faraday Future Intelligent Electric Inc.
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unresolved as of September 30, 2025. The new consulting agreement did not modify, settle, or otherwise address this prior reimbursement claim.

Advertising Services Payable to Leshi Information Technology Co., Ltd

The Company has recorded a related party payable to Leshi Information Technology Co., Ltd. within Related party accrued expenses and other current liabilities in the amount of \$8.2 million and \$7.7 million, respectfully as of September 30, 2025 and December 31, 2024, in connection with advertising services provided to the Company in prior years. LeTV is a Shanghai Stock Exchange-listed public company founded and controlled by Mr. Yueting Jia, the Company's founder and Global Co-CEO.

Research and Developments Services Payable to Lerongzhixin Electronic Technology (Tianjin) Co., Ltd.

The Company has recorded a related-party payable to Lerongzhixin Electronic Technology (Tianjin) Co., Ltd. ("Lerongzhixin") within Related party accrued expenses and other current liabilities in the amount of \$3.1 million and \$3.0 million, respectfully, as of September 30, 2025 and December 31, 2024, in connection with technology-transfer and R&D services provided to the Company's subsidiary LeAutolink Intelligent Technology (Beijing) Co., Ltd. ("LeAutolink") under a Technology Transfer Agreement. Under this agreement, Lerongzhixin provided technical know-how and deliverables covering product and circuit design, software and databases, test/inspection reports and experimental data, prototypes and tooling, and related documentation and patents. Lerongzhixin and LeAutolink are entities affiliated with Mr. Yueting Jia and are therefore presented as related parties.

Grow Fandor

During 2024 and 2025, the Company entered into several related party transactions with Grow Fandor Inc. ("Grow Fandor"). Grow Fandor is considered a related party because it is significantly influenced by Mr. Yueting Jia, the Company's Global Co-CEO, who has a financial and operational interest in the entity. Grow Fandor was co-founded by Mr. Jia and Mr. Jerry Wang, who currently serves as President of the Company and is a significant shareholder in Grow Fandor. Below is a summary of the Company's transactions with Grow Fandor and the related accounting treatment:

- ***Promissory Note:*** In September 2024, the Company executed a promissory note with Grow Fandor in the principal amount of \$75,000. This note has been classified as "Other Notes" in table above that summarizes the related party note payable agreements as of September 30, 2025.
- ***Share Donation:*** In October 2024, the Company received a donation of 15,000,000 shares of Class B Common Stock of Grow Fandor from Mr. Yueting Jia, which represents an approximately 10% ownership interest. Because Grow Fandor is in the preliminary stages of development and significant independent capital has not been raised, management concluded that the shares do not currently have value within the financial statements.
- ***Trademark License Agreement:*** In October 2024, the Company and Grow Fandor executed the Trademark License Agreement. Under the terms of the licensing agreement, Grow Fandor has exclusive licensing rights as the only third-party allowed to use the FF and FX brands and marks during the contract term. In exchange Grow Fandor will pay to the Company: (1) a royalty fee, payable quarterly, calculated as the greater of: (a) 50% of the annual net profit from FF and FX ecosystem products, and (b) 5% of net sales revenue from all relevant brand ecosystem products; and (2) a \$250,000 annual base license fee. Grow Fandor paid the initial annual license fee. Subsequent annual license fees will be payable within 30 days after each contract year. The Company recorded the initial license fee as a capital contribution due to the related party nature of the relationship with Grow Fandor and Mr. Yueting Jia's public statements that the relationship is designed to provide incremental capital to the Company.
- ***Sub-lease Agreement:*** Effective June 2025, the Company entered into a sublease agreement with Grow Fandor, for approximately 3,000 square feet of office space at our corporate office location. The term of the sublease is ten months, ending March 31, 2026. Monthly base rent is \$4,500, with an additional \$3,000 per month for Grow Fandor's share of Common Area Operating Expenses, which may be deferred and accrue interest at 5% annually. The premises will be used for storage of apparel for e-commerce, office use, and video recording/streaming.

The Company recorded Related party accrued expenses and other current liabilities of approximately \$0.3 million and \$0.0 million of September 30, 2025 and December 31, 2024, respectively. During the three and nine months ended September 30, 2025, the Company received \$20 thousand and \$20 thousand, respectively, primarily from sublease payments.

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X-Butler Transactions

The Company leased two real properties, located in Rancho Palos Verdes, California (the “Rancho Palos Verdes Properties”), from X-Butler from January 1, 2018, through March 31, 2022. X-Butler in turn leased the Rancho Palos Verdes Properties from Mr. Yueting Jia, the Company’s founder and Global Co-CEO. The Rancho Palos Verdes Properties were used by the Company to provide long-term or temporary housing to employees of the Company (including a former Global CEO). According to the agreement between the parties, the Company paid X-Butler for rent and certain services, including catering, room services and organization of meetings, external gatherings and events, for the Rancho Palos Verdes Properties. For the nine months ended September 30, 2025, the Company paid \$0.1 million to X-Butler for rent and business development services rendered to the Company and its executives. The Company has recorded approximately \$0.1 million and \$0.3 million in Related party accrued expenses and other current liabilities as of September 30, 2025 and December 31, 2024, respectively.

Other Related Party Transactions

Excluding our related party loan repayments and payments made to FFGP and X-Butler (as explain above), during nine months ended September 30, 2025 the Company paid approximately \$1.0 million to various related parties, primarily members of the Board of Directors and executives in ordinary course of business.

Related-Party Participation in AIXC financing

In September 2025, in connection with the Company’s acquisition of a controlling interest in AIXC, certain related parties of the Company participated alongside the Company in AIXC’s equity financing through an escrow account. Yueting (YT) Jia funded \$4.0 million, and Jerry (Jiawei) Wang funded \$0.2 million on September 26, 2025. For context, aggregate escrow receipts from all investors totaled \$40.7 million, including \$30.0 million funded by the Company. (See Note 3, *Business Acquisition—Consolidation of AIXC.*)

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10. Other Financing Liabilities***FF ieFactory California (“Hanford”) Financing Arrangement***

On October 19, 2023, the Company entered into a sale leaseback transaction whereby it has exercised its option to purchase its FF ieFactory California manufacturing facility located in Hanford California (the “Property”) and simultaneously completed a sale leaseback to Ocean West Capital Partners (“Landlord”) pursuant to that certain Lease Agreement, dated as of October 19, 2023, by and between the Tenant and 10701 Idaho Owner, LLC (the “Lease Agreement”). This Lease Agreement also allows the Tenant access to up to \$12.0 million of tenant improvement allowance for the Property. The Lease Agreement is for a term of five years, with a monthly lease rate of \$0.4 million, with a five-year extension option, and the Tenant has an option to purchase the fee interest in the Property at any time after the second year of the lease term. The Company would be required to pay approximately \$58.7 million to exercise the purchase option and acquire the ownership interest in the property. Furthermore, the Tenant has a right of first offer to purchase the Property in the event Landlord desires to sell the Property. The obligations of the Tenant under the lease are guaranteed by the Company pursuant to that certain Guaranty of Lease made by the Company to 10701 Idaho Owner, LLC.

Due to the inclusion of the purchase option in the lease agreement, the Company was considered to have continuing involvement and, thus, accounted for the transaction as a failed sale lease back, with the Property assets subject to the sale leaseback remaining on the balance sheet and the sale proceeds recorded as a liability in accordance with the financing method. The Company recognized a \$24.9 million financing obligation at the completion of the transaction, which was recorded to the Other financing liabilities, long term portion on its Unaudited Condensed Consolidated Balance Sheets. No gain or loss was recorded on the failed sale and lease back.

On March 14, 2024, the Company entered into the First Amendment to the Lease Agreement (the “First Amendment”). The First Amendment established a repayment plan requiring the Company to pay an aggregate amount of \$1.7 million of past due rent by March 31, 2024. The Company has an original Security Deposit balance of \$1.5 million. In December 2024, the Landlord applied \$0.6 million of the original Security Deposit to past due rent. In January 2025, the Company paid the Landlord \$0.6 million that reinstated the Security Deposit balance.

On August 27, 2024, the Company entered into the Second Amendment to the Lease Agreement (the “Second Amendment”). Under the terms of the original lease agreement, the Company expected to receive \$12.0 million in tenant improvement allowance, the repayment of which was included in the scheduled financing obligation payments. In the Second Amendment, the Landlord agreed to fund up to \$10.0 million of the costs associated with the replacement of the Property’s roof and the remaining \$2.0 million for other improvement costs. The \$2.0 million may be reduced by incremental actual costs incurred for the roof replacement and the remaining amount will be contingent on the Company funding up to 66.67% of the other improvement costs.

As of September 30, 2025 and December 31, 2024, the Company had a leasehold improvement balance of \$11.7 million and \$6.9 million, respectively, within Property, plant and equipment, net, reflecting amounts funded through the tenant improvement allowance. The repayment of the tenant improvement allowance are included in the scheduled financing obligation payments.

For the three and nine months ended September 30, 2025, the Company recorded interest expense of \$2.1 million and \$6.0 million, respectively.

For the three and nine months ended September 30, 2024 the Company recorded interest expense of \$1.7 million and \$5.1 million, respectively.

The financial liability as of September 30, 2025 and December 31, 2024 was \$42.7 million and \$35.2 million, respectively.

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Collateralized Loan*Overview and Terms*

The Collateralized Loan was entered into on July 11, 2024, with Utica Leaseco, LLC. The loan is secured by machinery and equipment owned by the Company. It bears an effective interest rate of 23% and requires 51 monthly payments of \$0.1 million, concluding with a \$0.5 million balloon payment in October 2028. The loan terms include provisions for adjusting monthly payments based on fluctuations in the prime rate.

Summary of Collateralized Loan Activity

As of September 30, 2025 and December 31, 2024, the carrying value of the Collateralized Loan was \$3.8 million and \$4.3 million, respectively. Of these amounts \$0.9 million and \$0.8 million, respectively, were included in Other financing liabilities, current portion and \$2.9 million and \$3.5 million, respectively, were included in Other financing liabilities, long term portion in the Unaudited Condensed Consolidated Balance Sheets. For the three and nine months ended September 30, 2025, the Company repaid \$0.2 million and \$0.6 million of Collateralized Loan principal, respectively. Interest expense for the three and nine months ended September 30, 2025 was \$0.3 million and \$0.9 million, respectively. There was no activity involving the Collateralized Loan during the three and nine months ended September 30, 2024.

The future scheduled principal maturities of financing obligations as of September 30, 2025 are as follows:

<i>(in thousands)</i>	
Years Ending December 31,	Amount
2025 (3 months remaining)	\$ 207
2026	951
2027	1,189
2028	60,455
	<u>\$ 62,802</u>

11. Leases

The Company determines if an arrangement is a lease at its commencement if the Company is both able to identify an asset and conclude the Company has the right to control the identified asset. Leases are classified as finance or operating based on the principle of whether or not the lease is effectively a financed purchase by the lessee. An ROU asset represents the Company's right to use an underlying asset for the lease term and a lease liability represents the Company's obligation to make lease payments related to the lease. The Company recognizes operating and finance lease ROU assets and liabilities at the commencement date based on the present value of lease payments over the lease term. The lease term includes renewal options when it is reasonably certain that the option will be exercised and excludes termination options. The Company's leases do not provide an implicit rate. Therefore, the Company uses its incremental borrowing rate based on information available at the commencement date to determine the present value of lease payments. The incremental borrowing rate used is estimated based on what the Company would be required to pay for a collateralized loan for a similar asset over a similar term. The Company's leases do not include any material residual value guarantees, or bargain purchase options.

To the extent that the Company's agreements have variable lease payments, the Company includes variable lease payments that depend on an index or a rate in the measurement and classification of a lease and exclude those that depend on facts or circumstances occurring after the commencement date, other than the passage of time. Lease expense for operating leases is recognized on a straight-line basis over the lease term and is recorded in operating expenses in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss. Amortization of ROU assets on finance leases is recorded on a straight-line basis within operating expenses in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss. Interest expense incurred on finance lease liabilities is recorded in Interest expense in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss. The Company has elected not to recognize ROU assets and lease liabilities that arise from short-term (12 months or less) leases for any class of underlying asset. Additionally, the Company does not separate lease and non-lease components. Operating leases are included in Operating lease right-of-use assets, net, Operating lease liabilities, current portion and Operating lease liabilities, long term portion in the Company's Unaudited Condensed Consolidated Balance Sheets.

The Company's lease arrangements primarily consist of corporate office, store, and vehicle lease agreements. The leases expire on various dates through 2027.

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As part of the Company's plan to expand its operations within the United Arab Emirates, the Company signed a lease on May 01, 2025 with Ras Al Khaimah Economic Zone Authority ("RAKEZ") to rent a warehouse with 10,000 square meters total rentable surface for 5 years and an annual lease payment of AED 3,800,000. The Company has a \$0.5 million deposit for a future lease expected to commence in early 2026 with Master Investment Group (MIG). MIG is also the holder of the July 2025 Unsecured Notes and the Junior Senior Secured Notes, which had a combined fair value of \$1.8 million as of September 30, 2025.

Lease Impairment

During the nine months ended September 30, 2024, the Company vacated a leased store facility and a leased research facility while working with the landlords to negotiate the related lease terminations. As a result, the Company recognized a lease right-of-use (ROU) asset impairment loss of \$7.7 million related to the loss of use of these two facilities which is in the Asset impairment line of the Unaudited Condensed Consolidated Statement of Operations and Comprehensive Loss.

Sublease

In June 2025, the Company entered into a sublease arrangement with Grow Fandor, a related party, whereby Grow Fandor leases 3,000 square feet of office space at the Gardena Corporate Office location for ten months. The area subleased constitutes roughly 2% of the overall rentable space at the Gardena location. The monthly base rent is insignificant and is recorded as other income.

12. Commitments and Contingencies

The Company is, from time to time, subject to claims and disputes arising in the normal course of business. In the opinion of management, the outcome of any such claims and disputes cannot be predicted with certainty.

Legal Proceedings Against the Company

As of September 30, 2025 and December 31, 2024, the Company had accrued legal contingencies of \$8.6 million and \$9.1 million, respectively, recorded within Accrued expenses and other current liabilities and Accounts payable for potential financial exposure related to ongoing legal matters, primarily related to breach of contracts and employment matters, which are deemed both probable of loss and reasonably estimable.

Class and Derivative Actions

Zhou v. Faraday Future Intelligent Electric Inc. f/k/a Property Solutions Acquisition Corp. et al., Case No. 2:21-cv-009914 (U.S. District Court – Central District of California).

On December 23, 2021, a putative class action lawsuit alleging violations of the Exchange Act was filed in the United States District Court, Central District of California, against the Company and its former Chief Executive Officer and Chief Financial Officer, and its then-Chief Product and User Ecosystem Officer (who was promoted to Global Co-CEO in April 2025; On May 6, 2022, the appointed lead plaintiffs in the Zhou putative class action filed an amended complaint alleging violations of Sections 10(b), 14(a) and 20(a) of the Exchange Act, Sections 11 and 15 of the Securities Act, and related "control" person claims for secondary liability under those statutes, seeking unspecified damages. Following motion to dismiss briefing and the subsequent court-ordered dismissal of several of the plaintiffs' claims, answers were filed and the parties agreed to participate in mediation. On April 27, 2023, the court granted the parties' joint motion for a temporary stay pending mediation. The parties thereafter participated in a private mediation on June 29, 2023. After further discussions and negotiations, the parties reached an agreement-in-principle to settle the Zhou putative class action. Although denying all allegations, the Company nevertheless agreed to settle the Zhou putative class action for a non-reversionary cash payment of \$7.5 million to be funded entirely by the Company's insurers for the benefit of the settlement class, in exchange for the release of all claims that were or could have been asserted against the Company. The court thereafter granted preliminary approval of the settlement on November 7, 2023, and scheduled a hearing for final approval of the settlement to take place on March 18, 2024. On January 23, 2024, the ostensible lead plaintiff in the Consolidated Delaware Class Action discussed below, filed an Objection to final approval of the settlement (the "Objection") to which the Company and the other defendants responded on March 11, 2024. On March 18, 2024, the court overruled the Objection in its entirety and entered an Order finally approving the Zhou putative class action settlement.

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Farazmand v. Breitfeld et al., Case No. 2:22-cv-01570 (U.S. District Court – Central District of California).

Zhou v Breitfeld et al., Case No. 2:22-cv-01852 (U.S. District Court – Central District of California).

Moubarak v. Breitfeld et al., Case No. 1:22-cv-00467 (U.S. District Court – District of Delaware).

Wang v. Breitfeld et al., Case No. 1:22-cv-00525 (U.S. District Court – District of Delaware).

Wallace v. Breitfeld et al., Case No. 2023-0639-KSJM (Delaware Court of Chancery).

Ashkan Farazmand and Wangjun Zhou v. Breitfeld, et al., Case No. 2023-1283 (Delaware Court of Chancery).

On March 8 (Farazmand) and March 21 (Zhou), 2022, putative stockholder derivative lawsuits were respectively filed in the United States District Court, Central District of California and were subsequently consolidated in an action entitled *In re Faraday Future Intelligent Electric Inc. Case No. 2:22-cv-1570* (the “California Federal Derivative Action”). The California Federal Derivative Action was stayed pending resolution of certain proceedings in the Zhou putative class action discussed above, which stay expired in February 2023. Plaintiffs thereafter filed a verified consolidated amended complaint on June 2, 2023, in response to which the Company and the other defendants filed a motion to dismiss. On January 22, 2024, the court granted in part, and denied in part, the motion to dismiss with leave to amend. On February 6, 2024, the parties filed a stipulation to stay the California Federal Derivative Action pending mediation that was entered by the court on February 12, 2024.

On April 11 (Moubarak) and April 25 (Wang), 2022, putative stockholder derivative lawsuits were respectively filed in the United States Delaware District Court (collectively, the “Delaware Federal Derivative Actions”). On February 6, 2023, the Delaware Derivative Actions were stayed pending resolution of the pending proceedings in the Zhou putative class action.

On June 21 (Wallace) and December 22 (Farazmand), 2023, putative derivative lawsuits were respectively filed in the Delaware Court of Chancery (collectively, the “Delaware State Derivative Actions”). The parties stipulated to a stay of the Wallace action which was entered by the court on December 29, 2023.

Each of the foregoing derivative lawsuits purported to assert claims on behalf of the Company against certain of the Company’s current and former officers and directors for alleged violations of the Exchange Act or for various common law claims based upon those officers’ and directors’ alleged breaches of their purported fiduciary duties owed to the Company and/or for their alleged aiding and abetting of those purported breaches, resulting in unspecified damages to the Company. Although the complaints filed in the foregoing lawsuits vary in detail, they are generally premised upon many of the same underlying allegations made in the Zhou putative class action. The parties to the foregoing derivative lawsuits participated in a mediation on May 13, 2024, following which they reached a settlement in principle. On July 19, 2024, the parties entered into a Stipulation and Agreement of Settlement that was filed in the California Federal Derivative Action, which incorporated all of the foregoing derivative lawsuits respectively filed in California and Delaware. On September 3, 2024, the California Federal Derivative Action Court entered an order preliminarily approving the Stipulation and Agreement of Settlement (the “Preliminary Approval Order”) and provided for notice of the same to be made to Current Stockholders. On October 30, 2024, the California Federal Derivative Action Court approved the Settlement Agreement, resolving all of the foregoing derivative lawsuits. Following the approval of the Settlement Agreement, the California Federal Derivative Action was dismissed on October 30, 2024 and the Delaware Federal Derivative Actions were dismissed on November 15, 2024 (Wang) and November 19, 2024 (Moubarak). On December 31, 2024, the parties in the Farazmand filed a stipulation of dismissal which was subsequently entered by the court.

The Consolidated Delaware Class Action

On June 14, 2022, a verified stockholder class action complaint was filed in the Delaware Court of Chancery against, among others, the Company, its former Global CEO and CFO, and its then-Chief Product and User Ecosystem Officer (who was promoted to Global Co-CEO in April 2025; alleging breaches of fiduciary duties (the “Yun Class Action”). On September 21, 2022, a second verified stockholder class action complaint was filed in the Delaware Court of Chancery against, among others, the Company, the Global Co-CEOs and independent directors of PSAC, and certain third-party advisors to PSAC, alleging breaches of fiduciary duties, and aiding and abetting those alleged breaches, in connection with disclosures and stockholder voting leading up to the PSAC/Legacy FF merger (the “Cleveland Class Action”). The Cleveland and Yun Class Actions subsequently were consolidated the complaint in the Cleveland Class Action being designated as the operative pleading (collectively, the “Consolidated Delaware Class Action”). In April 2023, the defendants respectively filed motions to dismiss that complaint. While the defendants’ motions to dismiss were pending, the Central District of California approved the Zhou putative class action settlement. On May 24, 2024, the defendants in the Consolidated Delaware Class Action filed a motion for summary judgment based upon the court-approved settlement agreement in Zhou putative class action on the grounds that among other things, the releases of that settlement agreement barred the claims in the Consolidated Delaware Class Action. On February 10, 2025, the Delaware Court of Chancery granted summary judgment and dismissed the Consolidated Delaware Class Action both in its entirety and with prejudice.

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Additionally, on September 19, 2022, FF Global, filed a lawsuit in the Chancery Court of the State of Delaware against the Company, seeking the removal of Ms. Susan Swenson and Mr. Brian Krolicki from the Board. On September 27, 2022, the case was dismissed without prejudice pursuant to an agreement between FF Global and FF Top (the “Heads of Agreement”). Shortly following the execution of the Heads of Agreement, FF Global began making additional demands of the Company which were beyond the scope of the terms contemplated by the Heads of Agreement and pertained to, among other things, the Company’s management reporting lines and certain governance matters. On September 30, 2022, FF Global alleged that the Company was in material breach of the spirit of the Heads of Agreement. The Company believes it has complied with the applicable terms of the Heads of Agreement and disputes any characterization to the contrary. Such disputes divert management and Board resources and are costly. There can be no assurance that this or any other dispute between the Company and FF Global will not result in litigation. On October 3, 2022, Ms. Swenson and Mr. Scott Vogel, a member of the Board, tendered their resignation from the Board effective immediately. On October 3, 2022, Mr. Jordan Vogel also tendered his resignation from the Board effective on October 5, 2022. On October 28, 2022, Mr. Brian Krolicki tendered his resignation from the Board effective immediately.

Legal Proceedings Initiated by the Company

The Company has determined there to be financial exposure related to an ongoing legal matter, primarily arising from the bankruptcy of a key supplier. The exposure involves previously recorded deposits and tooling equipment, which have since become subject to legal contingency considerations due to the supplier’s insolvency.

The Company initially recorded \$1.9 million in deposits and \$12.9 million in tooling equipment in connection with its contractual relationship with a primary supplier. These amounts were originally recognized as a deposit paid for goods and services and tooling received, respectively, and continue to be reflected in their originally recorded accounts on the Consolidated Balance Sheets. However, following the primary supplier’s bankruptcy filing, these balances were identified as at risk, creating potential financial exposure for the Company. The \$2.7 million charge consists of a \$1.4 million write-off of deposits and a \$1.3 million accrual for additional payments the Company expects to have to make to maintain access to its tooling located at vendors of the key supplier (the “secondary suppliers”). The \$1.4 million write-off of deposits reflects the Company’s estimate that recovery of that asset is not probable and leaves a remaining exposure of \$0.5 million.

The Company does not expect any further financial loss related to tooling. Although the Company has title to the tooling; the secondary suppliers have possession of it. The Company anticipates establishing a direct contractual arrangement with the secondary suppliers. Once in place, these agreements are expected to provide the Company with continued access to the tooling without additional financial exposure.

Legal Action Against Tesca USA and Tesca ABC

On March 6, 2025, Faraday&Future Inc. (“Faraday”) filed a demand for arbitration against Tesca USA, Inc. and Tesca ABC, LLC alleging the breach of an Engineering Services Agreement (“ESA”) between Tesca USA and Faraday&Future Inc., under which Tesca USA was obligated to produce certain items related to automobile seating assembly and frame production. Pursuant to the ESA, Faraday paid Tesca USA approximately \$36.0 million for certain parts, tooling, engineering design and development, and other items. According to a Verified Petition Regarding Assignment for the Benefit of Creditors filed in May 2024, Tesca USA, after failing to deliver any of these products or services to Faraday, assigned all its assets to Tesca ABC, a Delaware series limited liability company. Faraday has reason to suspect that Tesca USA may have made one or more large cash transfers to Tesca Group before it commenced the Assignment for Benefit of Creditors. Faraday is seeking in excess of \$36.0 million in damages through this arbitration. The Company is unable to evaluate the likelihood of a favorable outcome given the early stages of these legal proceedings.

Governance Matters

Following the completion of the Special Committee (as defined below) investigation through the date hereof, the Company and certain of its directors and officers have received numerous e-mail communications from a group of self-described “employee whistleblowers” and from various individuals and entities who represented themselves as current investors of the Company. These communications have included various allegations (including, for example, that certain directors have conspired to push the Company into bankruptcy for their own personal gain) and requests for certain organizational and

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governance changes. The Company engaged an independent law firm to conduct a thorough independent external investigation with respect to these allegations. The independent investigation found that all such allegations have been without merit.

Other Legal Matters

On January 30, 2023, Riverside Management Group, LLC (“Riverside”) filed a verified complaint seeking to enforce its alleged contractual right to the advancement of all reasonable costs and expenses, including attorneys’ fees, it has and will incur as a named defendant in the Consolidated Delaware Class Action under its October 13, 2020 Transaction Services Agreement with the Company and Property Solutions Acquisition Sponsor, LLC (the “TSA”), pursuant to which Riverside provided PSAC with advisory services in connection with the PSAC/Legacy FF merger. In addition to seeking the advancement of such costs and expenses, Riverside also sought an award of its attorneys’ fees and costs incurred in enforcing its alleged advancement rights under the TSA, and concurrently filed a Motion for Expedited Proceedings, requesting that trial of the action be conducted on a summary basis and commence within 30 days of the motion’s disposition. The Company subsequently entered into a Stipulation and Order with Riverside under which it would conditionally advance Riverside the reasonable attorneys’ fees and costs it incurs in defense of the Consolidated Delaware Action, subject to, and in express reservation of, the Company’s right to recover all such fees and expenses following disposition of the Consolidated Delaware Class Action which, as noted above, was dismissed, with prejudice, on summary judgment by the Delaware Chancery Court.

On January 31, 2023, Raymond Handling Solutions, Inc. (“Raymond”), an equipment supplier, filed an action alleging that the Company breached its contract with Raymond and refused to pay for warehouse racking equipment. Raymond requested a judgment in its favor in the amount of \$1.1 million. On April 15, 2024, the Company and Raymond executed a Settlement Agreement under which Raymond released all claims in exchange for the return of the racking equipment.

In July 2021, the Company and Palantir entered into a Master Subscription Agreement (“MSA”) setting forth the terms of the Palantir platform hosting arrangement which was expected to be used as a central operating system for data and analytics. On April 26, 2023, the Company received a letter from Palantir Technologies Inc. (“Palantir”) providing a notice of dispute alleging that the Company had not paid outstanding invoices totaling \$12.3 million. On July 7, 2023, Palantir filed a Demand for Arbitration against the Company with Judicial Arbitration and Mediation Services, Inc., regarding the parties’ dispute under the MSA in which it alleged that the amount in controversy was \$41.5 million. On August 4, 2023, the Company submitted its response to Palantir’s arbitration demand, which response included both affirmative defenses and a general denial of all allegations of Palantir’s arbitration demand. On March 11, 2024, the Company and Palantir executed a Settlement and Release Agreement terminating the MSA and resolving all of the parties’ disputes in exchange for the Company’s agreement to pay Palantir \$5.0 million, with a liquidated damages clause of \$0.3 million for late payments. This settlement includes mutual waivers and releases of claims to avoid future disputes. On August 9, 2024, the Company and Palantir entered into an amendment to the Settlement and Release Agreement pursuant to which, in lieu of paying the remaining \$4.8 million due under the settlement agreement in cash, the parties agreed that the Company would issue, and Palantir would accept, \$2.4 million of Class A Common Stock by August 9, 2024, and \$2.4 million in Class A Common Stock by October 1, 2024. The August 9, 2024 issuance totaled approximately 11.1 million shares of Common Stock. The Company further agreed to register the shares under the Securities Act for resale by Palantir.

On May 2, 2023, the Company received a notice of Commencement of Arbitration by Envisage Group Developments Inc. USA (“Envisage”) for unpaid invoices relating to professional engineering services and for design and manufacture of a Master Buck cube seeking alleged damages of \$1.1 million. At the arbitration hearing, the Company disputed the adequacy of Envisage’s documentation for professional services and contended that no contract exists for Master Buck due to unfulfilled payment conditions. The Company further challenged Envisage’s unilateral alteration of payment terms. In June 2024, the arbitrator issued an award to Envisage totaling \$1.1 million. Envisage subsequently filed a motion for attorneys’ fees and costs. Envisage was ultimately awarded a total of \$1.4 million. The parties have reached an agreement to settle their dispute for \$0.8 million.

On June 12, 2023, the Company received a letter demanding access to the Company’s books and records in connection with (a) the Company entering into the amended and restated shareholder agreement with FF Top Holding LLC n/k/a FF Global and (b) certain other related matters. Given the early stages of the legal proceedings, the Company is unable to evaluate the likelihood of an unfavorable outcome.

On June 13, 2023, L & W LLC (“Autokiniton”), a provider of tooling for use in the automotive industry, filed an action in State of Michigan 3rd Judicial Circuit County of Wayne Court alleging the Company breached its contract with Autokiniton and refused to fulfill its obligations under the applicable Purchase Order. Autokiniton requested a judgment in the amount of at least \$8.1 million. In discovery, the Company conceded that \$4.6 million was due and owing under the Purchase Order. In July 2024, the parties subsequently filed a stipulated order and judgment totaling \$8.1 million, plus statutory interest, which was

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entered by the court. The parties are engaged in discussions regarding this matter. In December 2024, the parties reached an agreement to settle their dispute for \$3.7 million.

On October 11, 2023, Joseph Hof and Scott McPherson filed a class action lawsuit in Supreme Court of the State of New York, County of New York against Benchmark 237 LLC, Benchmark Real Estate Trust, SLLC, Canvas Investment Partners, LLC, Canvas Property Group, LLC, Juliet Technologies, LLC, and the Company, alleging that the defendants engaged in various scheming practices that discriminatorily impacted the plaintiffs and other class members. The court granted the Company's Motion to Dismiss on January 12, 2024, and dismissed the case on January 18, 2024. The plaintiffs filed an appeal on February 12, 2024 as to the dismissal orders, which appeal subsequently was dismissed due to the plaintiffs' failure to timely file their appellate briefs. Although Plaintiffs have a year to file a motion to vacate the dismissal based upon a showing good cause, Plaintiff Hof recently filed a motion to seal the record and expressed the Plaintiffs' desire to cease litigating the matter further.

On December 8, 2023, 10701 Idaho Owner, LLC ("Landlord") notified the Company of rental defaults amounting to \$0.6 million for the months of October to December 2023 and demanded a 5% late fee and 18% annual interest on allegedly overdue amounts. The parties thereafter entered into a First Amendment to the Lease Agreement dated October 19, 2023 to address the Company's total rent default of \$1.1 million, including a \$0.1 million, partial payment made on January 26, 2024, and additional late fees and charges of \$0.2 million. The amendment established a repayment plan requiring the Company to pay \$1.2 million from February 26 to March 31, 2024, and to either replenish or provide a new \$0.6 million Letter of Credit. On March 26, 2024, the Landlord served the Company with a Notice to Pay or Quit, demanding payment of \$1.0 million within five business days. On April 10, 2024, the Company made a \$0.2 million payment to Landlord in exchange for Landlord deferring further action.

On February 14, 2024, Rexford Industrial - 18455 Figueroa, LLC ("Rexford") filed a Complaint for Unlawful Detainer against Faraday SPE, LLC in the Superior Court of California, County of Los Angeles. The complaint asserted that the Company has failed to pay outstanding rent in the amount of \$0.9 million, and sought recovery of reasonable attorney's fees and damages. This action is based on a breach of a Lease Agreement dated March 8, 2019, for the premises located at 18455 S. Figueroa Street, Gardena, California, and wherein Rexford is requesting forfeiture of the lease. On April 10, 2024, the court issued a Notice of Dismissal, dismissing the Complaint without prejudice.

In February 2024, the Company initiated a lawsuit against Draexlmaier Automotive Technologies of America LLC ("Draexlmaier") for breach of contract, seeking \$3.2 million in damages plus legal costs incurred. The dispute involves two Purchase Orders placed by the Company with Draexlmaier in September 2021 for the development and tooling of FF 91 vehicle consoles. The parties' agreement included a clause allowing Faraday to terminate the Purchase Orders at any time, with the understanding that Draexlmaier would promptly refund any advanced payments for undelivered items or unperformed work. Faraday met its financial obligations under the agreement and in March 2022, terminated the agreement prior to the start of tooling fabrication and requested a refund of \$3.2 million for the undelivered work, which Draexlmaier refund failed to remit. Faraday thereafter issued a final demand for this refund in August 2023, and subsequently initiated its lawsuit against Draexlmaier. In May 2024, Draexlmaier filed an Answer and Counterclaim alleging fraudulent inducement, breach of contract, violations of South Carolina's Unfair Trade Practices Act, and unjust enrichment, and seeking \$5.0 million in damages for breach of contract, as well as unspecified actual, consequential, punitive, and treble damages, and attorneys' fees and costs. The Company disputes Draexlmaier's claims and has stated its intention to vigorously defend the action. In June 2025, the court granted each party's motions to dismiss with respect to the other party's unjust enrichment claim, but otherwise denied both motions. Given the early stages of these legal proceedings, the Company is unable to evaluate the likelihood of an unfavorable outcome and/or the amount or range of potential loss.

On March 25, 2024, Cooper Standard GmbH ("Cooper Standard") filed a lawsuit against Faraday&Future Inc. in Superior Court of California, County of Los Angeles, alleging the non-payment of the estimated sum of \$1.5 million that was purportedly in breach of contractual obligations set forth in purchase orders, a Letter of Tool Acceptance, and invoices to facilitate the supply of automotive products and services for the FF 91 vehicle from August 2021 to December 2022. The parties have tentatively reached a settlement and are in the process of memorializing their agreement. In June 2025, the parties reached an agreement to settle their dispute for \$0.8 million.

On March 27 and March 29, 2024, Jose Guerrero and Victoria Xie, the Company's former Senior Director of Sales and Aftersales, and Go-to-Market Project Manager and Launch Manager, respectively, filed wrongful termination lawsuits against Faraday&Future Inc. and certain of its officers in Superior Court of California, County of Los Angeles, each of which seeks compensatory, general, and special damages in an amount not less than \$1.0 million. On April 19, 2024, another former employee, Karimul Khan, submitted a request for arbitration against the same group of defendants without quantifying the alleged damages sought. Based on the evidence produced thus far in the Khan matter, the Company believes it is more likely

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than not to prevail in the Khan matter. Given the early stages of the other legal proceedings, the Company is unable to evaluate the likelihood of an unfavorable outcome and/or the amount or range of potential loss.

On August 9, 2024, Jeffrey D. Prol, as trustee of the Founding Future Creditors Trust, filed a lawsuit against the Company seeking to compel the production of certain books and records for inspection and requesting attorney's fees and costs. The plaintiff is demanding inspection to allegedly value his shares of the Company. In March 2025, plaintiff agreed to dismiss the lawsuit without prejudice and a stipulation to dismiss was filed and granted.

On August 1, 2024, Yun Han, former Chief Accounting Officer and Interim Chief Financial Officer, filed an arbitration demand claiming that she is owed certain monetary amounts and restricted stock units, pursuant to various agreements with the Company and collectively, totaling approximately \$1.2 million. Given the early stages of the proceedings, the Company is unable to evaluate the likelihood of an unfavorable outcome and/or the amount or range of potential loss.

In March 2025, BXP filed a lawsuit against the Company, alleging unpaid rent and a balance of approximately \$1.0 million under a lease agreement signed with the Company. The parties agreed to settle their dispute for \$0.4 million.

In May 2025, Costamp Group, as assignee of Vantage Cast Europe, s.r.l. ("Vantage"), filed a lawsuit against the Company, alleging the non-payment of the estimated sum of €2.8 million. Plaintiff alleges that in or about March 2022, Faraday contracted with Vantage to supply automotive component parts pursuant to Faraday's unique specifications. In or about May 2022, Vantage, in reliance on the contract with Faraday, contracted with Costamp Group (a subsidiary of Plaintiff) to supply automotive component parts to Vantage. The claim alleges that Vantage and Costamp Group fully complied with their obligations in manufacturing automotive component parts pursuant to Faraday's specifications and that Vantage sent Faraday invoices and Faraday accepted and paid for its initial orders, but has since refused to accept delivery of the specially manufactured automotive components. The parties have agreed to a settlement in theory and are actively working on drafting the settlement agreements.

Dispute with Noteholders

In August 2023 and September 2023, the Company received correspondence from each of Senyun, MHL and V W Investment alleging that the Company had entered into oral agreements to compensate those investors for any losses in connection with converting their notes into shares of the Company in order to support the Company's proposals at the August 2023 special stockholders meeting. The Company is unaware of any such oral agreements and is contesting these claims on multiple grounds.

Special Committee Investigation

As previously disclosed on November 15, 2021, the Board established a special committee of independent directors ("Special Committee") to investigate allegations of inaccurate Company disclosures, including those made in an October 2021 short seller report and whistleblower allegations, which resulted in the Company being unable to timely file its third quarter 2021 Quarterly Report on Form 10-Q, Annual Report on Form 10-K for the year ended December 31, 2021, first quarter 2022 Quarterly Report on Form 10-Q and amended Registration Statement on Form S-1 (File No. 333-258993). The Special Committee engaged outside independent legal counsel and a forensic accounting firm to assist with its review. On February 1, 2022, the Company announced that the Special Committee completed its review. On April 14, 2022, the Company announced the completion of additional investigative work based on the Special Committee's findings which was performed under the direction of the Executive Chairperson, reporting to the Audit Committee. In connection with the Special Committee's review and subsequent investigative work, the following findings were made:

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- In connection with the Business Combination, statements made by certain Company employees to certain investors describing the role of Mr. Yueting Jia, within the Company were inaccurate and his involvement in the management of the Company post-Business Combination was more significant than what had been represented to certain investors.
- The Company's statements leading up to the Business Combination (between the Company and Property Solutions Acquisition Corp. completed on July 21, 2021) that it had received more than 14,000 reservations for the FF 91 vehicle were potentially misleading because only several hundred of those reservations were paid, while the others (totaling 14,000) were unpaid indications of interest.
- Consistent with the Company's previous public disclosures regarding identified material weaknesses in its internal control over financial reporting, the Company's internal control over financial reporting required an upgrade in personnel and systems.
- The Company's corporate culture failed to sufficiently prioritize compliance.
- Mr. Jia's role as an intermediary in leasing certain properties which were subsequently leased to the Company was not disclosed in the Company's corporate housing disclosures.
- In preparing the Company's related party transaction disclosures, the Company failed to investigate and identify the sources of loans received from individuals and entities associated with Company employees.

In addition, the investigation found that certain individuals failed to fully disclose to individuals involved in the preparation of the Company's SEC filings their relationships with certain related parties and affiliated entities in connection with, and following, the Business Combination, and failed to fully disclose relevant information, including but not limited to, information in connection with related parties and corporate governance to the Company's former independent registered public accounting firm PricewaterhouseCoopers LLP.

The investigation also found that certain individuals failed to cooperate and withheld potentially relevant information in connection with the Special Committee investigation. Among such individuals were non-executive officers or members of the management team of the Company, and remedial action was taken with respect to such individuals based on the extent of their non-cooperation and/or withholding of information. The failure to cooperate with the investigation was taken into consideration in connection with the remedial actions outlined below with respect to Jerry Wang, and withholding of information also affected the remedial action taken with respect to Matthias Aydt.

Based on the results of the investigation, the Special Committee concluded that, except as described above, the other substantive allegations of inaccurate Company disclosures that it evaluated, were not supported by the evidence reviewed. Although the investigation did not change any of the above findings with respect to the substantive allegations of inaccurate Company disclosures, the investigation did confirm the need for remedial actions to help ensure enhanced focus on compliance and disclosure within the Company.

Based on the results of the Special Committee investigation and subsequent investigative work described above, the Board approved the following remedial actions designed to enhance oversight and corporate governance of the Company:

- the appointment of Susan Swenson, a former member of the Board, to the then newly created position of Executive Chairperson of the Company.
- Dr. Carsten Breitfeld, the Company's former Global CEO, reporting directly to Ms. Swenson and receiving a 25% annual base salary reduction;
- the removal of Mr. Jia as an executive officer, who would continue in his position as Chief Product & User Ecosystem Officer of the Company. Certain dual-reporting arrangements were eliminated with respect to Mr. Jia, who also was required to report directly to Ms. Swenson, a non-independent director nominated by FF Top. Please see "Risk Factors—Risks Related to our Business and Industry—Yueting Jia and FF Global, over which Mr. Jia exercises significant influence, have control over our management, business and operations, and may use this control in ways that are not aligned with our business or financial objectives or strategies or that are otherwise inconsistent with our interests." Mr. Jia also received a 25% annual base salary reduction, and his role was limited from a policy-making position to focusing on (a) Product and Mobility Ecosystem and (b) Internet, Artificial Intelligence, and Advanced R&D technology. On February 26, 2023, after an assessment by the Board of the Company's management structure, the Board approved Mr. Yueting Jia (alongside Mr. Xuefeng Chen) reporting directly to the Board, as well as FF's product, mobility ecosystem, I.A.I., and advanced R&D technology departments reporting directly to Mr. Jia. The Board also approved the Company's user ecosystem, capital markets, human resources and administration, corporate strategy and China departments reporting to both Mr. Jia and Mr. Xuefeng in accordance with processes and controls to be determined by the Board after consultation with the Company's management. Based on the changes to his responsibilities within the Company, the Board determined

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that Mr. Jia is an “officer” of the Company within the meaning of Section 16 of the Exchange Act and an “executive officer” of the Company under Rule 3b-7 under the Exchange Act;

- On April 24, 2025, the Company announced the appointment of Mr. Yueting Jia as Global Co-Chief Executive Officer ("Global Co-CEO"), jointly leading the Company alongside Matthias Aydt, with a focus on advancing user ecosystem development, supply chain management, EV R&D, finance, legal, and China and Middle East operations;
- Matthias Aydt, then Senior Vice President, Business Development and Product Definition and a director of the Company, and currently Global Co-CEO and a director of the Company, being placed on probation as an executive officer for a six-month period, during which period he remained a non-independent member of the Board, and which probationary period has since ended;
- the appointment of Jordan Vogel as Lead Independent Director; certain changes to the composition of Board committees, including Brian Krolicki stepping down from his role as Chairman of the Board and Chair of the Nominating and Corporate Governance Committee and becoming a member of the Audit and Compensation Committees of the Board; Jordan Vogel stepping down from the Nominating and Corporate Governance Committee; and Scott Vogel becoming the Chair of the Audit Committee and the Nominating and Corporate Governance Committee of the Board;
- the suspension without pay of Jiawei (“Jerry”) Wang, the Company’s former Vice President, Global Capital Markets, who subsequently notified the Board of his decision to resign from the Company on April 10, 2022, but remained with the Company as a consultant and was subsequently appointed President of the Company on March 24, 2025;
- the assessment and enhancement of Company’s policies and procedures regarding financial accounting and reporting and the upgrading of the Company’s internal control over financial accounting and reporting, including by hiring additional financial reporting and accounting support, in each case at the direction of the Audit Committee;
- the implementation of enhanced controls around the Company’s contracting and related party transactions, including regular attestations by the Company’s employees with authority to bind the Company to contracts and related party transactions, for purposes of enabling the Company to make complete and accurate disclosures regarding related party transactions;
- the hiring of a Compliance Officer with the title of Deputy General Counsel (hired in March 2023), to report on a dotted line to the Chair of the Audit committee, and a Director of Risks and Internal Controls; and assessing and enhancing FF’s compliance policies and procedures;
- the implementation of a comprehensive training program for all directors and officers regarding, among other things, internal Company policies;
- the separation of Jarret Johnson, FF’s Vice President, General Counsel and Secretary; and
- certain other disciplinary actions and terminations of employment with respect to other Company employees (none of whom is an executive officer).

As of March 3, 2025, the Company is continuing to implement certain of the remedial actions approved by the Board. However, certain of these remedial actions are no longer in effect and no assurance can be provided that those remedial measures that continue to be implemented will be implemented in a timely manner or at all or will be successful to prevent inaccurate disclosures in the future. Please see “*Risk Factors – Risks Related to our Business and Industry – We have taken remedial measures in response to the Special Committee findings, which may be unsuccessful*” included in the Form 10-K. There can be no assurance that such remedial measures will be successful. In addition, there can be no assurance that such remedial measures will be fully implemented in light of the recent corporate governance agreements with FF Top and FF Global and the recent assessment by the Board of FF’s management structure, including management roles, responsibilities and reporting lines and changes to the Board.” However, pursuant to the Heads of Agreement, the Company has implemented certain governance changes that impact certain of the above-discussed remedial actions. On October 3, 2022, Ms. Swenson tendered her resignation from her role as both Executive Chairperson and member of the Board effective immediately. In addition, on October 3, 2022, Mr. Scott Vogel resigned from the Board effective immediately and Mr. Jordan Vogel resigned effective on October 5, 2022. On October 28, 2022, Mr. Brian Krolicki tendered his resignation from the Board effective immediately. On December 15, 2022, Mr. Lee Liu tendered his resignation from the Board, which resignation was effective on December 18, 2022. On December 18, 2022, Mr. Jie Sheng was appointed to the Board, effective immediately, following the resignation of Mr. Liu. On December 25, 2022, Mr. Edwin Goh tendered his resignation from the Board, which resignation was effective on December 26, 2022. On December 27, 2022, Ms. Ke Sun was appointed to the Board, effective immediately, following the resignation of Mr. Goh. Mr. Sheng and Ms. Sun are designees of FF Top pursuant to the Amended Shareholder Agreement. On December 26, 2022, Dr. Carsten Breitfeld tendered his resignation from the Board, which resignation was effective immediately. On December 27, 2022, Mr. Xuefeng Chen was appointed to the Board, effective immediately, following the resignation of Dr. Breitfeld. On January 20, 2023, Mr. Qing Ye tendered his resignation from the Board, which

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resignation was effective immediately. Mr. Ye remained a consultant of the Company as an independent contractor until November 18, 2023. On January 25, 2023, Mr. Chui Tin Mok was appointed to the Board, effective immediately, following the resignation of Mr. Ye. Each of Ms. Ke Sun and Mr. Xuefeng Chen have subsequently resigned from the Board.

Subsequent to the Company announcing the completion of the Special Committee investigation on February 1, 2022, certain members of the management team and employees of the Company received a notice of preservation and subpoena from the staff of the SEC stating that the SEC had commenced a formal investigation relating to the matters that were the subject of the Special Committee investigation. The Company, which had previously voluntarily contacted the SEC in connection with the Special Committee investigation in October 2021, is cooperating fully with the SEC's investigation. The outcome of such an investigation is difficult to predict. The Company has incurred, and may continue to incur, significant expenses related to legal and other professional services in connection with the SEC investigation. At this stage, the Company is unable to assess whether any material loss or adverse effect is reasonably possible as a result of the SEC's investigation or to estimate the range of any potential loss. In addition, in June 2022, the Company received a preliminary request for information from the U.S. Department of Justice (the "DOJ") in connection with the matters that were the subject of the Special Committee investigation. The Company has responded to that request and intends to fully cooperate with any future requests from the DOJ.

On June 26, 2025, the Company received a "Wells Notice" from the staff of the SEC stating that the SEC staff made a preliminary determination to recommend that the SEC file an enforcement action against the Company alleging violations of various anti-fraud provisions of the federal securities laws. The SEC staff informed the Company that the alleged violations of anti-fraud provisions of the federal securities laws pertain to purported false or misleading statements in connection with the Company's 2021 PIPE and SPAC listing, relating to (i) related party transactions, and (ii) Mr. Jia's role in the Company. An enforcement action may seek an injunction or cease-and-desist order against future violations of provisions of the federal securities laws, the imposition of civil monetary penalties, disgorgement or other equitable relief within the SEC's authority, or any combination of the foregoing.

On June 27, 2025, Jiawei (Jerry) Wang, the Global President of the Company, received a Wells Notice from the SEC, and on June 30, 2025, Mr. Jia received a Wells Notice from the SEC. Each of these notices also states that the SEC staff made a preliminary determination to recommend that the SEC file an enforcement action against Mr. Wang and Mr. Jia alleging similar violations in their individual capacities of various anti-fraud provisions of the federal securities laws detailed above. An enforcement action may seek any of the above-referenced remedies, as well as a bar from serving as an officer or director of a public company. Two other former Company employees also received Wells Notices.

A Wells Notice is neither a formal charge of wrongdoing nor a final determination that the recipient has violated any law but is a preliminary determination by the SEC staff to recommend to the Commissioners of the SEC that a civil enforcement action or administrative proceeding be brought against the recipients. The Company and Messrs. Jia and Wang plan to engage with the SEC staff about why an enforcement action is not warranted. If the SEC determines to seek an enforcement action against the Company, Mr. Jia, and/or Mr. Wang, the SEC would need to proceed through a formal process, including formal court process for the director and officer bar, during which the Company, Mr. Jia and/or Mr. Wang, as applicable, could defend themselves.

Other than disclosed herein, as of the date hereof the Company is not a party to any legal proceedings the outcome of which, if determined adversely to the Company, would individually or in the aggregate be reasonably expected to have a material adverse effect on the Company's business, financial condition, or results of operations.

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13. Stockholders' Equity

The number of authorized, issued and outstanding stock, were as follows:

	September 30, 2025	
	Authorized Shares	Issued Shares
Preferred Stock	5,931,000	—
Series B Preferred Stock	12,000,000	10,737,017
Class A Common Stock	228,041,297	161,305,526
Class B Common Stock	4,429,688	6,667
	<u>250,401,985</u>	<u>172,049,210</u>

	December 31, 2024	
	Authorized Shares	Issued Shares
Preferred Stock	10,000,000	—
Class A Common Stock	99,815,625	65,919,127
Class B Common Stock	4,429,688	6,667
	<u>114,245,313</u>	<u>65,925,794</u>

Amendments to the Company's Certificate of Incorporation

The Company has amended its Certificate of Incorporation multiple times since the Business Combination. The most recent amendment increased the number of shares of Preferred Stock that may be issued to 17,931,000. The Preferred Stock shall have such designations, rights and preferences as may be determined from time to time by the Board. The Board is empowered, without stockholder approval, to issue the Preferred Stock with dividend, liquidation, conversion, voting or other rights which could adversely affect the voting power or other rights of the holders of Common Stock; provided that any issuance of preferred stock with more than one vote per share will require the prior approval of the holders of a majority of the outstanding shares of Class B Common Stock.

Increase in Authorized Shares, Reverse Stock Split, Adjustments to Share Reserves (July/August 2024)

At the annual meeting of the Company's stockholders held on July 31, 2024, the Company's stockholders approved an increase in the authorized shares of Common Stock from 11,582,813 to 104,245,313, increasing the total number of authorized shares of the Common Stock and preferred stock from 12,582,813 to 114,245,313. On August 1, 2024, the Company filed an amendment to the Company's Third Amended and Restated Certificate of Incorporation, as amended, with the office of the Secretary of State of the State of Delaware to effect such increase.

Also at the annual meeting of the Company's stockholders held on July 31, 2024, the Company's stockholders approved an amendment to the Company's Third Amended and Restated Certificate of Incorporation, as amended, to effect the reverse stock split of the outstanding Common Stock by a ratio of between 1-for-2 and 1-for-40, with such ratio to be determined in the discretion of the Board and with such action to be effected at such time and date, if at all, as determined by the Board within one year after the conclusion of the annual meeting, and a corresponding reduction in the total number of shares of Common Stock the Company is authorized to issue. The Board subsequently approved the implementation of the 1-for-40 stock split ratio (the "Third Reverse Stock Split"), and the Company filed an amendment (the "Fourth Certificate of Amendment") to the Company's Third Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware to effect the Third Reverse Stock Split and to set the number of authorized shares of Common Stock to 104,245,313. Pursuant to the Fourth Certificate of Amendment, effective after market close on August 16, 2024 (the "Effective Time"), every 40 shares of the issued and outstanding Common Stock were automatically converted into one share of Common Stock, without any change in par value per share, and the number of authorized shares of Common Stock were reduced to 104,245,313.

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The Class A Common Stock began trading on The Nasdaq Capital Market on a split-adjusted basis for the August 2024 Reverse Stock Split at the opening of trading on August 19, 2024, under the symbol “FFIE” with a new CUSIP number (307359 885). The Class B Common Stock also received a new CUSIP number (307359 877).

The Company’s Public Warrants continued to trade on The Nasdaq Capital Market under the symbol “FFIEW,” with the CUSIP number unchanged. However, under the terms of the applicable warrant agreement, the number of shares of Class A Common Stock issuable upon exercise of each warrant was proportionately decreased, and the exercise price adjusted. Accordingly, for the Company’s warrants trading under the symbol “FFIEW,” every 40 warrants became exercisable for one share of Class A Common Stock at an exercise price of \$110,400.00 per share of Class A Common Stock.

At the Effective Time, the number of shares of Common Stock reserved for issuance under the 2021 SI Plan (as defined below), the Company’s Smart King Ltd. Equity Incentive Plan, and the Company’s Smart King Ltd. Special Talent Incentive Plan (collectively, the “Plans”), as well as the number of shares subject to the then-outstanding awards under each of the Plans, were proportionately adjusted, using the 1-for-40 ratio, rounded down to the nearest whole share. In addition, the exercise price of the then-outstanding options under each of the Plans was proportionately adjusted, using the 1-for-40 ratio, rounded up to the nearest whole cent. Proportionate adjustments were made to the number of shares of Common Stock issuable upon exercise or conversion of the Company’s outstanding warrants and convertible securities, as well as the applicable exercise or conversion prices.

Change in Trading Symbols (March 2025)

Effective March 10, 2025, the Class A Common Stock and Public Warrants currently trade under the new ticker symbols “FFAI” and “FFAIW,” respectively, on The Nasdaq Capital Market.

Increase in Authorized Shares (March 2025)

At the special meeting of the Company’s stockholders held on March 7, 2025, the Company’s stockholders approved an increase in the authorized shares of Common Stock from 104,245,313 to 129,245,313, increasing the total number of authorized shares of the Common Stock and preferred stock from 114,245,313 to 139,245,313. On March 10, 2025, the Company filed a Fifth Certificate of Amendment (the “Fifth Certificate of Amendment”) to the Company’s Third Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware to effect such increase.

Increase in Authorized Shares (May 2025)

On May 29, 2025, the Company filed a Seventh Certificate of Amendment to its Third Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware. This amendment was adopted in accordance with Section 242 of the Delaware General Corporation Law, following stockholder approval at the special meeting held on May 24, 2025.

The amendment increased the number of authorized shares of Class A Common Stock from 124,815,625 to 162,815,625 and authorized 4,429,688 shares of Class B Common Stock, bringing the total number of authorized Common Stock shares to 167,245,313. It also increased the number of authorized shares of Preferred Stock from 10,000,000 to 12,900,000 and eliminated the Series A Preferred Stock designation. The increase in Preferred Stock authorization supports the Company’s outstanding and future preferred equity issuances.

Increase in Authorized Shares (September 2025)

On September 23, 2025, the Company filed an amendment to the Third Amended and Restated Certificate of Incorporation with the office of the Secretary of State of the State of Delaware to effect (i) an increase in the number of authorized shares of common stock from 167,245,313 to 232,470,985 shares, and (ii) an increase in the number of authorized shares of preferred stock, from 12,900,000 to 17,931,000 shares.

Preferred Stock

Series A Preferred Stock

On January 28, 2025, in connection with a purchase agreement entered into with Mr. Aydt, the Company’s Global Co-CEO, the Company filed a Certificate of Designation of Preferences, Rights and Limitations of Series A Preferred Stock (the “Series A COD”) with the Secretary of State of the State of Delaware. The Series A COD designated one share of the Company’s Preferred Stock as Series A preferred stock, par value \$0.0001 per share (the “Series A Preferred”) and established the preferences, rights and limitations thereof. The closing of the sale and purchase of the shares of the Series A Preferred was completed on January 28, 2025 for a purchase price of \$100.00.

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The Series A Preferred was redeemed on March 7, 2025, for a redemption price of \$100.00, following the annual meeting of stockholders.

On April 17, 2025, in connection with a purchase agreement entered into with Mr. Aydt, the Company's Global Co-CEO, the Company filed the Series A COD with the Secretary of State of the State of Delaware. The Series A COD designated one share of the Company's Preferred Stock, par value \$0.0001 per share and established the preferences, rights and limitations thereof. The closing of the sale and purchase of the shares of the Preferred was completed on April 17, 2025 for a purchase price of \$100.00.

The Series A Preferred Stock was redeemed on May 28, 2025, for a redemption price of \$100.00, following the annual meeting of stockholders. On May 29, 2025, the Company filed a Certificate of Elimination with the Secretary of State of the State of Delaware to cancel the designation of the Series A Preferred.

The share of Series A Preferred Stock, each time it was designated and issued, had no voting rights except with respect to certain share authorization proposals. In the Share Authorization Proposals in the Certificate of Designation of Preferences, Rights and Limitations of Series A Preferred Stock dated August 6, 2025 the outstanding share of Series A Preferred Stock had 5,000,000,000 votes with respect to the Share Authorization Proposal.

On August 6, 2025, in connection with a purchase agreement entered into with Mr. Aydt, the Company's Global Co-CEO, the Company filed a COD of Series A Preferred Stock with the Secretary of State of the State of Delaware. The Series A COD designates one share of the Company's preferred stock as Series A Preferred Stock, and establishes and designates the preferences, rights and limitations thereof. The closing of the sale and purchase of the share of Series A Preferred Stock was completed on August 6, 2025 for a purchase price of \$100.00.

On September 23, 2025, the Company filed a Certificate of Elimination with the Delaware SOS with respect to the Company's Series A Preferred Stock, following the automatic redemption of all outstanding shares of FFAI Series A Preferred Stock after the conclusion of the Company's Special Meeting. The Certificate of Elimination cancelled the previous designation of one share of FFAI Series A Preferred Stock from the Charter.

Series B Preferred Stock

On April 3, 2025, in connection with the initial closing under the 2025 March Unsecured SPA, the Company filed a Certificate of Designation of Preferences, Rights and Limitations of Series B Preferred Stock (the "Series B COD") with the Secretary of State of the State of Delaware, as amended on April 9, 2025. The Series B COD authorized 9,000,000 shares of the Company's preferred stock as Series B Preferred Stock, par value \$0.0001 per share (the "Series B Preferred Stock"), and established the preferences, rights, and limitations thereof.

The Series B Preferred Stock does not carry dividend rights and is generally non-transferable without the prior written consent of the Board of Directors. Each share entitles the holder to one vote and votes together with the Common Stock as a single class on all matters submitted to stockholders, except where a separate class vote is required by law.

In the event of any liquidation, dissolution, or winding up of the Company, each share of Series B Preferred Stock is entitled to receive a priority distribution equal to the then-effective conversion price under the related convertible notes. Upon the conversion of a holder's convertible notes into Class A Common Stock, an equal number of Series B Preferred shares are automatically redeemed and retired without any additional consideration.

On July 14, 2025, prior to the initial closing under the 2025 July Unsecured SPA, the Company filed an amendment to the COD of Preferences, Rights and Limitations of Series B Preferred Stock to designate additional 3,000,000 shares of the Company's authorized and unissued preferred stock as Series B Preferred Stock. The qualifications, restrictions, and limitations relating to the Series B Preferred Stock remain unchanged.

Common Stock

Voting

The holders of Class A Common Stock and Class B Common Stock are entitled to one vote for each share held of record on all matters to be voted on by stockholders until the occurrence of a Qualifying Equity Market Capitalization, following which holders of Class B Common Stock shall be entitled to ten votes per share and shall continue to be entitled to ten votes per share regardless of whether the Qualifying Equity Market Capitalization shall continue to exist or not thereafter.

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Conversion

Shares of Class B Common Stock have the right to convert into shares of Class A Common Stock at any time at the rate of one share of Class A Common Stock for each share of Class B Common Stock. Class A Common Stock does not have the right to convert into Class B Common Stock.

Liquidation

In the event of any voluntary or involuntary liquidation, dissolution, or winding-up of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation, the holders of the shares of the Common Stock shall be entitled to receive all the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of the Common Stock held by them.

Warrants

The number of outstanding warrants to purchase the Company's Class A Common Stock as of September 30, 2025 were as follows:

	Number of Warrants	Exercise Price	Expiration Date
Ares Warrants	5,776,657	\$1.16	August 5, 2027
SPA Warrants	15,628	(a) \$1.16 or (b) \$1.68	Various through August 22, 2032
Junior SPA Warrants	2,540,554	\$1.16	Various through September 30, 2029
2024 Unsecured SPA Warrants	17,114,693	\$1.22	Various through January 21, 2030
2025 March Unsecured SPA Warrants	31,586,687	(a) \$1.39 or (b) \$1.46	Various through August 19, 2030
2025 July Unsecured SPA Warrants	7,479,375	\$2.02	August 22, 2030
Public Warrants	2,453	\$110,400.00	July 21, 2026
Private Warrants	12	\$110,400.00	July 21, 2026
	64,516,059		

The number of outstanding warrants to purchase the Company's Class A Common Stock as of December 31, 2024 were as follows:

	Number of Warrants	Exercise Price	Expiration Date
Ares warrants	5,776,657	\$ 1.16	August 5, 2027
SPA Warrants	15,238	\$ 1.16	Various through November 1, 2031
Junior SPA Warrants	5,931,638	\$ 1.16	Various through September 30, 2029
2024 Unsecured SPA Warrants	10,788,746	\$ 1.39	December 31, 2029
Public Warrants	2,453	\$ 110,400.00	July 21, 2026
Private Warrants	12	\$ 110,400.00	July 21, 2026
	22,514,744		

The above Ares warrants and SPA Portfolio Note warrants contain full ratchet anti-dilution price protection that requires the exercise price to be adjusted if the Company sells shares of Common Stock below the current exercise price. There were not any dilutive events during the nine months ended September 30, 2025 and 2024 effecting these warrants.

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During the three months ended September 30, 2025, holders of Junior Secured SPA Warrants to purchase 190,840 shares of common stock exercised such warrants, resulting in issuance of 190,840 shares and proceeds of \$0.2 million (exercise price of \$1.16). Another 3,200,244 warrants were exercised on a cashless basis, resulting in issuance of 1,958,055 shares determined using the VWAP of \$2.99. At the dates of exercise, the aggregate fair value of the exercised Junior Secured SPA warrants was \$3.9 million, which was reclassified from the warrant liability to additional paid-in capital.

During the three months ended September 30, 2025, holders of 2024 Unsecured SPA Warrants to purchase 1,000,000 shares of common stock exercised such warrants, resulting in issuance of 1,000,000 shares and proceeds of \$1.2 million (exercise price of \$1.22). Another 7,760,260 warrants were exercised on a cashless basis, resulting in issuance of 4,367,131 shares, determined using a weighted average VWAP of \$2.83. At the dates of exercise, the aggregate fair value of the exercised 2024 Unsecured SPA warrants was \$8.7 million, which amount was reclassified from the warrant liability to additional paid-in capital.

There were no warrants exercised during the nine months ended September 30, 2024.

Warrants - AIXC

As a result of the business acquisition of AIXC, as described in Note 3 *Business Acquisition—Consolidation of AICX*, the Company consolidates AIXC warrants outstanding as of September 30, 2025.

The number of outstanding warrants to purchase the AIXCs Class A Common Stock as of September 30, 2025 were as follows:

	Number of Warrants	Exercise Price	Expiration Date
Preferred Warrants - AIXC	160	\$1,270.25	Various through 2027
Other Warrants - AIXC	72,004	(a) \$5.82 or (b) \$6.50	Various in 2028-2029
2024 Pre-funded Warrants - AIXC	51,199	\$0.05	Indefinite
2024 Placement Agent Warrants - AIXC	16,019	\$7.80	September 2029
2025 Placement Agent Warrants - AIXC	1,087,266	\$2.47	September 2030
	<u>1,226,648</u>		

The AIXC warrants consist of (i) Preferred Warrants – AIXC, Other Warrants – AIXC and 2025 Placement Agent Warrants – AIXC, which are classified as equity in AIXC’s standalone Financial Statements, and (ii) 2024 Pre-funded Warrants – AIXC and 2024 Placement Agent Warrants – AIXC, which are classified as liabilities.

Other Warrants - AIXC, 2024 Placement Agent Warrant - AIXC and 2025 Placement Agent Warrant - AIXC contain full ratchet anti-dilution price protection that requires the exercise price to be adjusted if AIXC sells shares of Common Stock below the current exercise price. The liability-classified AIXC warrants are measured at fair value on a recurring basis, with changes in fair value recognized in other income (expense) in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss. These warrants were initially recognized at their respective fair values on the date the Company obtained control of AIXC and any gains or losses related to changes in fair value prior to that date were recorded in AIXC’s standalone statements of operations. The liability-classified AIXC warrants are included in the warrant liability fair value rollforward presented in Note 15 *Fair Value of Financial Instruments*.

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Insufficient Authorized Shares

From time to time, certain of the Company's equity-linked financial instruments may be classified as derivative liabilities under ASC 815, *Derivatives and Hedging*, due to the Company having insufficient authorized shares to fully settle the equity-linked financial instruments in shares. In such case, the Company applies a sequencing policy under ASC 815-40, *Contracts in Entity's Own Equity*, whereby, in the event that reclassification of contracts from equity to assets or liabilities is necessary due to the Company's inability to demonstrate it has sufficient authorized shares to settle the equity-linked financial instrument in shares, the Company will reclassify contracts that have overlapping settlement dates with the latest inception date as derivative instruments. The contracts reclassified as derivative instruments are recognized at fair value with changes in fair value recognized in earnings until such time as the conditions giving rise to such derivative liability classification were settled or the Company has sufficient authorized, unissued shares to settle such contracts with shares. The Company has elected to apply the same sequencing policy for share-based compensation arrangements if the Company granted share-based payment arrangements where the Company may have insufficient shares to settle the contract.

14. Stock-Based Compensation**2021 Plan**

In July 2021, the Company adopted the 2021 Stock Incentive Plan ("2021 Plan"). The 2021 Plan allows the Board to grant up to 5,164 incentive and nonqualified stock options, restricted shares, unrestricted shares, restricted share units, and other stock-based awards for the Class A Common Stock to employees, directors, and non-employees. The number of shares of Class A Common Stock available under the 2021 Plan will increase annually on the first day of each calendar year, beginning with the calendar year ending December 31, 2024, and continuing until (and including) the calendar year ending December 31, 2031. Annual increases are equal to the lesser of (i) 5 percent of the number of shares of Class A Common Stock issued and outstanding on December 31 of the immediately preceding fiscal year and (ii) an amount determined by the Board.

As of the effective date of the 2021 Plan, no further stock awards have been or will be granted under the EI Plan or STI Plan (defined below).

At the annual meeting of stockholders held on July 31, 2024, the Company's stockholders approved (among other proposals) an amendment to the 2021 Plan to increase the number of shares of Class A Common Stock available for issuance under the 2021 Plan by an additional 2,206,324 shares, subject to proportionate adjustment for stock splits and similar events as provided in the 2021 Plan. As of September 30, 2025 and 2024 the Company had 10,035,027 and 2,469,957 shares of Class A Common Stock available for future issuance under the 2021 SI Plan.

At the stockholder's meeting held September 19, 2025, the Company's stockholders approved an amendment to the Company's Amended and Restated 2021 Stock Incentive Plan in order to increase the number of shares of FFAI Class A Common Stock available for issuance under the 2021 Plan by an additional 9.5 million shares. The intent of this increase is to bring authorized shares under the 2021 Plan close to industry level.

Option Awards

As of September 30, 2025, the total unrecognized stock-based compensation expense for stock options granted under the 2021 Plan was less than \$0.1 million, which is expected to be recognized over a weighted average period that is less than 1.00 year.

There were no options granted under the 2021 Plan during the three and nine months ended September 30, 2025.

Restricted Stock Units

As of September 30, 2025, the total unrecognized stock-based compensation expense for RSUs granted under the 2021 Plan was less than \$0.1 million which is expected to be recognized over a weighted average period of 1.18 years.

EI Plan

On February 1, 2018, the Board adopted the Equity Incentive Plan ("EI Plan"), under which the Board authorized the grant of up to 4,416 incentive and nonqualified stock options, restricted stock, unrestricted stock, restricted stock units, and other stock-based awards for Legacy FF's Class A Ordinary Stock to employees, directors and non-employees.

On the closing date and in connection with the Business Combination, each of the Legacy FF's outstanding options

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under the EI Plan immediately prior to the closing of the Business Combination remained outstanding and converted into the right to purchase the Company's Class A Common Stock based on the Exchange Ratio.

As of September 30, 2025, there were no unrecognized stock-based compensation expense for stock options granted under the EI Plan.

STI Plan

On May 2, 2019, the Company adopted its Special Talent Incentive Plan ("STI Plan") under which the Board may grant up to 1,472 incentive and nonqualified stock options, restricted shares, unrestricted shares, restricted share units, and other stock-based awards for Legacy FF's Class A Ordinary Stock to employees, directors, and non-employees.

The STI Plan does not specify a limit on the number of stock options that can be issued under the plan. Per the terms of the STI Plan the Company must reserve and keep available a sufficient number of shares to satisfy the requirements of the STI Plan.

As of September 30, 2025, there were no unrecognized stock-based compensation expense for stock options granted under the STI Plan.

AIXC Plan

In April 2020, AIXC adopted the 2020 Stock Incentive Plan (the "2020 Plan"), which provides for the granting of incentive or non-statutory common stock options and other types of awards to qualified employees, officers, directors, consultants and other service providers. At September 30, 2025 and December 31, 2024, there were 1,570 and 1,870 outstanding stock options, respectively, under the 2020 Plan and on such dates there were 13,544 and 13,244 shares reserved under the 2020 Plan, respectively, for future grants.

Equity Awards Outside of Company's Equity Incentive Plans

Effective April 23, 2025, the Company entered into an offer letter with Mr. Yueting Jia, under which he was appointed to serve as Global Co-CEO. In connection with his service, Mr. Jia is eligible to receive contingent equity awards if the Company achieves certain stock price or market capitalization milestones. These awards are made outside of the Company's existing equity incentive plans.

The equity award structure consists of two phases:

- Phase 1: For every \$5.00 increase in the Company's daily closing stock price or \$700.0 million increase in market capitalization, measured from April 23, 2025, Mr. Jia is eligible to receive restricted stock units (RSUs) equal to 1% of the Company's outstanding shares at the time the milestone is achieved. Awards under this phase are capped at 5% of the Company's outstanding shares.
- Phase 2: After reaching the 5% cap under Phase 1, Mr. Jia is eligible to receive additional RSUs for each \$20.00 increase in stock price or \$3.0 billion increase in market capitalization, again equal to 1% of outstanding shares per milestone, up to a cumulative total of 9% of outstanding shares.

To qualify for any award, the applicable stock price or market capitalization level must be sustained for at least 15 consecutive trading days. The effects of stock splits, dividends, mergers, or acquisitions are excluded from milestone calculations. There is no expiration date associated with achievement of the award. The award qualifies for equity accounting pursuant to the provisions of ASC 718, however, since the Company has insufficient authorized but unissued shares the award is presented as a liability within Accrued Expenses and Other Current Liabilities in the Condensed Consolidated Balance Sheet for the period ended September 30, 2025.

The fair value of Mr. Jia's award at grant date was \$10.3 million with an estimated total derived service period of 7.61 years, with expected milestone achievement dates between 2028 and 2032. As of September 30, 2025 the fair value of Mr. Jia's award is \$24.0 million with a remaining total derived service period of 6.96 years. The Company recognizes expense for Mr. Jia's award using the accelerated attribution method.

Mr. Jia's award was valued using a Monte Carlo simulation model based on a Geometric Brownian Motion framework. While Mr. Jia's award is liability classified due to the Company's insufficient authorized but unissued share reserves, the Company has made the election not to revise the estimated derived service period in connection with the periodic re-

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measurement of the award. Details on key assumptions and inputs used in valuing Mr. Jia's award can be found at Note 15, *Fair Value of Financial Instruments*.

The Company began recognizing expense for Mr. Jia's market-based awards, which are in addition to his annual equity plan, at the inception of the arrangement. The compensation expense recognized in the three and nine months ended September 30, 2025 was \$1.2 million and \$1.9 million, respectively.

Stock-based compensation expense

The following table presents stock-based compensation expense for all of the Company's 2021 Plan, EI Plan, STI Plan and Common Units of FF Global included in each respective expense category in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss is as follows:

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Research and development	\$ 22	\$ 509	\$ 357	\$ 965
Sales and marketing	4	96	45	172
General and administrative	1,272	988	2,090	1,115
	<u>\$ 1,298</u>	<u>\$ 1,593</u>	<u>\$ 2,492</u>	<u>\$ 2,252</u>

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15. Fair Value of Financial Instruments***Cash Equivalents***

The fair value of the Company's money market funds is based on the closing price of these assets as of the reporting date, which are included in cash equivalents. The Company's money market funds are classified within Level 1 of the fair value hierarchy because they are valued using quoted prices for identical instruments in active markets. As of September 30, 2025 and December 31, 2024 the Company had cash equivalent balances of \$38.2 million and \$0.0 million, respectively.

Digital Assets

The Company measures digital assets at fair value in accordance with ASC 820. Fair value is determined as of 11:59 p.m. on the reporting date using observable market data sourced through the Company's custodian and trading counterparty, BitGo. BitGo obtains pricing from third-party providers that aggregate executed trade data across multiple U.S.-accessible exchanges and institutional liquidity providers (e.g., Coinbase, Kraken, and other venues). Because the Company's fair value measurements are derived from aggregated market inputs rather than an unadjusted quoted price on a single principal exchange that the Company accesses at the measurement time, digital assets are classified within Level 2 of the fair value hierarchy. As of September 30, 2025 and December 31, 2024 the Company had digital asset balances of \$1.6 million and \$0.0 million, respectively.

Notes Payable & Related Party Notes Payable

The Company has elected to measure certain notes payable and related party notes payable at fair value. Specifically, the SPA Portfolio Notes or notes convertible into SPA Portfolio Notes as they contain embedded liquidation premiums with conversion rights that represent embedded derivatives (see Note 8, *Notes Payable* and Note 9, *Related Party Transactions*). The Company uses a binomial lattice model and discounted cash flow methodology to value the notes carried at fair value. The significant assumptions used in the models include the volatility of the Class A Common Stock, the Company's expectations around the full ratchet anti-dilution and other triggering events, the Company's debt discount rate based on a CCC rating, annual dividend yield, the risk free rate, and the expected life of the instrument. Fair value measurements associated with the notes payable and related party notes payable represent Level 3 valuations under the fair value hierarchy.

The fair value adjustments related to notes payables and related party notes payable were recorded in Change in fair value of notes payable, warrant liabilities, and derivative call options or Change in fair value of related party notes payable, warrant liabilities, and derivative call options, respectively, in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

For notes payable and related party notes payable where the Company did not elect the fair value option pursuant to *ASC 825, Financial Instruments*, the carrying value approximates the fair value of the obligation.

2025 Convertible Note - AIXC

The fair value of the 2025 Convertible Note - AIXC was estimated using a Monte Carlo simulation model. Key inputs to the model include the AIXC's stock price, expected equity volatility, the expected equity financing date, the contractual maturity date, risk-free interest rates, and an assessment of the Company's credit risk. These inputs represent significant unobservable inputs and, accordingly, the instrument is classified within Level 3 of the fair value hierarchy.

SPA Portfolio Note Warrants

The Company is required to measure certain SPA Portfolio Note warrants at fair value. The Company uses a Monte Carlo simulation model to measure the fair value of the liability classified SPA Warrants, where the significant assumptions used include the volatility of the Company's Class A Common Stock, the Company's expectations around the full ratchet anti-dilution and other triggering events, the contractual term of the warrant, the risk-free rate and annual dividend yield. Fair value measurements associated with the liability-classified warrants represent Level 3 valuations under the fair value hierarchy.

The fair value adjustments related to the liability classified warrants were recorded in Change in fair value of notes payable, warrant liabilities, and derivative call options or Change in fair value of related party notes payable, warrant liabilities, and derivative call options, in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss

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Liability Classified Warrants - AIXC

The value of AIXC's warrant liabilities as of September 30, 2025 was determined using the Black-Scholes Model. Significant assumptions used in the valuation include the expected volatility of AIXC's common stock, the contractual term of the warrants, the risk-free interest rate, and an expected dividend yield of zero. Expected volatility is based on a blend of comparable public company data and, as available, AIXC's own historical volatility. The risk-free rate is derived from U.S. Treasury yields with maturities commensurate with the remaining contractual term of the warrants. Fair value measurements associated with the liability-classified AIXC warrants represent Level 3 valuations under the fair value hierarchy. The fair value of the liability-classified AIXC warrants was approximately \$0.4 million as of September 30, 2025.

Derivative Call Options

Holders of the Junior Secured SPA Notes, the 2024 Unsecured SPA Notes, and 2025 March Unsecured SPA Notes were issued Incremental Warrants to purchase additional notes on the same terms and conditions up to the amounts originally funded under their commitments. The Company estimates the fair value of the Incremental Warrants using both a binomial lattice model and Monte Carlo simulation to value the Incremental Warrants as the Incremental Warrants entitle the holder to the relevant SPA Portfolio Note and SPA Portfolio Warrant upon exercise. The significant assumptions used include the volatility of the Company's Class A Common Stock, the Company's expectations around the full ratchet anti-dilution and other triggering events, the contractual term of the Incremental Warrants, the risk-free rate and annual dividend yield. The underlying convertible notes and the warrants issuable upon the exercise of the Incremental Warrant were assumed to be exercisable up to the maximum allowable amount. Additionally, the terms of these instruments were presumed to be consistent with those of the convertible notes and warrants issued in connection with the Incremental Warrants. Fair value measurements associated with the liability-classified derivatives represent Level 3 valuations under the fair value hierarchy.

The fair value adjustments related to the Incremental Warrants were recorded in Change in fair value of notes payable, warrant liabilities, and derivative call options or Change in fair value of related party notes payable, warrant liabilities, and derivative call options in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

Market-based Awards

In connection with his appointment as Global Co-CEO effective April 23, 2025, the Company entered into an offer letter with Yueting Jia that includes a market-based equity award, as further described in Note 14, *Stock-Based Compensation*. The award is contingent upon the achievement of specified stock price and market capitalization milestones and was granted outside of the Company's existing equity incentive plans.

The fair value of the award is remeasured quarterly using a Monte Carlo simulation model based on a Geometric Brownian Motion framework. Significant assumptions used in the valuation included a stock price of \$0.90, a market capitalization of \$76.4 million, a risk-free rate of 4.17%, a selected equity volatility of 80.0%, and an estimated contractual term of ten years. The remaining total derived service period for the award is 6.96 years, with expected milestone achievement dates between 2028 and 2032.

The Company concluded that the award qualifies for equity classification under ASC 718. However, because the Company does not currently have a sufficient number of authorized but unissued shares the award is classified as liability within Accrued Expenses and Other Current Liabilities in the Condensed Consolidated Balance Sheet for the period ended September 30, 2025. Shares based compensation expense is recorded in General and administrative expense in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss

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Recurring Fair Value Measurements

Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following tables present financial assets and liabilities remeasured on a recurring basis by level within the fair value hierarchy:

<i>(in thousands)</i>	September 30, 2025		
	Level 1	Level 2	Level 3
Assets:			
Money-market funds	\$ 38,214	\$ —	\$ —
Digital assets	\$ —	\$ 1,592	\$ —
Liabilities:			
Warrant liabilities ¹	\$ —	\$ —	\$ 43,150
Derivative call options ¹	\$ —	\$ —	\$ 18,900
Notes payable ¹	\$ —	\$ —	\$ 73,065
Market-based awards	\$ —	\$ —	\$ 1,882

¹ Includes both related party and non-related party balances for the Company's notes payable and warrant liabilities.

<i>(in thousands)</i>	December 31, 2024		
	Level 1	Level 2	Level 3
Liabilities:			
Warrant liabilities ¹	\$ —	\$ —	\$ 28,864
Derivative call options ¹	\$ —	\$ —	\$ 29,709
Notes payable ¹	\$ —	\$ —	\$ 46,628

¹ Includes both related party and non-related party balances for the Company's notes payable and warrant liabilities.

There were not any transfers of assets and liabilities between Level 1, Level 2 and Level 3 of the fair value measurement hierarchy during the three and nine months ended September 30, 2025 and the year ended December 31, 2024. The carrying amounts of the Company's financial assets and liabilities, including cash, restricted cash, deposits, accounts payable, accrued liabilities and notes payable, other than the SPA Portfolio Notes and the 2025 Convertible Note - AIXC, approximate fair value because of their short-term nature or contractually defined value.

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The following table summarizes the activity of Level 3 fair value measurements:

<i>(in thousands)</i>	<u>Warrant Liabilities¹</u>	<u>Derivative Call Option¹</u>	<u>Notes Payable¹</u>	<u>Market-based award⁴</u>
Balance as of December 31, 2024	\$ 28,864	\$ 29,709	\$ 46,628	\$ —
Additions	48,110 ²	39,063 ²	115,046 ³	1,216
Additions - Business Combination	362	—	340	—
Change in fair value measurements	(21,537)	(36,221)	(31,610)	666
Conversions of notes to Class A Common Stock	—	—	(57,339)	—
Warrant exercise	(12,649)	—	—	—
Exercise of derivative call options	—	(13,651)	—	—
Balance as of September 30, 2025	<u>\$ 43,150</u>	<u>\$ 18,900</u>	<u>\$ 73,065</u>	<u>\$ 1,882</u>

¹ Includes both related party and non-related party balances for the Company's notes payable and warrant liabilities.

² Addition to *Warrant Liabilities* and *Derivative Call Option* are included as loss in line items *Change in fair value of notes payable, warrant liabilities, and derivative call options* and *Change in fair value of related party notes payable, warrant liabilities, and derivative call options* in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss. This information is presented to facilitate reconciliation to the related amounts reported in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

³ Additions of *Notes Payable* measured at fair value are presented net of the initial fair value adjustment recorded at issuance. the aggregate fair value adjustment recognized at issuance reduced the principal amount of notes issued during the period by \$23,074 thousand. This reduction reflects the allocation of total transaction proceeds between the SPA Notes and the related SPA Warrants and Incremental Warrants issued as part of the bundled transaction. In addition, the line item *Change in fair value of notes payable, warrant liabilities, and derivative call options* includes a loss of \$4,793 thousand, and the line item *Change in fair value of related party notes payable, warrant liabilities, and derivative call options* includes a loss of \$189 thousand, both of which relate to debt issuance costs. These costs are separately identifiable from the fair value adjustments described above and are not included in the Additions of *Notes Payable*. This information is presented to facilitate reconciliation to the related amounts reported in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

⁴ As discussed in Note 14, Stock-Based Compensation, the issuance date fair value of the Market-based award is \$10.3 million and as of September 30, 2025 the fair value of the Market-based award was \$24.0 million. Amounts displayed here represent vesting for the award based on the issuance date fair value and the subsequent remeasurement of amounts vested.

16. Net Loss per Share

Net Loss Per Share Attributable to Common Stockholders

Basic net loss per share attributable to common stockholders is calculated by dividing net loss attributable to common stockholders by the weighted-average number of shares issued and shares to be issued under the commitment to issue shares, as these shares are issuable for no consideration.

Diluted net loss per share attributable to common stockholders adjusts the basic net loss per share attributable to common stockholders and the weighted-average number of shares issued and shares to be issued under the commitment to issue shares for potentially dilutive instruments.

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The following data shows the amounts used in computing net loss per share and the effect on net loss and the weighted-average number of shares as follows:

<i>(in thousands, except share and per share amounts)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net loss	\$ (222,187)	\$ (77,686)	\$ (357,141)	\$ (234,588)
Less: Deemed Dividend	—	(4,153)	—	(4,153)
Net loss available to common stockholders	\$ (222,187)	\$ (81,839)	\$ (357,141)	\$ (238,741)
Weighted average shares used in computing net loss per share of Class A and B Common Stock:				
Basic	143,159,121	15,379,402	107,784,739	8,707,165
Diluted	143,159,121	15,379,402	107,784,739	8,707,165
Net loss per share of Class A and B Common Stock attributable to common stockholders:				
Basic	\$ (1.55)	\$ (5.32)	\$ (3.31)	\$ (27.42)
Diluted	\$ (1.55)	\$ (5.32)	\$ (3.31)	\$ (27.42)

The net loss per common share was the same for the Class A Common Stock and Class B Common Stock because they are entitled to the same liquidation and dividend rights and are therefore combined in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

Potentially Dilutive Shares

The Company reported net losses for all periods presented, resulting in all potentially dilutive Common Stock equivalents being considered antidilutive and excluded from the calculation of net loss per share.

The table below presents the potentially dilutive shares that were excluded from the computation of diluted net loss per share of Common Stock attributable to Common Stock stockholders due to their antidilutive effect:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Shares issuable upon conversion of SPA Portfolio Notes	79,219,893	25,995,784	79,219,893	25,995,784
Shares issuable upon conversion of Unsecured Convertible Notes	—	666,624	—	666,624
Shares issuable upon exercise of equity classified SPA Portfolio Note warrants	15,628	15,143	15,628	15,143
Shares issuable upon exercise of liability classified SPA Portfolio Note warrants	58,721,309	5,931,638	58,721,309	5,931,638
Other warrants	5,776,657	1,278,802	5,776,657	1,278,802
Stock-based compensation awards – Options	2,289	2,879	2,289	2,879
Stock-based compensation awards – RSUs	6,101	1,529,966	6,101	1,529,966
Public warrants	2,453	2,453	2,453	2,453
Private warrants	12	12	12	12
	143,744,342	35,423,301	143,744,342	35,423,301

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17. Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the Unaudited Condensed Consolidated Financial Statements were issued.

Subsequent SPA Portfolio Notes Activity

Subsequent to September 30, 2025, the Company received gross proceeds in connection with issuance of SPA Portfolio Notes to third parties totaling \$9.1 million, with maturity period of five years and 10.00% interest. Principal and accrued interest are convertible at the option of the holder into Common Stock of the Company at a conversion price per share equal to the lower of a) stated conversion price or b) lowest VWAP of the five trading days immediately prior to the day on which lender provides conversion notice. Additionally, \$8.7 million of principal and \$0.2 million of interest of the Company's SPA Portfolio Notes were converted into 7,842,407 shares of the Company's Class A Common Stock.

Bitron Settlement

On August 15, 2025, the Company entered into a Settlement and Release Agreement (the "Bitron Settlement and Release Agreement") with Bitron S.P.A. ("Bitron") to resolve a \$0.3 million judgment stemming from an arbitration award related to several unpaid purchase orders and invoices for goods and services provided by Bitron to the Company.

Pursuant to the Bitron Settlement and Release Agreement, the Company agreed to satisfy \$0.3 million of the settlement through a cash payment of \$0.1 million on or before August 20, 2025 and the remaining \$0.2 million through the issuance of Class A common stock. The number of shares based on the price per share equal to the Nasdaq closing price of the Company Stock on the trading day immediately preceding the issuance date. On October 21, 2025, the Company issued 153,020 shares of its Class A common stock to Bitron. These shares are not registered as of the date of filing these Financial Statements.

Sale and Purchase of Digital Assets

Subsequent to September 30, 2025, the Company completed the sale of its staked digital assets for \$1.3 million. In September 2025, the Company received a \$1.4 million advance payment from its staked digital assets. The completion of the sale did not have a material impact on the Company's liquidity or results of operations.

Additionally, subsequent to September 30, 2025, AIXC, a consolidated subsidiary of the Company, transferred approximately \$20.0 million to Bitgo to establish a cryptocurrency fund.

AIXC Shareholder Vote

On November 12, 2024, AIXC held a special meeting of stockholders, at which a majority of outstanding voting shares approved the Subscription Agreement dated September 19, 2025, along with related share issuances, including the issuance and future conversion of Series B Convertible Preferred Stock. These approvals enable the Company to obtain its expected majority ownership position in AIXC and to exercise its associated rights, including the ability to designate a majority of the reconstituted board following closing.

Qualigen Therapeutics, Inc. Name Change to AIXCrypto Holdings, Inc.

Effective on November 14, 2025, Qualigen Therapeutics, Inc. filed a Certificate of Amendment to its Certificate of Incorporation under Section 242 of the Delaware General Corporation Law to change its corporate name to AIXCrypto Holdings, Inc. The amendment was approved by the AIXC's board of directors and stockholders and was executed by Co-Chief Executive Officer Kevin A. Richardson II.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

All references in this report to “FFAI,” the “Company,” “FF,” “we,” “us,” or “our” mean Faraday Future Intelligent Electric Inc., together with its consolidated subsidiaries. Unless the context suggests otherwise, references to “Faraday Future Intelligent Electric Inc.” mean the parent company without its subsidiaries.

The following discussion and analysis is intended to help the reader understand our results of operations and financial condition. This discussion and analysis is provided as a supplement to, and should be read in conjunction with our Unaudited Condensed Consolidated Financial Statements and Notes thereto included elsewhere in this quarterly report on Form 10-Q (this “Report” or this “Form 10-Q”). Some of the information contained in this discussion and analysis or set forth elsewhere in this Report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from management’s expectations as a result of various factors, including but not limited to those discussed in the sections entitled “Risk Factors” in the Company’s Annual Report on Form 10-K filed on March 31, 2025 and “Cautionary Note Regarding Forward-Looking Statements” below. The objective of this section is to provide investors an understanding of the financial drivers and levers in our business and describe the financial performance of the business.

Cautionary Note Regarding Forward-Looking Statements

This 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”). These forward-looking statements can be identified by the use of forward-looking terminology, including the words “believes,” “estimates,” “anticipates,” “expects,” “intends,” “plans,” “may,” “will,” “potential,” “projects,” “predicts,” “continue,” or “should,” or, in each case, their negative or other variations or comparable terminology. There can be no assurance that actual results will not materially differ from expectations. Such statements include, but are not limited to, any statements relating to our financial and business performance, market acceptance and success of our business model, our ability to expand the scope of our offerings, and our ability to comply with the extensive, complex, and evolving regulatory requirements. These statements are based on management’s current expectations, but actual results may differ materially due to various factors.

The forward-looking statements contained in this Report are based on our current expectations and beliefs concerning future developments and their potential effects on us. Future developments affecting us may not be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control), and other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under the section titled “Risk Factors” in the Form 10-K filed on March 31, 2025. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation (and expressly disclaim any obligation) to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. These risks and others described under the section titled “Risk Factors” Item 1A in the Form 10-K, filed on March 31, 2025, may not be exhaustive.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and developments in the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this Report. In addition, even if our results or operations, financial condition and liquidity, and developments in the industry in which we operate are consistent with the forward-looking statements contained in this Report, those results or developments may not be indicative of results or developments in subsequent periods.

Overview

Company Overview

We are a California-based, global, shared, intelligent mobility ecosystem company founded in 2014 with a vision to disrupt the automotive industry. Our Class A Common Stock and Public Warrants trade on The Nasdaq Capital Market (“Nasdaq”) under the ticker symbols “FFAI” and “FFAIW,” respectively.

With headquarters in the greater Gardena, California area, we design and engineer next-generation intelligent, connected electric vehicles. We manufacture vehicles at the FF ieFactory California production facility in Hanford, California. We also have additional engineering, sales, and operational capabilities in China and are exploring potential manufacturing opportunities

there through a joint venture or other arrangements. Additionally, we have established operations in the United Arab Emirates, including an entity to manage assembly and sales support for FF 91 series vehicles and a facility in Ras Al Khaimah intended to support future FX Super One production, further expanding our presence in the Middle East as part of our “third pole” strategy.

Since our founding, we have created major innovations in technology and products and followed a user-centered business model. We believe these innovations will enable us to set new standards in luxury and performance that will redefine the future of intelligent mobility.

Our near-term product roadmap builds on the FF 91 platform through the planned FF 92 upgrade program and the FX Super One and reflects an increased focus on reallocating resources, manufacturing capacity, and engineering efforts toward these programs. The shift in strategy from relying primarily on the FF 91 platform, the elimination of federal tax credits for electric vehicles effective September 30, 2025, and the escalating U.S. - China trade tensions and potential restrictions on critical materials resulted in the Company recording an asset impairment of \$130.0 million during the three months ended September 30, 2025. We expect our wider product portfolio to better align our product strategy with anticipated demand, improve capital efficiency, and support the next phase of our commercialization efforts.

In September 2025, we consolidated AIXC, a newly acquired entity with operations in the life sciences sector. AIXC’s common stock is listed on Nasdaq under the ticker symbol “AIXC.” While AIXC is currently immaterial to our operating results, we intend to use it as a platform for future strategic initiatives, including potential blockchain and crypto-related ventures.

Company’s Strategies

- Dual-Home Market Strategy: We have implemented a dual-home market strategy, integrating U.S.-based technological innovation and vehicle development with China’s supply chain and production capabilities.
- Third Pole Strategy: We have begun implementing a “third pole” strategy with an operational facility in the UAE, complementing our U.S. and China market approach.
- Dual-flywheel Strategy:
 1. Product and Ecosystem Flywheel – Focused on driving growth through continuous innovation in intelligent electric vehicle design, user experience, and AI-driven connectivity. This flywheel leverages technology development, brand influence, and user engagement to expand the Company’s premium mobility ecosystem and strengthen recurring revenue opportunities.
 2. Financial and Capital Efficiency Flywheel – Concentrated on improving liquidity and balance sheet health through disciplined financing, cost control, and operational scalability. This flywheel supports long-term financial sustainability and reinforces the product-driven growth cycle.
- Dual-bridge Eco Strategy:
 1. Technology and AI Ecosystem Bridge – Integrates the Company’s intelligent mobility technologies, vehicle platforms, and data-driven services to create synergies between product performance and digital ecosystem expansion.
 2. Technology and AI Ecosystem Bridge – Connects the Company’s industrial partnerships, supplier network, and regional collaborations with capital market initiatives to support global growth, funding diversification, and shareholder value creation.
- Stockholder Initiative: We have implemented an initiative that reinforcing management’s commitment to transparency, accountability, and long-term value creation that includes share purchases by the Company’s leadership.
- EAI + Crypto Strategy: We have a strategy implemented that integrates its Eco Artificial Intelligence (“EAI”) mobility ecosystem with blockchain-based digital asset initiatives to create a unified platform for intelligent mobility and Web3 innovation. The strategy is designed to leverage AI-driven vehicle data, user engagement, and decentralized finance tools to build new value channels for users and investors, while enhancing transparency, connectivity, and long-term ecosystem monetization.

Technology & Innovation

- Our Proprietary VPA: We have designed and developed a breakthrough mobility platform—our proprietary VPA, which enables scalable vehicle development across multiple segments.
- Propulsion System: Our propulsion system provides a competitive edge in acceleration and range, enabled by an industry-leading inverter design and a propulsion system integrated with our AI-powered user experience.
- I.A.I Technology: Our advanced I.A.I technology offers high-performance computing, high-speed internet connectivity, OTA updating, an open ecosystem for third-party application integration, and an advanced autonomous

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driving-ready system.

- **Intellectual Property & Supply Chain Development:** Since inception, we have developed a portfolio of intellectual property, established its supply chain, and assembled a global team of automotive and technology experts. As of September 30, 2025, FF has been granted approximately 660 patents globally.

Product & Pipeline

- **FF 91:** We believe that the FF91 Futurist (the “FF91,” “FF91 Futurist,” or “FF91 2.0FuturistAlliance”) is the first ultra-luxury electric vehicle to offer a highly personalized, fully connected user experience for driver and passengers. We started production on the first FF91 Futurist and delivered the first FF91 2.0FuturistAlliance in 2023. As part of our transition plan, we are continuing limited FF91 deliveries while reallocating resources, manufacturing capacity and engineering efforts toward the planned FF92 upgrade and the FX Super One. Our strategy emphasizes FF91 deliveries alongside development of FF92 while the FX brand leverages the Super One to enter the U.S. MPV market.
- **FF 92:** We are developing the FF 92 as the next-generation ultra-luxury electric vehicle built on the FF 91 platform, designed to maintain our leading edge in product and technology in the ultra-spire segment as part of a planned FF 92 upgrade program. The FF 92 remains in the research and development stage and has not yet entered commercial production.
- **FX Super One:** We are developing the FX Super One as the first “First Class AI-MPV” under the FX brand, blending luxury and versatility in an AI-powered multi-purpose vehicle. The FX Super One is designed to serve visionaries and families, combining a spacious cabin with flexible four-, six- or seven-seat configurations and advanced AI features. It incorporates the world’s first Super EAI F.A.C.E. system—a customizable front LED display that can serve as an expressive “face” and extend the user’s presence—and is built on FF’s EAI 6×4 technology platform. The vehicle offers both pure battery-electric and AI hybrid extended-range powertrain options, intelligent all-wheel drive, and an expansive interior with zero-gravity seats, a multi-source sensor suite for proactive safety, and an EAI operating system that supports voice, gesture and immersive multimedia interaction. With a target of delivering “twice the performance at half the price” and creating a new “First Class AI-MPV” market in the U.S. and Middle East, the FX Super One is currently in development; pilot production and regulatory preparations are under way.
- **Vehicle Pipeline:** Besides the FF 91, FF 92, and FX Super One, our planned B2C passenger vehicle lineup includes the FX 5 and FX 6. The FX 5 is designed as a mainstream, large-space sporty AIEV intended to broaden our reach beyond the ultra-luxury segment, while the FX 6 is planned as a larger, family-oriented AIEV positioned above the FX 5 within the FX lineup. Both models are expected to offer a mix of battery-electric and range-extended powertrain configurations and are intended to complement the FX Super One by expanding our presence into higher-volume segments of the global EV market.

Manufacturing & Distribution

- **FF Series Manufacturing:** The FF 91 Series is currently being manufactured in FF ieFactory California.
- **FX Series Manufacturing:** Certain FX Series models are planned to be manufactured at FF ieFactory California, and, contingent on adequate funding and local regulatory and operational preparations, FX Super One production is targeted at our Ras AI Khaimah facility in the United Arab Emirates.
- **Global Availability:** All of our vehicles are expected to be available for sale in the U.S. and the Middle East. Our Ras AI Khaimah facility in the United Arab Emirates integrates offices, production workshops, and operational hubs and is positioned to support sales and service across the Gulf Cooperation Council countries; this facility has been highlighted as a springboard for the Company’s future expansion into European and North African markets. In parallel, the FF China team is focused on strengthening global supply-chain management and pursuing strategic partnerships with intelligent-driving companies, which could eventually support manufacturing and distribution activities in China.

Recent Developments

From January 1, 2025, through the filing date, we achieved key operational and financing milestones. Below is a summary of significant events by category.

EV - Strategic Operations and Product Development

- In March 2025, we hosted FF Open AI Day and unveiled our Personalized AI and Bespoke AI systems. These innovations are part of our All-AI Mobility Ecosystem. Personalized AI is designed to learn and adapt to user preferences across vehicle controls, comfort, and interaction styles. Bespoke AI delivers co-created, premium user interfaces and intelligent services tailored for luxury users, acting as a digital concierge. Both systems are built on large-model AI architecture and are planned for integration into the FF 91 and FX series.

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- In March 2025, Future AIHER AI Hybrid Extended-Range Electric Powertrain System Inc. was incorporated in the State of Delaware as a subsidiary of the Company. This subsidiary focuses on the design and development of AI hybrid extended-range electric powertrain systems.
- In April 2025, our FX CEO and team drove the FF 91 to Washington, D.C., for policy meetings with White House officials and showcased the FX Super One.
- In April 2025, the Company signed its first binding B2B pre-order agreement with JC Auto, a New York City-based dealership operating as 129 Auto Sales Corp., for 1,000 FX Super One vehicles, including a \$100,000 non-refundable deposit and priority delivery of up to 300 vehicles intended for use in a premium fleet serving the New York area.
- In April 2025, the Company reaffirmed its goal of selling tens of thousands of FX vehicles within two years and continued development of two additional FX models priced between \$20,000 and \$40,000 to target underserved segments of the U.S. AI Electric Vehicle (“AIEV”) market.
- In May 2025, the Company entered into a second B2B pre-order agreement with Sky Horse Auto LLC—a California-based premium mobility provider—for 300 FX Super One vehicles, supported by a \$30,000 non-refundable deposit and priority delivery.
- In May 2025, the Company announced it had secured non-binding fleet pre-orders totaling 1,300 FX Super One vehicles, including prior agreements with JC Auto and Sky Horse Auto, reflecting growing demand from U.S. mobility operators.
- In May 2025, the Company began public road testing for FX prototype mules, including the FX Super One and FX6, with testing focused on performance and Advanced Driver Assistance Systems (“ADAS”) validation.
- In May 2025, the Company confirmed the FX Super One will be unveiled at two launch events—a private debut on June 29 and a public global launch on July 17—with initial market entry planned for CA, NY, FL, TX, WA, NJ, and NV.
- In May 2025, the Company initiated preparations for a flexible production line as part of its longer-term strategy for FX models and future variants.
- In May 2025, the Company confirmed that the FX6 model is scheduled as a pipeline vehicle, expanding the FX product line beyond the Super One.
- In May 2025, the Company highlighted the FF 91’s AI Hypercar differentiation, citing 12 cameras, 3 light detection and ranging (“LiDAR”) sensors, tri-motor AWD, and in-cabin generative AI features as key performance advantages over competing ultra-luxury EVs.
- In May 2025, the Company disclosed that its FF 91 model met all Federal Motor Vehicle Safety Standards (“FMVSS”) and completed U.S. homologation, with deliveries made to celebrity and industry Co-Creation Officers.
- In May 2025, the Company secured 600 additional B2B deposits from U.S.-based multi-channel network (“MCN”) agencies CreaToRev and Good Deal, bringing total FX Super One B2B deposits to over 2,500 units.
- In May 2025, the Company began deploying FF 91 AI and software technologies, including a voice interaction system based on large language models, into the FX product line.
- In May 2025, the Company expanded its U.S. and Middle East operations, with its Ras Al Khaimah (RAKEZ) facility in the UAE ready for occupancy and targeted FX Super One production in the region contingent on funding. The strategy supports regulatory streamlining, market training, and regional investor interest.
- In May 2025, the Company hosted its first Annual Stockholders' Day event, featuring executive presentations, prototype ride-and-drives, and live Q&A sessions to promote transparency and stockholder engagement.
- In June 2025, the Company announced that global music icon Mariah Carey will become the next FF 91 2.0 Futurist Alliance owner and featured the FF 91 and FFZERO1 concept car in her new music video, “Type Dangerous,” which also includes influencer MrBeast and has trended globally, further elevating brand visibility and cultural relevance.
- In July 2025, the Company reaffirmed its commitment to the FX Super One launch and to accelerating development and distribution efforts for both FF and FX brands, including the integration of advanced AI technologies. This update highlights management’s intent to leverage the recently secured financing to support production readiness, scale operations for broader market access, and enhance technological differentiation in its intelligent electric vehicle lineup.
- In August 2025, the Company reaffirmed its focus on expanding its FX and FF 91 model lines, emphasizing broader market reach by introducing luxury technology from the FF 91 into future mass-production FX vehicles.

- In August 2025, the Company appointed George Li, a veteran automotive executive with extensive supply chain and operational experience, as Head of FF and FX Global Supply Chain and China Chief Strategic Cooperation & Business Growth Officer (“CSGO”) to strengthen supplier partnerships, enhance global sourcing and cross-border coordination, and advance the Company’s “Bridge Strategy” between the U.S. and China in support of long-term growth under the FX and FF vehicle programs.
- In September 2025, the Company advanced its global expansion by preparing its Ras Al Khaimah (U.A.E.) operations to support the FX Super One program under its Global Automotive Bridge Strategy, while further integrating its “EAI + Crypto” ecosystem that connects Eco Artificial Intelligence mobility systems with blockchain-based financial applications to enhance transparency and create new digital value channels.
- In September 2025, the Company announced that its 919 Futurist Day & Stockholders’ Community Day will showcase the unseen interior and product highlights of the FX Super One, provide updates on its U.S. homologation and Middle East launch plans, and detail deployment of FF’s EAI Vehicle Chain products under its Web2 + Web3 dual-engine strategy.
- In September 2025, the Company hosted its 919 Futurist Day & Stockholders’ Community Day, showcasing the previously unseen interior and product highlights of the FX Super One, providing updates on its U.S. homologation and Middle East launch plans, and presenting progress on the deployment of FF’s EAI Vehicle Chain products under its Web2 + Web3 dual-engine strategy.
- In November 2025, the Company announced that its future FF and FX battery electric vehicles, beginning with new models from 2026, will adopt the North American Charging System (“NACS”) port, providing future users with direct access to more than 28,000 Tesla Superchargers across the United States, Canada, Japan, and South Korea, while maintaining access to existing CCS fast-charging networks through operators such as ChargePoint and EVgo.
- In November 2025, the Company reported that the FX Super One program has received non-binding pre-orders for more than 11,000 vehicles in the United States and more than 200 vehicles in the United Arab Emirates, including from B2B fleet customers, reflecting continued growth in demand across both its U.S. and Middle East markets.
- In November 2025, the Company noted that it had successfully completed the first round of safety testing for upper interior occupant impact protection for the FX Super One as part of the broader safety assessment and homologation process for the vehicle.
- In November 2025, the Company outlined its fourth quarter 2025 strategic focus for the FX platform, emphasizing: (i) accelerating FX Super One channel development and pre-order growth, (ii) deploying advanced AI features, including enhanced voice and gesture interactions, (iii) completing additional safety assessments and manufacturing readiness activities, (iv) advancing international market penetration in the U.S. and UAE, and (v) strengthening strategic and financial partnerships to support FX commercialization.

Crypto - Strategic Operations and Product Development

- In August 2025, the Company introduced the C10 Index and related Crypto + EAI application framework, with real-time index tracking planned on FF.com and the FF App.
- In September 2025, the Company reported progress on developing the C10 Crypto Treasury Index, a tokenized asset platform designed to support balance sheet diversification, strengthen ecosystem financing, and advance the Company’s broader “EAI + Crypto” strategy.
- In September 2025, the Company announced plans to establish a new crypto-focused spin-off entity as part of its “EAI + Crypto Flywheel Strategy.” This initiative aims to integrate blockchain-based assets into the Company’s intelligent mobility ecosystem, enhancing user engagement, product monetization, and capital flexibility through tokenized value systems linked to FF’s vehicle platform.
- In September 2025, the Company completed a strategic \$30 million investment in AIXC as the lead investor in a \$41 million PIPE transaction to establish a crypto and Web3-related business, through which the Company obtained control of AIXC. Following stockholder approval, AIXC is expected to rebrand as CXC10 and focus on three growth engines—C10 Treasury and Index, BesTrade DeAI Agent, and ecosystem tokens—to support the Company’s long-term “EAI + Crypto” and “Dual-Flywheel & Dual-Bridge” ecosystem strategies.

EV - Capital Raising & Financing Agreements

- In December 2024, we secured approximately \$30.0 million in cash financing commitments for the purchase of unsecured convertible notes (the “2024 Unsecured SPA Notes”). Each investor (the “2024 Unsecured SPA Investors”) also received a 2024 Unsecured Incremental Warrant to fund, at the 2024 Unsecured SPA Investor’s sole discretion, additional notes up to the original principal balance of the 2024 Unsecured SPA Notes purchased by such 2024 Unsecured SPA Investor. These funds are intended to support our core business operations and the ongoing ramp-up of the FX strategy. On January 28, 2025, we entered into a letter agreement with certain of the 2024

Unsecured SPA Investors. Pursuant to the letter agreement, prior to our receipt of stockholders' approval, for the issuance of the Unsecured 2024 SPA Notes, 2024 Unsecured SPA Warrants and 2024 Unsecured Incremental Warrants, such investors agreed not to convert any outstanding 2024 Unsecured SPA Notes at a conversion price less than \$1.16, the initial conversion price of the 2024 Unsecured SPA Notes, and we agreed to issue, following receipt of such stockholders' approval, to such investors who convert any 2024 Unsecured SPA Notes at the \$1.16 conversion price prior to our receipt of stockholders' approval, additional shares of Class A Common Stock as a true-up.

- In January 2025, we received \$30 million in previously committed financing to support FF 91 deliveries and FX program development.
- In March 2025, we disclosed that our total capital raised since September 2024 exceeded \$100 million, with positive net cash flow reported for Q3 and Q4 2024.
- In March 2025, we secured approximately \$41 million in cash financing commitments (the "March Financing") for the purchase of unsecured convertible notes (the "March Unsecured SPA Notes"), and associated common warrants to purchase additional Class A Common Stock of the Company (the "March Warrants"). Each investor (the "March Unsecured SPA Investors") also received a March unsecured incremental warrant to fund, at the March Unsecured SPA Investor's sole discretion, additional notes up to the original principal balance of the March Unsecured SPA Notes purchased by such March Unsecured SPA Investor. The March Financing will be completed in four closings. In May 2025, the Company amended its March 2025 Securities Purchase Agreement through a Waiver and Amendment Agreement, permitting phased registration of underlying securities and extending the timing of subsequent closings by 20 business days, subject to updated stock price and volume thresholds. The first closing (the "First Closing") occurred on April 4, 2025, the tenth (10th) business day after March 21, 2025, the signing date and the second closing (the "Second Closing") occurred on May 28, 2025. The third closing (the "Third Closing") occurred on July 11, 2025, and fourth closing will occur upon satisfaction of certain conditions. These funds are intended to support our core business operations and the ongoing ramp-up of the FX strategy.
- In April 2025, we initiated a company-wide organizational and governance overhaul, publicly launched through a town hall, to increase strategic clarity and improve execution amid ongoing external uncertainty. The initiative, publicly launched through a company-wide town hall, was designed to eliminate historical inefficiencies, increase strategic clarity, and improve performance across operations, amid ongoing external uncertainty and market pressure.
- In May 2025, the Company's senior executive team announced plans to initiate a stock purchase program post-earnings, subject to regulatory compliance.
- In May 2025, the Company filed a Seventh Certificate of Amendment to its Certificate of Incorporation to increase the number of authorized shares of Class A Common Stock to 162,815,625, authorize 4,429,688 shares of Class B Common Stock, and raise the authorized Preferred Stock to 12,900,000 shares. The amendment, approved by stockholders at the May 24, 2025 special meeting, also eliminated the Series A Preferred Stock designation and supports existing and future preferred equity issuances.
- In July 2025, the Company secured approximately \$105 million in new cash financing, consisting of \$82 million in new financing commitments—primarily in the form of unsecured convertible notes and warrants—and \$22 million from previous investors through the exercise of prior securities. Existing institutional investors and new investors, including a Middle East strategic partner, participated in the financing, which remains subject to customary closing conditions. The participation of the Middle East partner is expected to support the Company's planned expansion in the region and strengthen its global investor base. The financing terms include a lower conversion price based on recent market prices and a reduction in warrant issuance to limit dilution. The Company continued to utilize Univest Securities as its placement agent for this transaction.
- In July 2025, the Company publicly unveiled the FX Super One at a global launch event in Los Angeles. The event, which followed a private preview and broad media coverage, showcased the new F.A.C.E. (Futuristic Aesthetic Connected Exterior) LED grille and the FF Super EAI (Extended AI) ecosystem. The Company has secured over 10,000 binding deposit commitments to date, reinforcing brand visibility and building momentum as it prepares to transition into production.
- In July and August 2025 the Company raised gross proceeds of \$45.6 million and \$0.1 million from third parties and related parties, respectively, in connection with SPA Portfolio Notes. During the same period, \$18.3 million of principal and \$0.9 million of interest were converted into 16,583,826 shares of Class A Common Stock.
- In August 2025, the Company issued one share of Series A Preferred Stock to Matthias Aydt for \$100.00.
- In August 2025, the Company reported \$105 million in new financing commitments from institutional investors to fund FX Super One launch activities and general corporate purposes.
- In August 2025, the Company filed an amendment to the Certificate of Designation for its Series B Preferred Stock

with the Secretary of State of Delaware, confirming 12 million authorized shares at a par value of \$0.0001 per share. The amendment, approved by a majority of Series B holders, did not alter any existing rights, preferences, or limitations established under the Series B designation.

Crypto - Capital Raising & Financing Agreements

- In August 2025, the Company announced plans to use dedicated financing exclusively for crypto-asset purchases, with an initial program targeting up to \$500M–\$1B (subject to securing funding) and an 80% passive / 20% active allocation approach.
- In August 2025, FF entered a strategic Web3 partnership with HabitTrade, a digital-asset infrastructure firm, to support the blockchain component of its new ecosystem.
- In September 2025, the Company outlined that the spin-off structure is intended to create an independent capital platform capable of attracting specialized crypto and Web3 investors, while preserving Faraday Future’s controlling interest and future participation in related financial upside.
- In September 2025, Faraday Future invested approximately \$30 million in AIXC at an effective price of \$2.246 per share, representing beneficial ownership of about 55% of AIXC’s common stock, while Global Co-CEO YT Jia invested \$4 million (approximately 7% ownership) under a two-year voluntary lock-up. The financing also included participation from strategic blockchain investors such as SIGN Foundation, backed by Binance Labs, Sequoia Capital, IDG, and Circle.

EV - Stock Exchange Compliance & Stockholder and Corporate Actions

- In January 2025, we filed a Certificate of Designation of Preferences, Rights and Limitations of Series A Preferred Stock (the “Series A Certificate of Designation”) with the Secretary of State of the State of Delaware. The Series A Certificate of Designation designated one share of our Preferred Stock as Series A Preferred Stock, and established and designated the preferences, rights and limitations thereof. The Series A Preferred Stock is not convertible into any other series of stock, but votes at a rate of 3,000,000,000 votes per share.
- In January 2025, we issued one share of Series A Preferred Stock to our Global Co-CEO, Matthias Aydt for the purchase price of \$100.00.
- In January 2025, the Company filed a registration statement on Form S-1 to register for resale shares of Class A Common Stock issuable upon conversion of previously issued convertible notes and exercise of warrants. This filing was made to enable certain investors to resell shares obtained through earlier financing agreements.
- In March 2025, we formally changed our Nasdaq ticker symbol to 'FFAI' to reflect our company’s rebranding around AI mobility. This symbol change reinforced our strategic emphasis on integrating artificial intelligence into our product and business ecosystem.
- In March 2025, we disclosed that our total capital raised since September 2024 exceeded \$100 million.
- In April 2025, we confirmed that we will not pursue a reverse stock split unless required to maintain Nasdaq compliance.
- In May 2025, the Company issued a formal statement addressing suspected illegal short selling and online misinformation campaigns, asserting a zero-tolerance policy for knowingly false and misleading public content.
- In May 2025, the Company amended its charter to increase authorized common shares by 38 million and preferred shares by 2.9 million, expanding total authorized shares to 180.1 million to support growth initiatives including the FX Super One launch and strategic transactions.
- In May 2025, at the Annual Meeting, stockholders approved the issuance of up to 61.9 million shares of Class A Common Stock under the March 2025 Securities Purchase Agreement, as required by Nasdaq Listing Rule 5635(d), and reelected all five directors with over 95% support.
- In May 2025, the Company filed a certificate of elimination with the Delaware Secretary of State to formally cancel the Series A Preferred Stock from its charter, following the full redemption of the single outstanding share originally issued in January 2025.
- In May 2025, the Company filed two amendments to its Form S-1 registration statement to update and expand the number of registered shares registered thereunder. These shares relate to Class A Common Stock issuable from convertible notes, warrants, and settlement of vendor obligations under financing agreements completed in December 2024 and March 2025. The purpose of these filings was to provide resale registration for existing investors and vendors holding conversion and settlement rights.
- In May 2025, the Company announced that Global Co-CEO YT Jia and President Jerry Wang each adopted SEC Rule 10b5-1 stock purchase plans, with trades expected to begin in August 2025; Mr. Jia plans to purchase \$560,000 and Mr. Wang plans to purchase \$50,000 of Class A Common Stock, with both executives committing not to amend or terminate their plans once effective. Mr. Jia completed the purchase of \$560,000 worth of Class A common stock shares during the quarter ended September 30, 2025. Before the plan was cancelled by the broker, Mr. Wang

purchased 10,600 shares of the Company's Class A common stock under this trading plan.

- In June 2025, Mr. Koti Meka, Chief Financial Officer, adopted a Rule 10b5-1 trading plan on June 12, 2025, providing for the purchase of up to \$20,000 of the Company's Class A common stock. Before the plan was cancelled by the broker, Mr. Meka purchased no shares of the Company's Class A common stock under this trading plan.
- In July 2025, the Company and certain executives, including Global Co-CEO Yueting Jia and President Jerry Wang, received Wells Notices from the SEC. A Wells Notice is a notification from SEC staff that they are considering recommending enforcement action for alleged violations of securities laws; it is not a formal charge or a final determination. The SEC's preliminary findings relate to alleged false or misleading statements during the Company's 2021 PIPE (Private Investment in Public Equity) and SPAC (Special Purpose Acquisition Company) transactions. The Company and executives plan to engage with the SEC to explain why enforcement action is not warranted.
- In August 2025, the Company regained eligibility to access its At-The-Market ("ATM") offering program and file new registration statements on Form S-3, following the timely filing of its Q2 2025 Form 10-Q. This development provides greater flexibility in capital raising, enabling the Company to access the public equity markets more efficiently without relying solely on convertible debt financing or the more burdensome Form S-1. The reinstatement of Form S-3 eligibility also streamlines the registration process for future equity issuances, reduces regulatory filing complexity, and supports the Company's strategic capital planning initiatives.
- In August 2025, FF highlighted its continued inclusion in the Russell 3000 Index and growing institutional ownership, with major investors increasing holdings relative to 2024.
- In August 2025, the Company disclosed that Founder and Global Co-CEO Yueting Jia and Global President Jerry Wang executed purchases of Company common stock under pre-established Rule 10b5-1 trading plans, demonstrating alignment with stockholder interests.
- In August 2025, additional share purchases by Company leadership, including CFO Koti Meka and FX CEO Xiao (Max) Ma, were scheduled pursuant to their existing 10b5-1 plans adopted in June 2025.
- In September 2025, the Company announced it successfully completed Nasdaq's one-year compliance monitoring period and regained full compliance, returning to normal listed-company status.
- In September 2025, all core proposals—other than a pending name change—were approved at the Company's special meeting of stockholders. The investment structure allows Faraday Future to focus on advancing its EV business while capturing upside from the new crypto-focused operations without additional dilution to existing stockholders.

Crypto - Stock Exchange Compliance & Stockholder and Corporate Actions

- In August 2025, the Company disclosed it is exploring a C10 ETF concept tied to the newly announced index.

Corporate Governance

- In February 2025, the consolidated class action lawsuit filed in Delaware was dismissed with prejudice, resolving all litigation of this type.
- In March 2025, Jerry Wang was promoted to President of the Company. At the time, he reported to the sole Global CEO. Following the April 2025 appointment of Yueting Jia as Global Co-CEO (see below), Mr. Wang now reports to both Global Co-CEOs as part of the Company's current dual-CEO leadership structure. His role continues to focus on overseeing day-to-day business operations and driving alignment across global functions.
- In April 2025, Yueting Jia, our founder, was promoted to Global Co-Chief Executive Officer ("Global Co-CEO"). Mr. Jia will co-lead the Company alongside Matthias Aydt, our other Global Co-CEO, with a focus on advancing user ecosystem development, supply chain management, EV R&D, finance, legal, and our China and Middle East operations. The appointment aligns with our broader strategic initiatives to enhance execution efficiency, strengthen our AI mobility leadership, and drive long-term shareholder value.
- In April 2025, we confirmed that we will not pursue a reverse stock split unless required to maintain Nasdaq compliance.
- In May 2025, the Company formalized YT Jia's appointment as Global Co-CEO under a new "Stockholders First" equity incentive plan, which ties his long-term compensation to improvements in market capitalization and share price performance.
- In August 2025, the Board approved compensation adjustments for Chief Financial Officer Koti Meka: his base salary increased from \$350,000 to \$380,000 effective August 16, 2025; he was granted additional restricted stock units valued at \$400,000 based on the August 16, 2025 closing price; and he will receive a \$30,000 cash bonus payable on August 31, 2025.

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- In August 2025, the Board approved temporary governance adjustments during the SEC investigation, excluding Global Co-CEO Yueting Jia from oversight of finance, legal, accounting, and public reporting functions. These responsibilities were consolidated under Global Co-CEO Matthias Aydt until the investigation concludes.
- In August 2025, the Company reported formation of a wholly owned subsidiary (FFAI Crypto Treasury and Bridging Holdings Inc.) for the crypto business and outlined a structure intended to isolate risk and enhance transparency (e.g., third-party custodians, on-chain verification).
- In September 2025, Global Co-CEO Yueting Jia completed the second tranche of stock purchases under his Rule 10b5-1 plan, investing approximately \$180,000 of his signing bonus to demonstrate confidence in FF's long-term strategy and stockholder alignment.
- In September 2025, Global Co-CEO Yueting Jia completed his third common stock purchase under his Rule 10b5-1 trading plan, investing approximately \$560,000, representing the after-tax portion of his signing bonus, to demonstrate his confidence in the Company's long-term strategy and alignment with stockholders.
- In September 2025, the Board approved the foundational steps for the spin-off entity and delegated management authority to oversee its implementation and compliance planning in alignment with U.S. regulatory standards for digital assets.
- In September 2025, the Company announced that Jerry Wang will serve as Co-CEO of AIXC, Koti Meka as CFO, and YT Jia as Chief Advisor. Faraday Future will hold nomination rights for two of five directors, which may increase to four of seven seats pending stockholder approval, ensuring strategic alignment and operational oversight within the new spin-off entity.
- In September 2025, the transaction marked a key step in implementing the Company's integrated strategy to connect its automotive and digital-asset platforms, strengthening alignment between operational leadership and the emerging CXC10 ecosystem.
- In October 2025, Faraday X AIEV Hong Kong Holding Limited ("FXHK") has completed its name change to GlobeX AI Hong Kong Holding Limited ("GXHK").
- In November 2025, AIXC held a special meeting of stockholders that approved the Subscription Agreement and related share issuances, enabling the Company to obtain a majority ownership position in AIXC and secure the right to designate a majority of the reconstituted board of directors.
- In November 2025, following this stockholder approval, AIXC filed a Certificate of Amendment to change its corporate name to AIXCrypto Holdings, Inc., formalizing the Company's controlling interest in the renamed entity as a strategic platform for its AI and crypto ecosystem initiatives.

Earnings Release Correction

- On November 13, 2025, the Company issued an earnings release that included certain preliminary financial information for the quarter ended September 30, 2025. Following issuance of the release, additional adjustments were identified during the completion of the quarter-end close and review process. As a result, certain amounts in the earnings release (related to our Unaudited Condensed Consolidated Balance Sheet and Statement of Cash Flows) differed from the financial information presented in this Form 10-Q. The financial information contained in this Form 10-Q reflects the Company's final, reviewed results for the period and should be relied upon as the authoritative presentation of the Company's financial performance.

Supply Chain Exposure and Tariff Risk

As of September 30, 2025, a significant portion of the Company's direct materials were sourced from China, exposing the Company to elevated U.S. import tariffs on electric-vehicle components and related inputs. While cost of goods sold was not materially affected for the three and nine months ended September 30, 2025, due to limited production and use of existing inventory, management increased the inventory reserve by \$10.6 million and \$14.4 million, respectively, including a component for anticipated tariffs. As production scales or if tariff rates broaden or rise, tariff-driven input costs could materially impact unit economics and may necessitate pricing, sourcing, or additional reserve actions.

Segment Information

We have three operating segments—AI Electric Vehicle ("AIEV"), Life Sciences, and Crypto—but only our AIEV segment meets the criteria for separate reporting under ASC 280. Through August 12, 2025, our two Global Co-Chief Executive Officers ("Global Co-CEOs") acted jointly as Co-Chief Operating Decision Makers ("CODMs") and regularly evaluated our financial performance using consolidated information at the total-company level, including consolidated loss from operations, cash flows, liquidity, and strategic initiatives. Effective August 13, 2025, in connection with temporary governance adjustments approved by the Board, Mr. Matthias Aydt serves as our sole CODM for purposes of ASC 280.

Management has identified Loss from operations, as presented in the Company's Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss, as the primary measure used by the CODM to evaluate the performance of the business and allocate resources. This measure is critical for a going concern that must carefully manage its cash outflows, particularly given that the timing of its cash inflows is influenced by external investor decisions. We define “significant segment expense” as controllable operating costs that are regularly provided to and reviewed by management, which include the expenses presented in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss as Cost of revenue, Research and development, Sales and marketing, and General and administrative.

Management closely tracks its expenditure on these key expense categories through regular reviews of cash balances, near-term cash flow projections, monthly management reports, and project management reports. The CODM, work in close collaboration with our business leaders to establish critical operational targets, set project timelines, and adjust spending plans. These leaders are responsible for implementing its strategic plans and revising targets and deadlines based on continuous internal communications and review meetings, thereby ensuring that any deviations from target spending or project timelines are promptly addressed. This rigorous oversight supports our strategic objectives to focus business activities on production, sales, and leasing of its FF 91 vehicles, and the planned launch of the FX Series vehicles.

In addition, the Company defines “other segment items” as other operating expense adjustments that arise from lease or other impairments, gains and losses on the sale or disposition of its fixed assets, or other market-driven factors that impact Loss from operations presented in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss and are not part of our recurring and controllable operating costs. By segregating these “Other Segment Items” from “loss from operations,” we provide investors with a clear view of the expenses that management can directly influence versus those driven by external factors.

During the third quarter of 2025, we consolidated AIXC, a variable interest entity that operates a legacy life-sciences business. The acquisition closed on September 29, 2025, and AIXC’s operating results were included in our consolidated financial statements for only the final two days of the quarter. The revenue and operating loss attributable to AIXC were immaterial and did not meet the quantitative thresholds under ASC 280 for separate segment reporting. In addition, we intend to use AIXC as the platform for our future crypto-related initiatives; however, no crypto operations were active during the quarter, and our prior crypto assets were liquidated to fund the transaction. (For further information see Note 3 - *Business Acquisition - Consolidation of AIXC*, and Note 1 - *Nature of Business and Organization*).

Other potentially reportable items, such as separate automotive sales and leasing revenues (currently immaterial), geographic information, depreciation expense, interest expense, or other segment-specific activities, are not separately reviewed by the CODMs. Accordingly, these detailed segment components do not influence the CODM’s decision-making or resource allocation processes and thus are not separately disclosed.

Emerging Growth Company Status

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 are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies. Any such election to not take advantage of the extended transition period is irrevocable.

We are an “emerging growth company” as defined in Section 2(a) of the Securities Act and has elected to take advantage of the benefits of the extended transition period for new or revised financial accounting standards. We expect to continue to take advantage of the benefits of the extended transition period, although we may decide to early adopt such new or revised accounting standards to the extent permitted by such standards. This may make it difficult or impossible to compare our financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions because of the potential differences in accounting standards used.

Components of Our Results of Operations

Key Factors Affecting Operating Results

Our performance and future success depend on several factors that present significant opportunities but also pose risks and challenges including those discussed below and, in the section, titled “Risk Factors” in Item 1A of the Form 10-K, filed on March 31, 2025.

Production and Operations

We expect to continue to incur significant operating costs that will impact our future profitability, including R&D expenses as we introduce new models and improve existing models; capital expenditures for the expansion of our manufacturing capacities; additional operating costs and expenses for production ramp-up; raw material procurement costs; general and administrative expenses as we scale our operations; interest expense from debt financing activities; and selling and distribution expenses as we build our brand and market our vehicles. We may incur significant costs in connection with our services as we deliver at scale the FF 91 Futurist, including servicing and warranty costs. Our ability to become profitable in the future will depend on our ability to successfully market our vehicles and control our costs.

Through September 30, 2025, we have sold eight and leased eleven vehicles. As a result, we will require substantial additional capital to develop products and fund operations for the foreseeable future. Until we can generate sufficient revenue from product sales, we will fund our ongoing operations through a combination of various funding and financing alternatives, including equipment financing of the FF ieFactory California, secured syndicated debt financing, convertible notes, working capital loans, and equity offerings, among other options. The particular funding mechanisms, terms, timing, and amounts are dependent on our assessment of opportunities available in the marketplace and the circumstances of the business at the relevant time. Any delays in the successful completion of its FF ieFactory California will impact our ability to generate revenue. For additional discussion of the substantial doubt about our ability to continue as a going concern, see Note 2, *Liquidity and Capital Resources and Going Concern* in the notes to the Unaudited Condensed Consolidated Financial Statements and for further details on liquidity, please see the “Liquidity and Capital Resources” section below.

Revenue and Cost of Revenue

Automotive Sales Revenue

We began the production of our FF 91 Futurist in March 2023 and started making deliveries to customers in August 2023 and have sold two vehicles during the nine months ended September 30, 2025.

Automotive sales revenue includes revenues related to deliveries of new vehicles, and specific other features and services including home charger, charger installation, twenty-four-seven roadside assistance, OTA software updates, internet connectivity and destination fees.

We recognize revenue on automotive sales upon delivery to the customer, which is when control of vehicle transfers. Payments are typically received at the point control transfers or in accordance with payment terms customary to the business and as indicated in the sales contract. OTA software updates are provisioned upon transfer of control of a vehicle and recognized over time on a straight-line basis as we have a stand-ready obligation to deliver such services to the customer. For obligations related to automotive sales, we estimate the standalone selling price by considering costs used to develop and deliver the good or service, third-party pricing of similar options and other information that may be available. The transaction price is allocated among the performance obligations in proportion to the standalone selling price of our performance obligations. Vehicle contracts do not contain a significant financing component.

Revenue from immaterial promises is combined with the vehicle performance obligation and recognized when the product has been transferred. We accrue costs to transfer these immaterial goods and services regardless of whether they have been transferred.

In certain circumstances, we provide customers with a residual value guarantee which may or may not be exercised in the future. The impact of such residual value guarantees was immaterial to our Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss for the three and nine months ended September 30, 2025.

We have entered into, and may continue to enter into, co-creator consulting agreements with our customers under which customers share feedback, driving data, ideas, experiences with our engineers, social media posts, and other promotional activities in exchange for specified fees. We evaluate the economic substance of these co-creation agreements to determine whether they should be combined with customer sales contracts under the contract combination guidance in ASC 606. When the contracts are economically linked, we account for them as a single arrangement. Under this approach, the cash inflows from the customer and the cash outflows from us are netted and treated as a single transaction. The resulting net amount is recorded as marketing expense. In situations where the net amount is less than the vehicle’s sale price or the contractual lease payment, the difference between the net amount and the sale price or lease payment is recognized as revenue.

Automotive Leasing Revenue

Revenue from Operating Leasing Program

We have outstanding leases under our vehicle operating leasing program in the U.S. Qualifying customers are permitted to lease a vehicle for up to 36 months. At the end of the lease term, customers are generally required to return the vehicles to us. We account for these leasing transactions as operating leases. We evaluate whether a lease contract should be combined with other agreements — such as co-creation arrangements when leasing contracts are negotiated together and are economically interdependent. We record leasing revenues as automotive leasing revenue on a straight-line basis over the contractual term, and we record the depreciation of these vehicles as cost of automotive leasing revenue. As of September 30, 2025, deferred lease-related upfront payments which will be recognized on a straight-line basis over the contractual terms of the individual leases were immaterial. Our policy is to exclude taxes collected from a customer from the transaction price of automotive contracts.

Revenue from Sales-Type Leasing Program

We have outstanding leases accounted for as sales-type leases under accounting standards codification (“ASC”) 842, Leases (“ASC 842”). Customers have the right to purchase the vehicle at the end of the lease term, which is usually 36 months. A customer qualifies under this program if the purchase option is reasonably certain to be exercised, and we therefore expect the customer to take title to the vehicle at the end of the lease term after making all contractual payments. We recognize all revenue and costs associated with the sales-type lease as automotive leasing revenue and automotive leasing cost of revenue, respectively, upon delivery of the vehicle to the customer when collectability of lease payments is probable at lease commencement. If collectability of lease payments is not probable at commencement, we recognize the lease payments as deposit liability and do not derecognize the leased vehicle until such point that collectability of lease payments becomes probable. We evaluate whether a lease contract should be combined with other agreements — such as co-creation arrangements when leasing contracts are negotiated together and are economically interdependent.

Customer Deposits

Our customers may reserve a vehicle and preorder certain services by making a customer deposit, which is fully refundable at any time. Refundable deposits, for vehicle reservations and services, received from customers prior to an executed vehicle purchase agreement are recorded as customer deposits (Accrued expenses and other current liabilities). Customer deposits were \$4.1 million and \$3.0 million as of September 30, 2025 and December 31, 2024, respectively. When vehicle purchase agreements are executed, the consideration for the vehicle and any accompanying products and services must be paid in advance prior to our transfer of the products or services. Such advance payments are considered non-refundable, and we defer revenue related to any products or services that are not yet transferred.

As of September 30, 2025, the Company had received approximately 9,900 non-binding, non-refundable B2B pre-orders and 515 B2C non-binding refundable reservations, totaling 10,415 reserved vehicles. By comparison, as of December 31, 2024, the Company had received 299 B2C reservations. The increase in total reservations was primarily driven by the launch of the FX Super One vehicle and the expansion of co-creator and reservation programs designed to drive early engagement and demand. The co-creator program leverages early supporters, channel partners, and social media influencers to generate awareness, promote product visibility, and build community participation around the brand and its new product offerings with a particular focus on driving B2C orders.

The Company enters into co-creation collaborations of varying value and service scope with B2B pre-order customers. Fees paid to non-influencer participants are recorded as co-creation expenses, while fees paid to influencer marketing agencies are classified either as contra-revenue or as marketing-related general and administrative expenses, depending on the nature of the arrangement. Co-creator costs are recorded as marketing expenses when the fair value of services provided under the co-creation agreement substantiates the payment; however, any portion of the payment that exceeds the fair value of those services is treated as a reduction of revenue in accordance with ASC 606.

Deferred Revenue

Deferred revenue is equivalent to the total transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, as of the balance sheet date. Deferred revenue related to products and services was insignificant as of September 30, 2025 and December 31, 2024.

Cost of Automotive Sales Revenue

Cost of automotive sales revenue includes direct and indirect materials, labor costs, manufacturing overhead, including depreciation costs of tooling and machinery, shipping and logistic costs, vehicle connectivity costs, and reserves for estimated warranty expenses. Cost of automotive sales revenues also includes adjustments to warranty expense.

Cost of Automotive Leasing Program

Cost of automotive leasing revenue includes the depreciation of operating lease vehicles, cost of goods sold associated with direct sales-type leases and warranty expense related to leased vehicles.

Warranties

We provide a manufacturer's warranty on all vehicles sold. The warranty covers the rectification of reported defects via repair, replacement, or adjustment of faulty parts or components. The warranty does not cover any item that fails due to normal wear and tear. This assurance-type warranty does not create a performance obligation separate from the vehicle. Management tracks warranty claims by vehicle ID, owner, and date. As we continue to manufacture and sell more vehicles we will reassess and evaluate our warranty claims for purposes of our warranty accrual.

Operating Expenses

Research and Development

Research and development activities represent a significant part of our business. Our R&D efforts focus on the design and development of our electric vehicles and continuing to prepare our prototype electric vehicles to exceed industry standards for compliance, innovation, and performance. R&D expenses consist of personnel-related costs (including salaries, bonuses, benefits, and stock-based compensation) for our employees focused on R&D activities, other related costs, depreciation, R&D services provided by co-creators, and an allocation of overhead. While we have we substantially have completed R&D activities related to the FF 91, we expect R&D expenses to increase in the near future as we increases in R&D expenses related to FF 92 and FX Series vehicles.

Sales and Marketing

Sales and marketing expenses consist primarily of personnel-related costs (including salaries, bonuses, benefits, and stock-based compensation) for our employees focused on sales and marketing, costs associated with sales and marketing activities, marketing services provided by co-creators, and an allocation of overhead. Marketing activities are those related to introducing our brand, our electric vehicles, and our electric vehicle prototypes to the market. We expect Sales and marketing expenses to continue to increase as we bring our electric vehicles (in particular, FX Super One and FF 92) to market and seek to generate additional sales.

General and Administrative

General and administrative expenses consist primarily of personnel-related costs (including salaries, bonuses, benefits, and stock-based compensation) for employees associated with administrative services such as legal, human resources, information technology, accounting and finance, other related costs, and legal loss contingency expenses, which are our estimates of future legal settlements. These expenses also include certain third-party consulting services, certain facilities costs, and any corporate overhead costs not allocated to other expense categories. We expect our general and administrative expenses to increase as we continue to grow our business.

Asset Impairment

We recorded impairments in operating expenses related to deposits for future goods and services, property, plant, and equipment based on tangible-asset valuations, and lease right-of-use assets associated with facility exits and changes in our long-term operating plans. Charges associated with impairment of assets are recognized within operating expenses in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

When we identify impairment indicators under ASC 360—such as changes in regulatory incentives, evolving macroeconomic and geopolitical conditions, market-based indicators of our enterprise value, or updates to our product and manufacturing roadmap—we evaluate the recoverability of our long-lived assets and, when necessary, record impairment charges to reduce their carrying values to estimated fair value. In the third quarter of 2025, this process resulted in impairment charges on certain long-lived assets, including tooling, machinery, equipment and related assets at vendor sites and at the FF ieFactory California facility in Hanford, California.

Loss from Disposal of Property, Plant and Equipment

Loss on disposal of property, plant, and equipment relates to the abandonment of certain FF 91 Futurist program construction in progress assets, primarily vendor tooling, machinery, and equipment, due to the redesign of the related FF 91 components and implementation of our cost reduction program. Charges associated with disposals are recognized within operating expenses in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

Non-operating Expenses

Change in Fair Value of (Related Party and Third Party) Notes Payable, Warrant Liabilities, and Derivatives Call Options

Change in fair value measurements consists of the losses and gains as a result of fair value measurements of certain notes payable, warrant liabilities, and other instruments which we record at fair value.

Loss on Settlement of (Related Party and Third Party) Notes Payable

Loss on settlement of notes payable consists of losses resulting from the settlement of notes payable as part of our ongoing financing activities and losses incurred on modifications of our notes payable that qualify as an extinguishment pursuant to ASC 470-50, *Debt-Modifications and Extinguishments*.

Interest Expense (Related Party and Third Party)

Interest expense primarily consists of interest on outstanding notes payable not marked to fair value, capital leases, certain supplier payables, and vendor payables in trust.

Other Income / (Expense), net

Other income, net consists of foreign currency transaction gains and losses and other expenses such as bank fees and late charges. Foreign currency transaction gains and losses are generated by revaluation of debt and the settlements of invoices denominated in currencies other than the functional currency. We expect other expense to fluctuate as we continue to transact internationally. In addition, this line item includes realized and unrealized gains or losses related to digital asset transactions, including amounts earned or impaired from crypto digital asset disposals, and any staking income. While such activity is currently immaterial, we expect to execute our crypto-related strategy through AIXC following the completion of AIXC's shareholder meeting and once we have established majority control of its board of directors. At that point, to the extent crypto operations generate revenue and meet the recognition criteria under ASC 606, such revenue will be reflected in our consolidated results. If crypto operations subsequently meet the quantitative thresholds under ASC 280, they may be evaluated for separate segment disclosure in future periods.

Results of Operations*Consolidated Statements of Operations*

<i>(in thousands)</i>	Three Months Ended September 30,	
	2025	2024
Revenue	\$ 37	\$ 9
Cost of revenue	34,256	21,453
Gross profit	(34,219)	(21,444)
Operating expenses		
Research and development	6,640	5,180
Sales and marketing	6,380	2,601
General and administrative	19,690	8,278
Settlement on accrued research and development expenses	—	(14,935)
Asset impairment	138,483	57
Loss on disposal of property, plant, and equipment	1,395	2,582
Total operating expenses	172,588	3,763
Loss from operations	(206,807)	(25,207)
Change in fair value of notes payable, warrant liabilities, and derivative call options	31,341	8,287
Change in fair value of related party notes payable, warrant liabilities, and derivative call options	2,144	654
Loss on settlement of notes payable	(46,517)	(59,128)
Interest expense	(2,244)	(1,442)
Related party interest expense	—	(1,212)
Other (loss) income, net	(99)	361
Loss before income taxes	(222,182)	(77,687)
Income tax expense	(5)	1
Net loss	\$ (222,187)	\$ (77,686)

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Consolidated Statements of Operations

<i>(in thousands)</i>	Nine Months Ended September 30,	
	2025	2024
Revenue	\$ 407	\$ 304
Cost of revenue	82,549	63,110
Gross profit	(82,142)	(62,806)
Operating expenses		
Research and development	18,063	15,185
Sales and marketing	10,882	6,857
General and administrative	47,461	39,327
Settlement on accrued research and development expenses	—	(14,935)
Asset impairment	138,483	7,673
Loss on disposal of property, plant, and equipment	1,715	2,511
Total operating expenses	216,604	56,618
Loss from operations	(298,746)	(119,424)
Change in fair value of notes payable, warrant liabilities, and derivative call options	36,721	28,927
Change in fair value of related party notes payable, warrant liabilities, and derivative call options	(3,283)	315
Loss on settlement of notes payable	(84,895)	(117,509)
Loss on settlement of related party notes payable	(3,040)	(14,295)
Interest expense	(5,358)	(5,386)
Related party interest expense	—	(7,812)
Other income, net	1,475	599
Loss before income taxes	(357,126)	(234,585)
Income tax expense	(15)	(3)
Net loss	\$ (357,141)	\$ (234,588)

Revenue (3-Month Overview)

<i>(in thousands)</i>	Three Months Ended September 30,		Change	
	2025	2024	Amount	%
Revenue	\$ 37	\$ 9	\$ 28	311.1 %

Revenue increased by \$28 thousand for the three months ended September 30, 2025, compared to the same period in 2024. The increase primarily reflects higher automotive sales revenue, which was \$37 thousand in the current quarter that represents sales price of the vehicle sold in excess of co-creation expenses incurred in accordance with ASC 606 *Revenue from Contracts with Customers*. We recognized no automotive leasing revenue in the current quarter compared to \$9 thousand in the prior-year quarter. One vehicle was sold and delivered under a co-creation arrangement with a promotional partner during the current quarter.

Revenue (9-Month Overview)

<i>(in thousands)</i>	Nine Months Ended September 30,		Change	
	2025	2024	Amount	%
Revenue	\$ 407	\$ 304	\$ 103	33.9 %

Revenue increased by \$103 thousand for the nine months ended September 30, 2025, compared to the same period in 2024. During the current year we recognized \$37 thousand in automotive sales and \$370 thousand in leasing revenue. During the comparative prior year we recognized \$312 thousand in automotive sales, and adjusted leasing revenue downwards by \$8 thousand. The amount of automotive sales recognized represents sales price of the vehicle sold in excess of co-creation expenses incurred in accordance with ASC 606 *Revenue from Contracts with Customers*. Two vehicles were delivered in 2025 versus three in 2024.

[Table of Contents](#)*Cost of Revenue (3-Month Overview)*

<i>(in thousands)</i>	Three Months Ended September 30,		Change	
	2025	2024	Amount	%
Cost of revenue	\$ 34,256	\$ 21,453	\$ 12,803	59.7 %

Cost of revenue increased by \$12.8 million for the three months ended September 30, 2025, compared to the same period in 2024. The increase reflects higher depreciation as additional tooling, machinery, and equipment were placed into service, along with higher facility lease and equipment-financing costs to support production readiness at our California manufacturing facility and an overseas pilot facility in the UAE.

In addition, the Company recorded a significant increase in inventory reserves to address aging or excess materials and components that no longer align with current build plans. Changes in tariff rates on certain imported parts also contributed to these reserves by rendering select legacy components uneconomic to use. For the three months ended September 30, 2025, the Company recorded approximately \$7.1 million of additions to the inventory reserve, compared to an immaterial net change in the three months ended September 30, 2024. The inventory reserve increased from approximately \$2.8 million at September 30, 2024 to approximately \$14.2 million at September 30, 2025.

Cost of Revenue (9-Month Overview)

<i>(in thousands)</i>	Nine Months Ended September 30,		Change	
	2025	2024	Amount	%
Cost of revenue	\$ 82,549	\$ 63,110	\$ 19,439	30.8 %

Cost of revenue increased by \$19.4 million for the nine months ended September 30, 2025, compared to the same period in 2024. The increase reflects higher depreciation as additional tooling, machinery, and equipment were placed into service, along with higher facility lease and equipment-financing costs to support production readiness at our California manufacturing facility and an overseas pilot facility in the UAE.

In addition, the Company recorded a net increase in inventory reserves to address aging or excess materials and components that no longer align with current build plans. Changes in tariff rates on certain imported parts contributed to these reserve set-ups by rendering select legacy components uneconomic to use. Net additions to the inventory reserve totaled approximately \$10.9 million for the nine months ended September 30, 2025 (including approximately \$7.1 million in the third quarter), compared to an immaterial net change for the nine months ended September 30, 2024. The inventory reserve increased from approximately \$2.8 million at September 30, 2024 to approximately \$14.2 million at September 30, 2025.

Research and Development (3-Month Overview)

<i>(in thousands)</i>	Three Months Ended September 30,		Change	
	2025	2024	Amount	%
Research and development	\$ 6,640	\$ 5,180	\$ 1,460	28.2 %

R&D expense increased by \$1.5 million for the three months ended September 30, 2025, compared to the same period in 2024. The increase was primarily driven by a \$3.3 million rise in operating consumables and equipment rental, including costs related to prototype parts, vehicle purchases for testing, and equipment and services supporting the development of the FX vehicle platform. These increases were partially offset by a \$1.0 million reduction in wages, benefits, and related personnel costs, as well as a \$0.6 million decrease in other R&D-related IT expenses.

Current R&D efforts are focused on final validation, homologation, and production readiness of the FX Super One vehicle. Activities during the quarter included performance testing, engineering refinement, and supplier integration in preparation for initial production. The Company also supported early technical operations in the United Arab Emirates (UAE) to align engineering standards and tooling for future regional assembly under its global bridge strategy.

As the Company transitions from intensive R&D to commercialization, resources are being allocated toward manufacturing engineering, quality assurance, and process optimization. Internal R&D activity remains centered on improving vehicle performance, safety systems, and software functionality while maintaining coordination with external technology and supply-chain partners to ensure readiness for scaled production.

[Table of Contents](#)*Research and Development (9-Month Overview)*

<i>(in thousands)</i>	Nine Months Ended September 30,		Change	
	2025	2024	Amount	%
Research and development	\$ 18,063	\$ 15,185	\$ 2,878	19.0 %

R&D expense increased by \$2.9 million for the nine months ended September 30, 2025, compared to the same period in 2024. The increase was primarily driven by a \$5.8 million rise in operating consumables and equipment rental—reflecting higher costs for prototype parts, vehicle purchases for testing, and services supporting development of the FX vehicle platform—as well as \$2.4 million of lower cost allocations to cost of sales in the current period. These increases were partially offset by a \$4.2 million reduction in IT-related R&D expenses and a \$0.6 million decrease in wages and related benefits.

Throughout 2025, R&D activities have primarily supported the FX Super One program through final validation, U.S. homologation testing, and production readiness efforts. Development work has included vehicle performance and durability testing, integration of Advanced Driver Assistance Systems (ADAS), supplier coordination, and prototype tooling. The Company also provided engineering support for technical preparations in the United Arab Emirates (UAE) to align manufacturing standards and production planning under its global bridge strategy.

As the Company progresses from an R&D-intensive phase toward commercial production, resources are being strategically allocated to manufacturing engineering, quality validation, and process optimization. Current R&D initiatives remain focused on vehicle performance, safety system enhancements, and software refinement, in close collaboration with key technology and supply-chain partners to ensure readiness for scalable FX Series production.

Sales and Marketing (3-Month Overview)

<i>(in thousands)</i>	Three Months Ended September 30,		Change	
	2025	2024	Amount	%
Sales and marketing	\$ 6,380	\$ 2,601	\$ 3,779	145.3 %

Sales and marketing expense increased by \$3.8 million for the three months ended September 30, 2025, compared to the same period in 2024. The increase was primarily driven by a \$2.9 million rise in marketing expenses related to the launch and promotion of the FX Super One, which debuted in July. This increase was largely attributable to campaign activities executed by our U.S. marketing team, including expanded influencer and social media initiatives, promotional content development, and digital media placements aimed at building awareness and customer engagement around the new vehicle. Additionally, marketing costs rose in our Middle East operations due to increased event-based outreach and brand activation efforts designed to support entry into new international markets. The remaining \$0.8 million increase was due to higher wages and benefits, primarily reflecting staffing to support expanded marketing efforts during the launch period.

These investments reflect the Company's strategic focus on product visibility, brand development, and customer engagement as it transitions further into the commercialization phase of the FX product line. The marketing strategy emphasizes building awareness and credibility through curated events, limited-scale experiential programs, and earned-media exposure rather than large-scale paid advertising.

Although headcount within the sales and marketing function remains lean, the Company continues to leverage its Co-Creation marketing model, which integrates key opinion leaders, early adopters, and strategic partners into launch activities and promotional campaigns. This approach has expanded brand visibility and contributed to increased customer reservations while maintaining disciplined spending. The Company expects to continue utilizing high-impact events and digital platforms to deepen market penetration and strengthen global brand positioning as FX Super One deliveries approach.

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Sales and Marketing (9-Month Overview)

<i>(in thousands)</i>	Nine Months Ended September 30,		Change	
	2025	2024	Amount	%
Sales and marketing	\$ 10,882	\$ 6,857	\$ 4,025	58.7 %

Sales and marketing expense increased by \$4.0 million for the nine months ended September 30, 2025, compared to the same period in 2024. The increase was primarily driven by a \$4.6 million rise in marketing expenses related to the launch and promotion of the FX Super One, including digital campaigns, content development, influencer engagement, and event activations primarily led by the U.S. team. Additional costs were incurred from expanded marketing activities in the Middle East to support brand visibility in international markets. Compensation costs increased by \$0.9 million, reflecting selective additions to sales and marketing personnel and other related payroll costs. These increases were partially offset by a \$1.4 million decrease in rent and related expense.

Throughout 2025, the Company has executed an efficient and event-driven marketing strategy centered on its Co-Creation model, which engages industry leaders, influencers, and early adopters to promote the brand and its vehicles. Using this approach, the Company expanded its global presence through high-impact events, including the FX Super One global launch in Los Angeles, the Pebble Beach showcase, and the 919 Futurist Day & Stockholders' Community Day. These initiatives strengthened brand awareness and customer engagement while maintaining disciplined marketing spend and optimized resource allocation.

The Company also advanced its international marketing footprint, particularly in the Middle East, through localized brand activations, regional events, and customer outreach aligned with future market entry plans. These activities enhanced global brand recognition and contributed to increased FX Super One reservations. The combination of targeted experiential events, digital marketing initiatives, and strategic influencer partnerships has enabled the Company to sustain brand momentum and visibility while controlling overall marketing costs.

General and Administrative (3-Month Overview)

<i>(in thousands)</i>	Three Months Ended September 30,		Change	
	2025	2024	Amount	%
General and administrative	\$ 19,690	\$ 8,278	\$ 11,412	137.9 %

General and administrative expense decreased by \$11.4 million for the three months ended September 30, 2025, compared to the same period in 2024. The increase was primarily driven by a \$3.7 million rise in wages and benefit costs, due to higher headcount in both the U.S. and China, as well as a legal bonus paid in accordance with a contractual agreement. Professional fees increased by \$3.1 million, reflecting higher legal expenses and service costs under the FFGP agreement. In addition, operating consumables and equipment rentals increased by \$2.7 million, and a \$1.5 million increase in depreciation and amortization. These increases reflect ongoing support for corporate operations and strategic initiatives during the period.

This net increase primarily reflects higher corporate activity during the period, including expanded legal, Sarbanes-Oxley compliance, and professional service costs. Throughout the quarter, the Company supported ongoing regulatory and governance matters, including costs related to the SEC and temporary governance adjustments. In addition, higher staffing levels in both the U.S. and China contributed to increased wages and benefits, while consulting and operational support costs rose in connection with strategic initiatives and global administrative coordination. These increases were partially offset by continued efficiency efforts, such as vendor consolidation and administrative process streamlining, which are expected to moderate future expense growth.

General and Administrative (9-Month Overview)

<i>(in thousands)</i>	Nine Months Ended September 30,		Change	
	2025	2024	Amount	%
General and administrative	\$ 47,461	\$ 39,327	\$ 8,134	20.7 %

General and administrative expense increased by \$8.1 million for the nine months ended September 30, 2025, compared to the same period in 2024. The increase was primarily driven by a \$8.5 million rise in wages and benefit costs due to increased headcount and a legal bonus paid under a contractual agreement. Professional fees increased by \$4.4 million, reflecting higher legal expenses, audit and advisory fees, SOX compliance support, and services provided under the FFGP agreement. These

increases were partially offset by a \$4.4 million reduction in insurance costs, primarily due to lower directors and officers (D&O) insurance premiums and other corporate insurance savings.

Throughout 2025, the Company continued to experience elevated general and administrative costs as it managed increased legal, compliance, and governance requirements. These included expenses related to the SEC investigation, implementation of temporary governance adjustments, and enhanced Sarbanes-Oxley compliance activities. Additional professional service costs were incurred for legal, audit, and advisory support, as well as consulting fees associated with strategic and operational initiatives. Staffing levels remained higher year-over-year in both the U.S. and China to support these functions, contributing to increased wages and benefits. While efficiency programs such as vendor consolidation, office space optimization, and administrative streamlining helped partially offset these increases, overall G&A expenses remained higher due to the Company's ongoing regulatory, compliance, and governance commitments.

Asset Impairment (3-Month Overview)

(in thousands)	Three Months Ended September 30,		Change	
	2025	2024	Amount	%
Asset impairment	\$ 138,483	\$ 57	\$ 138,426	NM*

NM = not meaningful

During the three months ended September 30, 2025, we recorded an \$138.5 million impairment loss related to long-lived assets, which based on the findings of an independent third-party tangible asset valuation study, the Company recorded an impairment charge of \$8.5 million and \$130.0 million, related to Deposits and Other Current Assets and Property, Plant, and Equipment, Net, respectively. The impairment charge in the current year quarterly period was primarily attributable to certain tooling, machinery, and equipment located at vendor sites and at the Company's FF ieFactory California production facility in Hanford, California, that are no longer fully supported under updated operational plans and near-term production forecasts, as the Company shifts focus from FF 91 program activities to the planned FF 92 upgrade program and to reorganization and retooling in preparation for the commercial production of the FX Super One.

During the three months ended September 30, 2024, we recorded a \$0.1 million impairment loss related to lease right-of-use ("ROU") assets. This loss was associated with our decision to exit a leased store facility, a research facility, and an administrative office in China. These actions were part of broader efforts to negotiate early lease terminations with landlords and streamline our global footprint.

Asset Impairment (9-Month Overview)

(in thousands)	Nine Months Ended September 30,		Change	
	2025	2024	Amount	%
Asset impairment	\$ 138,483	\$ 7,673	\$ 130,810	NM*

NM = not meaningful

During the nine months ended September 30, 2025, we recorded a \$138.5 million impairment loss related to long-lived assets, which based on the findings of an independent third-party tangible asset valuation study, the Company recorded an impairment charge of \$8.5 million and \$130.0 million, related to Deposits and Other Current Assets and Property, Plant, and Equipment, Net, respectively. The impairment in the current-year period was primarily attributable to certain tooling, machinery, and equipment located at vendor sites and at the Company's FF ieFactory California production facility in Hanford, California, that are no longer fully supported under updated operational plans and near-term production forecasts, as the Company shifts focus from FF 91 program activities to the planned FF 92 upgrade program and to reorganization and retooling in preparation for the commercial production of the FX Super One.

During the nine months ended September 30, 2024, we recorded a \$7.7 million impairment loss related to lease right-of-use ("ROU") assets. This loss resulted from moving out of a leased store facility, a leased research facility, and an administrative facility in China, as we worked with landlords to negotiate the related lease terminations.

Loss (gain) from disposal of property, plant and equipment (3-Month Overview)

(in thousands)	Three Months Ended September 30,		Change	
	2025	2024	Amount	%
Loss on disposal of property, plant, and equipment	\$ 1,395	\$ 2,582	\$ (1,187)	(46.0)%

Loss on disposal of property, plant, and equipment increased by approximately \$1.2 million for the three months ended September 30, 2025, compared to the same period in 2024. We dispose of equipment when the assets become obsolete, costly to maintain, or are replaced by more efficient technologies.

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Loss (gain) from disposal of property, plant and equipment (9-Month Overview)

<i>(in thousands)</i>	Nine Months Ended September 30,		Change	
	2025	2024	Amount	%
Loss on disposal of property, plant, and equipment	\$ 1,715	\$ 2,511	\$ (796)	(31.7)%

Loss on disposal of property, plant, and equipment increased by approximately \$0.8 million for the nine months ended September 30, 2025, compared to the same period in 2024. We dispose of equipment when the assets become obsolete, costly to maintain, or are replaced by more efficient technologies.

Change in Fair Value of Notes Payable, Warrant Liabilities, and Derivative Call Options (3-Month Overview)

<i>(in thousands)</i>	Three Months Ended September 30,		Change	
	2025	2024	Amount	%
Change in fair value of notes payable, warrant liabilities, and derivative call options	\$ 31,341	\$ 8,287	\$ 23,054	278.2 %

During the three months ended September 30, 2025 we recognized an aggregate day-one loss of \$24.4 million related to the initial measurement of SPA Portfolio Notes, Warrants and Incremental Warrants as compared to \$9.7 million during the same period in 2024. The 2025 day-one loss was offset by gain from subsequent fair value remeasurement of \$58.8 million and \$18.8 million, respectively. The downward re-measurement was primarily driven by decreases in the Company's stock price at the end of the period compared to preceding three month. The increase in gains from re-measurement in the total monetary impact was attributable to the following factors. During the three months ended September 30, 2025 we recognized a \$26.5 million gain from the change in fair value of the Incremental Warrants. Comparable instrument outstanding during the three months ended September 30, 2024 were assigned a fair value of zero, as their terms and market conditions resulted in no economic value being attributed to them as of the measurement date. During the three months ended September 30, 2025 we recognized a \$14.2 million gain from the change in fair value of the SPA Portfolio warrants compared to a \$3.9 million gain during the same period in 2024. This increase was largely driven by the year-over-year growth in the number of SPA Portfolio warrants outstanding. Beginning in the second half of 2024, we began issuing SPA Portfolio warrants equal to 100% of the shares issuable upon conversion of the aggregate principal amount of the applicable SPA Portfolio Note, significantly increasing the number of warrants outstanding year over year. As of September 30, 2025 there were 54,718,369 SPA Portfolio liability classified third party warrants outstanding compared to 5,931,638 outstanding as of September 30, 2024.

Change in Fair Value of Notes Payable, Warrant Liabilities, and Derivative Call Options (9-Month Overview)

<i>(in thousands)</i>	Nine Months Ended September 30,		Change	
	2025	2024	Amount	%
Change in fair value of notes payable, warrant liabilities, and derivative call options	\$ 36,721	\$ 28,927	\$ 7,794	26.9 %

During the nine months ended September 30, 2025 we recognized an aggregate day-one loss of \$60.5 million related to the initial measurement of SPA Portfolio Notes, Warrants and Incremental Warrants, as compared to \$8.9 million during the same period in 2024. This loss was offset by a net gain from subsequent remeasurement of \$102.5 million and \$39.7 million, respectively. Our outstanding notes and warrants were remeasured at predominantly lower fair values due to pricing inputs that use the market price of our Common Stock, which experienced a decline during the period. The fair value of the SPA Portfolio Notes and associated warrants is influenced by the relationship between the Company's stock price and the applicable conversion or exercise prices. As of September 30, the stock price was \$1.30, compared to a weighted average conversion price of \$1.66 for the SPA Portfolio Notes and warrant exercise prices ranging from \$1.16 to \$2.02. While some instruments remained in-the-money, the narrowing spread relative to December 31, 2024 — when the stock price was \$2.43 — reduced their intrinsic value. This decline in intrinsic value contributed to the decrease in fair value and the resulting net gains recognized during the period. Specifically, during the nine months ended September 30, 2025 we recognized a \$50.1 million net gain from the change in fair value of the Incremental Warrants. There was no comparable instrument outstanding during the nine months ended September 30, 2024. During the nine months ended September 30, 2025 we recognized a \$21.3 million net gain from the change in fair value of the third party SPA Portfolio Note warrants compared to a \$3.9 million net gain during the

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same period in 2024. This increase was largely driven by the year-over-year growth in the number of SPA Portfolio Note warrants outstanding. Beginning in the second half of 2024, we began issuing SPA Portfolio Note warrants equal to 100% of the shares issuable upon conversion of the aggregate principal amount of the applicable SPA Portfolio Note, significantly increasing the number of warrants outstanding year over year. As of September 30, 2025 there were 54,718,369 SPA Portfolio third party warrants outstanding compared to 5,931,638 outstanding as of September 30, 2024.

Change in Fair Value of Related Party Notes Payable and Related Party Warrant Liabilities (3-Month Overview)

<i>(in thousands)</i>	Three Months Ended September 30,		Change	
	2025	2024	Amount	%
Change in fair value of related party notes payable, warrant liabilities, and derivative call options	\$ 2,144	\$ 654	\$ 1,490	227.8 %

The gain from Change in fair value of related party notes payable, warrant liabilities, and derivative call options increased by \$1.5 million for the three months ended September 30, 2025, when compared with the same period in 2024. The increase was primarily driven by a higher volume of related party instruments outstanding during the 2025 period. During the nine months ended September 30, 2025, we issued to a related party 2025 March Unsecured SPA Notes and associated common stock warrants and Incremental Warrants. As of September 30, 2025, all of the common stock warrants and Incremental Warrants remained outstanding. The fair value of our related party instruments decreased during the period ended September 30, 2025, primarily due to a decrease in our Class A Common Stock price over the quarter. This resulted in recognized gains of approximately \$1.0 million related to the common stock warrants and approximately \$1.1 million, related to the Incremental Warrants.

There was no significant related party debt or warrant instruments outstanding or activity during the three months ended September 30, 2024.

Change in Fair Value of Related Party Notes Payable and Related Party Warrant Liabilities (9-Month Overview)

<i>(in thousands)</i>	Nine Months Ended September 30,		Change	
	2025	2024	Amount	%
Change in fair value of related party notes payable, warrant liabilities, and derivative call options	\$ (3,283)	\$ 315	\$ (3,598)	(1142.2)%

The Change in fair value of related party notes payable, warrant liabilities, and derivative call options increased by \$3.6 million for the nine months ended September 30, 2025, when compared with the same period in 2024. Significant driving factors include (1) an increase in related party activity, such as issuance and conversion of the related party 2025 March Unsecured SPA Notes, warrants, and Incremental Warrants and (2) the recognition of day-one losses upon issuance of related party 2025 March Unsecured SPA Notes and associated instruments. We issued \$4.7 million of related party SPA Portfolio Notes during the nine months ended September 30, 2025. Upon issuance the Company recognized a day-one loss of \$3.6 million, as the combined fair value of the SPA Portfolio Note, SPA Portfolio Note Warrant, and Incremental Warrant exceeded the cash proceeds received. These issuance-date losses were further offset by net \$0.5 million gain from the remeasurement of related party notes payable, related party warrant liabilities, and related party Incremental Warrants as of September 30, 2025. The fair value of our related party instruments decreased during the period ended September 30, 2025, primarily due to a decrease in our Class A Common Stock price over the period since the first issuance of 2025 March Unsecured SPA Notes to related parties in March 2025.

There was no significant related party debt activity during the nine months ended September 30, 2024.

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Loss on Settlement of Notes Payable (3-Month Overview)

<i>(in thousands)</i>	Three Months Ended September 30,		Change	
	2025	2024	Amount	%
Loss on settlement of notes payable	\$ (46,517)	\$ (59,128)	\$ 12,611	(21.3)%

The \$12.6 million period-over-period decrease in Loss on settlement of notes payable primarily reflects the significantly lower volume of the of debt converted during the 2025 period, partially offset by a higher loss recognized per dollar of principal converted in the 2025 period. During the three months ended September 30, 2025, the Company converted \$34.4 million of SPA Notes into 30,945,927 shares of Class A common stock, compared to \$62.0 million converted into \$19,112,032 shares during the same period in 2024. Although more shares were issued per dollar of principal converted during the 2025 period, the average fair value of those shares was substantially lower due to the decline in the Company's stock price. More investor-favorable conversion pricing, arising from the December 2024 SPA and the full anti-ratchet provisions in the Company's convertible instruments, increased the number of shares required to settle each dollar of debt. During the three months ended September 30, 2025, the Company's stock price experienced a temporary increase, stimulating the Note conversion at that time. Consequently, the fair value of equity delivered exceeded the fair value of the notes converted by a greater extent, resulting in a higher loss on extinguishment per dollar of principal the three months ended September 30, 2025.

Loss on Settlement of Notes Payable (9-Month Overview)

<i>(in thousands)</i>	Nine Months Ended September 30,		Change	
	2025	2024	Amount	%
Loss on settlement of notes payable	\$ (84,895)	\$ (117,509)	\$ 32,614	(27.8)%

The \$32.6 million period-over-period decrease in Loss on settlement of notes payable reflects both a lower loss recognized per dollar of principal converted in 2025 and, to a lesser extent, a lower volume of the of debt conversions. During the nine months of 2025, the Company converted \$89.2 million of principal into 82,657,564 shares of Class A common stock, compared to \$96.3 million of principal converted into 29,117,806 shares during the nine months of 2024. Although more shares were issued per dollar of principal converted in 2025, the average fair value of those shares was substantially lower due to the decline in the Company's stock price. The nine-month average loss per dollar of principal declined to \$0.95 in 2025 from \$1.19 in 2024. This period-over-period improvement was primarily driven by differences in conversion pricing mechanics and the relative timing of stock price movements between the periods. During the first six months of 2024, conversions occurred at fixed conversion prices in an environment where the Company's stock price increased prior to settlement, resulting in higher extinguishment losses as the fair value of equity delivered exceeded the carrying amount of the debt extinguished. In contrast, the 2025 conversions incorporated variable pricing features for the whole period that generally reduced the differential between the fair value of equity issued and the carrying amount of the Notes settled, particularly during periods of lower and less volatile stock prices. Additionally, the lower loss per dollar in 2025 reflects the reduced contractual interest rate on the notes (10% in 2025 versus 15% in 2024) and the absence of make-whole provisions that were applicable to certain conversions during the first half of 2024.

Loss on Settlement of Related Party Notes Payable (3-Month Overview)

<i>(in thousands)</i>	Three Months Ended September 30,		Change	
	2025	2024	Amount	%
Loss on settlement of related party notes payable	\$ —	\$ —	\$ —	—%

There were no related party conversion activity in either of the periods.

Loss on Settlement of Related Party Notes Payable (9-Month Overview)

<i>(in thousands)</i>	Nine Months Ended September 30,		Change	
	2025	2024	Amount	%
Loss on settlement of related party notes payable	\$ (3,040)	\$ (14,295)	\$ 11,255	(78.7)%

During the nine months ended September 30, 2025 a related party converted various notes with an aggregate principal of \$3.6 million in exchange for 3,370,561.00 shares of our Class A Common Stock. We recognized a \$3.0 million Loss on

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settlement of related party notes payable for the difference between the fair value of the shares issued and the fair value of the debt instrument.

During the nine months ended September 30, 2024 we recognized a \$14.1 million loss on related party notes related to interest, penalties, and principal increases resulting from our breach of the agreement with Chongqing Leshi Small Loan Co., Ltd. (“Chongqing”), as discussed in Note 9, *Related Party Transactions* in the notes to the Unaudited Condensed Consolidated Financial Statements. There was no breach of our agreement with Chongqing during the nine months ended September 30, 2025 and 2024.

Interest Expense (3-Month Overview)

<i>(in thousands)</i>	Three Months Ended September 30,		Change	
	2025	2024	Amount	%
Interest expense	\$ (2,244)	\$ (1,442)	\$ (802)	55.6 %

Interest expense decreased by approximately \$0.8 million for the three months ended September 30, 2025, compared to the same period in 2024. This decrease primarily reflects the allocation of interest expense between reporting quarters, partially offset by higher interest costs associated with our financial obligations related to the FF ieFactory California manufacturing facility in Hanford, California. The interest expense on this financing obligation increases over time under the effective interest method, as the principal balance remains outstanding until maturity, with capitalized tenant improvement costs funded by a third party also increasing the carrying amount of the liability.

Interest Expense (9-Month Overview)

<i>(in thousands)</i>	Nine Months Ended September 30,		Change	
	2025	2024	Amount	%
Interest expense	\$ (5,358)	\$ (5,386)	\$ 28	(0.5)%

Interest expense decreased by approximately \$0.8 million for the nine months ended September 30, 2025, compared to the same period in 2024. This decrease was primarily due to interest expense allocated to construction in progress, partially offset by higher interest costs associated with our financial obligations related to the FF ieFactory California manufacturing facility in Hanford, California. The interest expense on this financing obligation increases over time under the effective interest method, as the principal balance remains outstanding until maturity, with capitalized tenant improvement costs funded by a third party also increasing the carrying amount of the liability.

Related Party Interest Expense (3-Month Overview)

<i>(in thousands)</i>	Three Months Ended September 30,		Change	
	2025	2024	Amount	%
Related party interest expense	\$ —	\$ (1,212)	\$ 1,212	(100.0)%

Related party interest expense decreased by \$1.2 million for the three months ended September 30, 2025, compared to the same period in 2024. The decrease was primarily driven by our default in the first quarter of 2024 on the loan with our related party lender, Chongqing, which triggered retroactive interest charges and penalties under the prior agreement. Under the revised loan agreement, no interest is incurred unless the Company defaults.

Related Party Interest Expense (9-Month Overview)

<i>(in thousands)</i>	Nine Months Ended September 30,		Change	
	2025	2024	Amount	%
Related party interest expense	\$ —	\$ (7,812)	\$ 7,812	(100.0)%

Related party interest expense decreased by \$7.8 million for the nine months ended September 30, 2025, compared to the same period in 2024. The decrease was primarily driven by our default in the first quarter of 2024 on the loan with our related party lender, Chongqing, which triggered retroactive interest charges and penalties under the prior agreement. Under the revised loan agreement, no interest is incurred unless the Company defaults.

[Table of Contents](#)*Other Expense, net (3-Month Overview)*

<i>(in thousands)</i>	Three Months Ended September 30,		Change	
	2025	2024	Amount	%
Other (loss) income, net	\$ (99)	\$ 361	\$ (460)	(127.4%)

Other loss, net decreased by approximately \$0.5 million for the three months ended September 30, 2025, compared to the same period in 2024. The decrease was primarily due to a smaller foreign-currency transaction loss because the Chinese yuan appreciated against the U.S. dollar during the current period, but the magnitude of the currency movement was less extreme than the U.S. dollar's appreciation in 2024. This improvement was partially offset by a \$0.5 million loss realized on crypto assets, for which there was no comparable activity in the prior-year period.

Other Expense, net (9-Month Overview)

<i>(in thousands)</i>	Nine Months Ended September 30,		Change	
	2025	2024	Amount	%
Other income, net	\$ 1,475	\$ 599	\$ 876	146.2%

Other income, net increased by \$876 for the nine months ended September 30, 2025, compared to the same period in 2024. The decrease was primarily due to a smaller foreign-currency transaction loss because the Chinese yuan appreciated against the U.S. dollar during the current period, but the magnitude of the currency movement was less extreme than the U.S. dollar's appreciation in 2024. This improvement was partially offset by a \$0.5 million loss realized on crypto assets, for which there was no comparable activity in the prior-year period.

Liquidity and Capital Resources***Going Concern***

We have evaluated whether there are certain conditions and events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern within one year after the date that the Unaudited Condensed Consolidated Financial Statements are issued. Based on our recurring losses from operations since inception and continued cash outflows from operating activities (all as described below), we have concluded that there is substantial doubt about our ability to continue as a going concern for a period of one year from the date that these Unaudited Condensed Consolidated Financial Statements were issued.

Preparation of Financial statements

The Unaudited Condensed Consolidated Financial Statements do not include any adjustments that might result from the outcome of this uncertainty. Accordingly, the Unaudited Condensed Consolidated Financial Statements have been prepared on a basis that assumes we will continue as a going concern, and which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

Capital Investment, SPA Portfolio Notes, and Future Equity Plans

We have and will continue to devote substantial effort and, to the extent available, capital resources, to strategic planning, engineering, design, and development of our electric vehicle platform, development of vehicle models, finalizing the build out of the FF ieFactory California manufacturing facility, and capital raising. We have incurred cumulative losses from operations, negative cash flows from operating activities, and we have an accumulated deficit of \$4,671.5 million, an unrestricted cash balance of \$62.9 million and a negative working capital position of \$121.2 million as of September 30, 2025.

During 2023, we commenced deliveries of the FF Series, specifically the FF 91 model, to customers. We are currently manufacturing the FF 91 with plans to manufacture FF 92 models within the FF Series. We have launched the FX Series, beginning with the Super One model, and is accepting pre-orders. We are preparing to initiate full-scale, series production of the FX Series, including the Super One, for commercial sale, as distinct from prototype builds or validation units. We expect to continue to incur significant operating losses for the foreseeable future.

The Company has funded its operations and capital needs primarily through the issuance of notes payable and related party notes payable convertible notes (see Note 7, *Notes Payable* and Note 8, *Related Party Transactions*), and the sale of common stock. Substantial doubt exists about the Company's ability to continue as a going concern; however, management plans to continue funding operations through these means.

Debt Commitments under SPA Portfolio Notes and Other Notes

SPA Portfolio Notes: We have issued various financing arrangements collectively known as the SPA Portfolio Notes. These are categorized as follows: (i) Secured SPA Notes; (ii) 2023 Unsecured SPA Notes; (iii) Junior Secured SPA Notes; (iv) 2024 Unsecured SPA Notes (v) and 2025 March Unsecured SPA Notes. As of September 30, 2025, the SPA Portfolio Notes were in good standing.

Pursuant to the SPA Portfolio Notes commitments (collectively the "SPA Commitments") (see Note 7, *Notes Payable* and Note 8, *Related Party Transactions*), we obtained commitments from several investors. As of September 30, 2025, the SPA Commitments totaled \$739.0 million, of which \$494.2 million was funded, \$189.2 million expired unfunded, \$55.6 million remained to be funded, and \$52.7 million in principal was outstanding. As of September 30, 2025, Optional Commitments (including incremental warrants) under the SPA Commitments totaled \$467.0 million, of which \$100.4 million was funded, \$317.1 million expired unfunded, \$49.5 million remained to be funded, and \$40.7 million was outstanding. The remaining amounts to be funded as of September 30, 2025 are subject to satisfaction of closing conditions, including minimum share price or minimum trade volume.

We may be unable to satisfy the closing conditions under the SPA Commitments or obtain additional incremental convertible senior secured note purchasers under the SPA Commitments or other debt or equity financing in a timely manner, on acceptable terms, or at all.

Other Financing Arrangements and Related Party Notes: Additional financing is provided via convertible debt instruments, equipment financing arrangements, and related party notes that support our operations and capital expenditures. As of September 30, 2025, all notes were in good standing.

Standby Equity Purchase Agreement, At-The-Market Offering, and Equity Issuance Constraints

Standby Equity Purchase Agreement

On November 11, 2022, we entered into the SEPA, which expires in November 2025. Under the terms of the SEPA, we may, at our option, issue and sell from time to time up to \$200.0 million (which can be increased up to \$350.0 million in the aggregate at our option) of Class A Common Stock to Yorkville, subject to certain limitations. As of September 30, 2025, we had the right to issue and sell up to an additional \$192.5 million, or \$342.5 million if we exercise our option under the SEPA.

At-The-Market Offering

On September 26, 2023, we entered into a sales agreement with Stifel, Nicolaus & Company, Incorporated, B. Riley Securities, Inc., A.G.P./Alliance Global Partners, Wedbush Securities Inc. and Maxim Group LLC, as sales agents, to sell shares of Class A Common Stock, from time to time, with aggregate gross sales proceeds of up to \$90.0 million pursuant to the Registration Statement as an "at-the-market" offering under the Securities Act (the "ATM Program"). Under applicable SEC rules and regulations, because the Company failed to timely file its Form 10-K for the year ended December 31, 2023, as well as its Form 10-Qs for the quarters ended March 31, 2024 and June 30, 2024, the Company was previously ineligible to access the ATM Program. However, as of August 1, 2025, the Company regained eligibility to access the ATM Program.

Equity Issuance Constraints

Our ability to issue and sell additional shares of Class A Common Stock or warrants to support ongoing capital needs is further constrained by the number of authorized shares. In addition to outstanding shares, we must also consider shares reserved for issuance under convertible debt, warrants or other obligations with equity rights. In addition, equity issuances can potentially trigger various anti-dilution features in our debt and equity instruments that increase the number of shares to be issued and/or reduce the exercise price. This could result in us having inadequate authorized shares to meet our outstanding commitments.

Capital Needs, FX Series Production, and Bankruptcy Risk

We project that we will require substantial additional funds to continue operations and support production of the FF 91, and our FX Series of vehicles. If additional capital is not secured, we will not have sufficient resources to meet our obligations and continue operations, which could result in bankruptcy protection and asset liquidation, with equity holders receiving little to no recovery. However, the anticipated start of FX Series production is expected to generate new revenue streams and enhance operational performance, thereby partially mitigating near-term cash flow pressures. However, if additional capital is not secured, we will not have sufficient resources to meet our obligations and continue operations, which could result in bankruptcy protection and asset liquidation, with equity holders receiving little to no recovery.

On September 29, 2025, we completed the consolidation of AIXC, a Nasdaq-listed life sciences company, as a variable interest entity. This transaction was executed as part of a strategic plan to use AIXC as a corporate platform for future non-automotive initiatives, including blockchain and digital asset ventures. AIXC's historical life sciences operations were immaterial to our consolidated results for the period and are expected to wind down or be restructured in future periods.

The consolidation of AIXC did not materially improve our near-term liquidity position or alter its current working capital constraints. We expect to fund any new strategic initiatives executed through AIXC using external capital sources or asset reallocations, and no revenues were generated from these initiatives during the three or nine months ended September 30, 2025. While AIXC's consolidation supports our long-term strategic flexibility, it does not alleviate the substantial doubt that remains regarding our ability to continue as a going concern for the next twelve months.

Funding Alternatives and Risks

We continue to explore various funding and financing alternatives to fund our ongoing operations and to ramp up production. The particular funding and financing mechanisms, terms, timing, and amounts depend on our assessment of opportunities available in the marketplace and the circumstances of the business at the relevant time. However, there have been delays in securing additional funding commitments, which have exacerbated supply chain pressures, among other things. If our ongoing capital raising efforts are unsuccessful or significantly delayed, or if we experience prolonged material adverse trends in our business, production will be delayed or decreased, and actual use of cash, production volume and revenue for 2025 will vary from our previously disclosed forecasts, and such variances may be material. While we are actively engaged in negotiations with potential financing sources, we may be unable to raise additional capital on terms acceptable to us or at all. In addition to the risk that our assumptions and analyses may prove incorrect, the projections may underestimate the professional fees and other costs to be incurred related to the pursuit of various financing options currently being considered and ongoing legal risks. Capital needs to fund development of our remaining product portfolio will highly depend on the market success and profitability of the FF 91 and the launch of the FX series, and our ability to accurately estimate and control costs. Apart from the FF 91 series and FX series, substantial additional capital will be required to fund operations, research, development, and design efforts for future vehicles.

In addition, elevated U.S. import tariffs on electric vehicle components sourced from China could increase our future manufacturing costs as production of the FX Series and other future vehicle models are introduced. While tariffs did not materially impact cost of goods sold for the nine months ended September 30, 2025, due to limited production volume, continued reliance on China-based suppliers may contribute to higher input costs, pressure gross margins, and increase the Company's future funding needs.

Going Concern and Future Capital Strategy

Despite our diversified financing structure - including the SPA Portfolio Notes, convertible debt instruments, and equipment financing, and targeted inflows from new debt, and anticipated equity - and our current cash flow projections, our recurring operating losses and continuing negative cash flows from operations continue to raise substantial doubt about our ability to continue as a going concern.

Sources of Liquidity

As of September 30, 2025, our principal source of liquidity was cash on hand totaling \$62.9 million, which was held for working capital and general corporate purposes. We also have access to various sources of additional capital, including the SEPA and the SPA Commitments. Our ability to access these sources of capital and further information on amounts available is discussed in Note 2, *Liquidity and Capital Resources and Going Concern*, of the notes to the Consolidated Financial Statements included in this Form 10-Q.

Significant Related Party Notes Payable and Notes Payable Facilities

We have been significantly funded by notes payable from related parties and third parties. The related parties include employees as well as affiliates of employees and affiliates and other companies controlled or previously controlled by our founder and Chief Product and User Ecosystem Officer (who, in April 2025, became Global Co-CEO). Effective August 13, 2025, during the pendency of the SEC investigation, Mr. Jia was temporarily excluded from oversight of the finance, legal, accounting, and public reporting functions. For more information on the outstanding related party notes payable and notes payable as well as the related schedules of maturities, see Note 7, *Notes Payable*, and Note 8, *Related Party Transactions*, of the notes to the Consolidated Financial Statements included in this Form 10-Q.

Notes payable with third parties and related parties are summarized in the following tables as of June 30, 2025, including contractual maturities, stated interest rates, unpaid principal balances, fair value adjustments, original issue discounts (including amounts allocated to warrants), and net carrying values.

Most of our notes payable are measured under the fair value option, with changes in fair value recorded in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss. Because these instruments are carried at fair value, no effective interest rate is presented. While the SPA Portfolio Notes bear stated interest rates of 10% or 15%, our effective cost of capital is substantially higher. Each SPA Portfolio Note permits settlement in shares at a value exceeding the stated principal and accrued interest. In addition, each holder receives an SPA Portfolio Warrant, and certain holders receive an Incremental Warrant. These features significantly increase the effective cost of capital beyond the stated rates. The financial impact of the SPA Portfolio Notes is reflected in changes in fair value and losses on extinguishment, as presented in our Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

Third-Party Notes Payable (September 30, 2025)

<i>(in thousands)</i>	Contractual Maturity Date	Contractual Interest Rates	Unpaid Principal Balance	Fair Value Measurement Adjustments	Original Issue Discount and Proceeds Allocated to Warrants	Net Carrying Value
2023 Unsecured SPA Notes	Various through August 2031	10% - 15%	8,100	203	(810)	7,493
2024 Unsecured SPA Notes	Various through October 2030	10%	9,070	756	—	9,826
March 2025 Unsecured SPA Notes	Various dates in 2030	10%	16,188	3,503	(12,479)	7,212
Notes payable – China other	Due on Demand	—%	4,213	—	—	4,213
			<u>\$ 55,571</u>	<u>\$ 3,991</u>	<u>\$ (13,289)</u>	<u>\$ 46,273</u>
Notes payable, current						\$ 7,450
Notes payable, long-term portion						\$ 38,823

Related Party Notes Payable (September 30, 2025)

<i>(in thousands)</i>	Contractual Maturity Date	Contractual Interest Rates	Net Carrying Value
2025 March Unsecured SPA Notes	Various dates in 2030	10.0%	\$ 1,272
Notes Payable — China	April 2027	18.0%	3,708
Notes Payable on Demand — China	Due on Demand	—%	421
FFGP Note	Various 2024	4.27%	—
Convertible FFGP Note	May 2024	4.27%	—
Other Notes	Due on Demand	12.0%	75
			<u>\$ 5,476</u>
Related party notes payable, current			\$ 2,940
Related party notes payable, long-term			\$ 2,536

Cash Flow Analysis

(in thousands)	Nine Months Ended September 30,	
	2025	2024
Net cash (used in) provided by:		
Operating activities	\$ (79,171)	\$ (51,796)
Investing activities	\$ 277	\$ (572)
Financing activities	\$ 135,783	\$ 55,685
Effect of exchange rate changes on cash and restricted cash	\$ (1,126)	\$ 7

Operating Activities

We continue to experience negative operating cash flows as we advance the design and development of our vehicles and expand our infrastructure in both the United States and China. Our operating cash flows are significantly affected by fluctuations in working capital components, including changes in personnel expenses, accounts payable, accrued interest, other current liabilities, deposits, and current assets. For the nine months ended September 30, 2025, net cash used in operating activities was \$79.2 million, compared to \$51.8 million for the same period in 2024, reflecting a \$27.4 million increase in cash outflows.

Net Loss: The reduction of \$122.6 million in Net loss is an improvement in 2025 compared to the same period in 2024; however, this figure includes various non-cash transactions that are excluded when calculating cash flow from operating activities.

Non-cash adjustments: Non-cash adjustments decreased by \$115.6 million for the nine months ended September 30, 2025 compared to the same period in 2024. This decrease was comprised of a \$32.6 million reduction in Loss on settlement of notes payable, \$11.3 million reduction Loss on settlement of related party notes payable, and a \$7.8 million Change in fair value of notes payable, warrant liabilities, and derivative liabilities. These adjustments were partially offset by a \$14.9 million decrease in Settlement on accrued research and development expenses a \$14.4 million increase in Reserve on inventory and a \$130.8 million increase in Asset impairment. As these adjustments do not represent actual cash changes, they are disclosed for reconciliation purposes consistent with the cash flow statement.

Changes in working capital: Changes in working capital increased by \$19.8 million for the nine months ended September 30, 2025 compared to the same period in 2024. For the nine months ended September 30, 2025, changes in working capital included unfavorable shifts in our operating assets and liabilities. Notable contributors to the change were a \$9.1 million change in Accounts payable balances, a \$7.5 million change in Related party accrued interest expense, a \$5.5 million change in Inventory, and a \$2.7 million change in Operating lease liabilities. These were partially offset by a \$10.1 million change in Accrued expenses and other current liabilities. While these figures are detailed in the cash flow statement, they underscore the critical role that effective working capital management has played in reducing our operating cash outflows. The reductions in cash outlays for working capital purposes result from our cost-saving and cash management measures.

Investing Activities

Net cash used in investing activities was \$0.3 million for the nine months ended September 30, 2025, compared to \$0.6 million for the same period in 2024, reflecting an increase of \$0.8 million. The higher use of cash was primarily attributable to a \$8.8 million investment in AIXC, net of cash acquired. This outflow was partially offset by a \$5.9 million increase in capital expenditures for property and equipment. The Company continues to manage through liquidity constraints; however, these strategic outlays contributed to the elevated level of investing activity during the period.

Financing Activities

Amid a challenging financing environment, we are actively seeking strategic opportunities to boost our cash reserves and support growth using a mix of convertible loans and non-convertible funding. For the nine months ended September 30, 2025, financing activities provided a net cash inflow of \$135.8 million, compared to a net cash inflow of \$55.7 million for the same period in 2024—an increase of \$80.1 million. The improvement reflects the Company's continued ability to secure financing despite a challenging capital markets environment. In 2025, proceeds from notes payable were \$132.4 million, up by \$78.4 million from \$54.0 million in 2024. Our proceeds from related party notes payable increased to \$4.7 million in 2025 from \$3.1 million in 2024, an increase of \$1.7 million. These proceeds were offset by payments of notes payable and other financing obligations, which totaled \$4.5 million for the nine months ended September 30, 2025, compared to \$0.1 million for the same period in 2024.

Effect of Exchange Rate Changes on Cash and Restricted Cash

The exchange rates effect on cash and restricted cash was \$1.1 million and zero for the nine months ended September 30, 2025 and 2024, respectively. The effects of exchange rate changes on cash and restricted cash result from fluctuations on the translation of assets and liabilities denominated in foreign currencies, primarily Chinese Yuan. Fluctuations in exchange rates against the U.S. Dollar may positively or negatively affect our operating results.

Off-Balance Sheet Arrangements

We did not have any material relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. Thus, we did not have any off-balance sheet arrangements as of September 30, 2025 and 2024.

Critical Accounting Estimates

The preparation of our Unaudited Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2025, and 2024, in accordance GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of expenses during the reporting period. Management bases these estimates on historical experience and on various other assumptions believed to be reasonable under the circumstances, the results of which form the basis for making judgments that are not readily apparent from other sources.

Actual results may differ from these estimates under different assumptions or conditions. Changes in accounting estimates are reasonably likely to occur from period to period. Accordingly, actual results could differ significantly from management's estimates, and such differences may materially affect our financial position, results of operations, or cash flows. Given current global macroeconomic and geopolitical conditions, our estimates are subject to additional variability and volatility.

Critical accounting estimates are defined as estimates made in accordance with GAAP that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition or results of operations. For a description of our critical accounting estimates, refer to the section titled "Critical Accounting Estimates" in Management's Discussion and Analysis of Financial Condition and Results of Operations, set forth in Part II, Item 7 of our Form 10-K for the year ended December 31, 2024, filed with the SEC on March 31, 2025.

As of the date of this report, there have been no major changes to our critical accounting estimates described in the Form 10-K that have had a material impact on our Unaudited Condensed Consolidated Financial Statements and related footnotes. The incremental addition to our critical accounting estimates is business combinations and goodwill. For further details, refer to Note 1, *Nature of Business and Organization* and Note 3, *Business Acquisition*.

Recent Accounting Pronouncements

See the sections titled "*Recent Accounting Pronouncements*" in Note 1, *Nature of Business and Organization, Basis of Presentation, and Summary of Significant Accounting Policies* in our Unaudited Condensed Consolidated Financial Statements included elsewhere in this Form 10-Q for a discussion about our recently adopted accounting pronouncements and the recently issued accounting pronouncements not yet adopted which are determined to be applicable to us.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Pursuant to Item 305(e) of Regulation S-K, we are not required to provide the information under this Item as we qualify as a "smaller reporting company."

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to ensure that information required to be disclosed by the issuer in the reports that the Company files or submits under the Exchange Act, is recorded, processed, summarized, and reported within the time periods specified in the Security Exchange Commission's ("SEC") rules and forms, and that such information is accumulated and communicated to management, including its Global Co-CEO Matthias Aydt and Chief Financial Officer ("CFO"), as appropriate to allow timely decisions regarding required disclosure.

Based on an evaluation of the Company's disclosure controls and procedures (as defined in rules 13a-15(e) and 15d-15(e) of the Exchange Act), the Company's Global Co-CEO Matthias Aydt and CFO (principal executive officer and principal financial and accounting officer, respectively) have concluded that the Company's disclosure controls and procedures were not effective as of September 30, 2025, due to the material weaknesses in the Company's internal control over financial reporting described below.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined under Rule 13a-15(f) under the Exchange Act. Under the supervision and with the participation of the Company's management, including the Company's Global Co-CEO Matthias Aydt and CFO, the Company conducted an evaluation of the effectiveness of the Company's internal control over financial reporting based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this evaluation, due to the material weaknesses described below, the Company concluded that the system of internal control over financial reporting was not effective.

The Company identified material weaknesses in its internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of its annual or interim consolidated financial statements will not be prevented or detected on a timely basis. The material weaknesses are as follows:

- The Company did not design and maintain an effective control environment commensurate with its financial reporting requirements. Specifically, the Company lacked a sufficient number of professionals with an appropriate level of accounting knowledge, training and experience to appropriately analyze, record and disclose accounting matters timely and accurately. Additionally, management did not establish formal reporting lines in pursuit of its objectives. Further, the lack of a sufficient number of professionals resulted in an inability to consistently establish appropriate authorities and responsibilities in pursuit of its financial reporting objectives, as demonstrated by, among other things, insufficient segregation of duties in its finance and accounting functions.
- The Company did not design and maintain effective controls in response to the risks of material misstatement. Specifically, changes to existing controls or the implementation of new controls were not sufficient to respond to changes to the risks of material misstatement to financial reporting, due to growth in the business.
- The Company did not design and maintain effective controls for communicating and sharing information between the legal, capital markets, and accounting and finance departments. Specifically, the accounting and finance departments were not consistently provided the complete and adequate support, documentation, and information including the nature of relationships with certain counterparties to record transactions within the financial statements timely, completely and accurately.
- The Company did not design and maintain effective controls to address the identification of and accounting for certain non-routine, unusual or complex transactions, including the proper application of generally accepted accounting principles to such transactions. Specifically, the Company did not design and maintain controls to timely identify and account for convertible notes under the fair value option, warrant liabilities, embedded derivatives related to convertible notes, impute interest on related party notes payable with interest rates below market rates, account for failed sale leaseback transactions, and account for warrant instruments.
- The Company did not design and maintain formal accounting policies, procedures and controls to achieve complete, accurate and timely financial accounting, reporting and disclosures, including controls over the period-end financial reporting process addressing areas including financial statement and footnote presentation and disclosures, account reconciliations and journal entries, including segregation of duties, assessing the reliability of reports and spreadsheets used in controls, and the timely identification and accounting for cut-off of expenditures.
- The Company did not design and maintain effective controls over information technology ("IT") general controls for information systems that are relevant to the preparation of its financial statements, specifically, with respect to (i) program change management controls to ensure that IT program and data changes affecting financial IT applications

and underlying accounting records are identified, tested, authorized and implemented appropriately; (ii) user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to financial applications, programs, and data to appropriate company personnel; and (iii) computer operations controls to ensure that critical batch jobs are monitored and data backups are authorized and monitored. These IT deficiencies did not result in a material misstatement to the consolidated financial statements, however, the deficiencies, when aggregated, could result in material misstatements potentially impacting all financial statement accounts and disclosures.

- The Company did not maintain an effective control environment or demonstrate a commitment to maintain integrity and ethical values. Specifically, members of management failed to reinforce the need for compliance and internal control awareness with certain of the Company's governance, accounting and finance policies and procedures. This resulted in inaccurate and incomplete disclosures of certain relationships, arrangements, and transactions.
- The Company did not design and maintain effective controls related to the identification and disclosure of certain arrangements and transactions with related parties.
- Although management has established processes for cybersecurity incident assessment and reporting, these processes do not currently include formal procedures for reporting material cybersecurity incidents to the Board.

Each of the material weaknesses described above could result in a material misstatement to substantially all of the Company's accounts or disclosures.

Remediation Plan for Material Weaknesses in Internal Control Over Financial Reporting

The Company remains committed to addressing material weaknesses in internal control over financial reporting and strengthening its overall control environment.

- The Company has added and will continue to add finance and accounting personnel, including hiring a Senior Manager of Risks and Internal Controls in Q2 2025. Reporting directly to the CFO, this role serves as the internal point of contact for ICFR remediation and collaborates with the consulting firm to design, remediate, and implement enhanced controls. During the third quarter of 2025, we continued executing this remediation plan, including design walkthroughs, control documentation, and implementation activities related to entity-level and process-specific controls;
- The Company has implemented and is continuing to develop new accounting policies and procedures;
- The Company has installed and is configuring an IT system to support financial statement preparation, improve interdepartmental communication, and establish adequate structure, accountability, and segregation of duties;
- The Company has implemented and is continuing to develop enhanced controls over related party transactions, including regular attestations;
- The Company adopted an Insider Investment Reporting Policy to strengthen internal oversight of related party transactions; and
- As permitted under SEC guidance, management has excluded the internal control structure of AIXC, which was consolidated on September 29, 2025, from its assessment of internal control over financial reporting. We intend to include AIXC in our ICFR scope once it has been part of the consolidated group for a full fiscal year.

Our remediation activities are ongoing in 2025 and are expected to extend into 2026. There have been substantial changes to the composition of the Board of Directors as a result of the governance settlement entered into between the Company and FF Global, as well as substantial turnover in key management personnel, including accounting, legal and compliance personnel, which could impact its ability to implement the above-described remedial measures. The Company has engaged an external firm in May 2025 to assist with evaluating, designing, and implementing enhancements to its internal controls as part of its ongoing remediation efforts.

The Company has or is planning to put in place processes and controls to mitigate the risks associated to enhance oversight and corporate governance, including but not limited to:

- Continuing to monitor the segregation of responsibilities and duties in the Company's user ecosystem, capital markets, human resources and administration, and FFCN;
- Requiring the Board, or a designated committee of the Board, to approve the signing of financing agreements, the hiring, promoting or terminating vice presidents of the Company and above (including additional Section 16 officers), and the adoption of Company-wide compensation policies;
- The Company hired a Compliance Officer (Deputy General Counsel) in March 2023 to support its compliance efforts. Following this individual's departure in July 2025, the Company continues to assess the need for a Chief Compliance Officer who would report on a dotted line to the Chair of the Audit Committee, and

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- In May 2025, the Company engaged an external firm to assist with evaluating, designing, and implementing enhancements to its internal controls. The firm works closely with the Senior Manager of Risks and Internal Controls and provides support for compliance reviews and internal audit functions, reporting to the Chair of the Audit Committee.

In addition to the above actions and in view of the governance changes that the Company implemented pursuant to the Heads of Agreement and Amended Shareholder Agreement and otherwise, the Company expects to engage in additional activities, including, but not limited to:

- Continuing to hire key finance and accounting personnel as the Company scales and until it has sufficient technical accounting resources, combined with engaging external consultants to provide support and to assist in the evaluation of more complex applications of generally accepted accounting principles and to assist with documenting and assessing its accounting policies and procedures;
- Designing and implementing controls in response to the risks of material misstatement to identify and evaluate changes in the Company's business and the impact on internal controls;
- Designing and implementing controls for communicating and sharing information between legal, capital markets, and accounting to facilitate transactions being recorded timely and accurately;
- Designing and implementing formal processes, accounting policies, procedures, and controls supporting certain business processes and its financial close process, including creating standard balance sheet reconciliation templates and journal entry controls assessing the reliability of reports and spreadsheets used in controls, and timely identification and accounting for expenditure cut-off;
- Designing and implementing controls to address the identification of and accounting for certain non-routine, unusual or complex transactions;
- Designing and implementing controls related to the identification and disclosure of certain arrangements and transactions with related parties;
- Continuing to implement IT systems supporting financial reporting to enhance communication, accountability, and segregation of duties; and
- Designing and implementing IT general controls, including controls over change management, the review and update of user access controls and controls over critical batch jobs and data backups.

While the Company has made progress, the material weaknesses will not be considered remediated until the Company completes the design and implementation of the enhanced controls, the controls operate for a sufficient period of time, and the Company has concluded, through testing, that these controls are effective. The Company believes that the remediation plan will be sufficient to remediate the identified material weakness and strengthen internal control over financial reporting.

As the Company continues to evaluate and work to improve internal control over financial reporting, the Company may determine that additional measures or modifications to the remediation plan are necessary.

The Company is working to remediate the material weaknesses as efficiently and effectively as possible. Full remediation could extend beyond December 31, 2025. At this time, the Company cannot provide an estimate of costs expected to be incurred in connection with implementing this remediation plan; however, these remediation measures will be time consuming, will result in the Company incurring significant costs, and will place significant demands on the Company's financial and operational resources.

While the Company believes these efforts will remediate the material weaknesses, there is no assurance that evaluation, testing, or required remediation will be completed on time. It is also possible they may not be completed at all. The Company cannot assure that the measures that have been taken to date and may be taken in the future, will be sufficient to remediate the control deficiencies that led to the material weaknesses in internal control over financial reporting or that they will prevent or avoid potential future material weaknesses. The effectiveness of the Company's internal control over financial reporting is subject to various inherent limitations, including cost limitations, judgments used in decision making, assumptions about the likelihood of future events, the possibility of human error and the risk of fraud. Further turnover in key management personnel, particularly accounting, finance and legal personnel, may negatively impact the Company's ability to implement its remediation plan. If the Company is unable to remediate its material weaknesses, the Company's ability to record, process and report financial information accurately, and to prepare financial statements within the time periods specified by the forms of the SEC, could be adversely affected which, in turn, may adversely affect the Company's reputation and business and the market price of the Class A Common Stock. Any such failures could result in litigation or regulatory actions by the SEC or other regulatory authorities, loss of investor confidence, delisting of the Company's securities and harm to the Company's reputation and financial condition, or diversion of financial and management resources from the operation of the Company's business. The Company remains focused on executing its remediation plan and strengthening its internal controls to support reliable financial reporting.

Changes in Internal Control Over Financial Reporting

On August 6, 2025, the Board of Directors determined that, during the pendency of the SEC investigation involving the Company and certain current and former executives, Mr. Jia will be excluded from oversight of the Company's finance, legal, accounting, and public reporting functions (the "Governance Adjustments"). As part of these adjustments, Mr. Jia was also relieved of responsibility for providing certifications under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. These oversight responsibilities have been delegated to Mr. Matthias Aydt, who previously shared such responsibilities with Mr. Jia. The Governance Adjustments became effective on August 13, 2025.

Except for the changes described above, there have been no changes in internal control over financial reporting during the three months ended September 30, 2025, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, the Company may become involved in legal proceedings arising in the ordinary course of business. The Company is currently a party to various legal or governmental proceedings, the outcome of which, although currently uncertain, if determined adversely to us, could individually or in the aggregate have a material adverse effect on the Company's business, financial condition, and results of operations. See the section titled "*Legal Proceedings*" in Note 12, *Commitments and Contingencies* included in the notes to the Company's Unaudited Condensed Consolidated Financial Statements contained within this Form 10-Q for further discussion of its legal proceedings.

Item 1A. Risk Factors

Except as described below, there have been no material changes to the risk factors previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on March 31, 2025. The following additional risk factor should be considered in conjunction with the risk factors disclosed in the Form 10-K.

Risks Related to our Business and Industry

We, our founder and Global Co-Chief Executive Officer, and our Global President, have each received a Wells Notice from the SEC contemplating a civil enforcement action, which could have a material adverse effect on our business, financial condition, results of operations, prospects, reputation, and/or our stock price.

On June 26, 2025, the Company received a "Wells Notice" from the staff of the SEC stating that the SEC staff made a preliminary determination to recommend that the SEC file an enforcement action against the Company alleging violations of various anti-fraud provisions of the federal securities laws. The SEC staff informed the Company that the alleged violations of anti-fraud provisions of the federal securities laws pertain to purported false or misleading statements in connection with the Company's 2021 PIPE and SPAC listing, relating to (i) related party transactions, and (ii) Mr. Jia's role in the Company. An enforcement action may seek an injunction or cease-and-desist order against future violations of provisions of the federal securities laws, the imposition of civil monetary penalties, disgorgement or other equitable relief within the SEC's authority, or any combination of the foregoing.

On June 27, 2025, Jiawei (Jerry) Wang, the Global President of the Company, received a Wells Notice from the SEC, and on June 30, 2025, YT Jia, Global Co-Chief Executive Officer, received a Wells Notice from the SEC. Each of these notices also states that the SEC staff made a preliminary determination to recommend that the SEC file an enforcement action against them alleging similar violations in their individual capacities of various anti-fraud provisions of the federal securities laws detailed above. An enforcement action may seek any of the above-referenced remedies, as well as a bar from serving as an officer or director of a public company. Two other former Company employees also received Wells Notices.

A Wells Notice is neither a formal charge of wrongdoing nor a final determination that the recipient has violated any law but is a preliminary determination by the Staff to recommend to the SEC Commissioners that a civil enforcement action or administrative proceeding be brought against the recipients. The Company and, Messrs. Jia and Wang plan to engage with the SEC Staff about why an enforcement action is not warranted. If the SEC determines to seek an enforcement action against the Company, Mr. Jia, and/or Mr. Wang, the SEC would need to proceed through a formal process, including formal court process for the director and officer bar, during which the Company, Mr. Jia and/or Mr. Wang, as applicable, could defend themselves.

We cannot predict the results of the investigation and the Wells Notice process and any corresponding enforcement action against us and/or any of the identified individuals, and the costs, timing and other potential consequences of responding and complying therewith with any certainty. If the final determination is detrimental to the Company, we may lose business cooperation with our actual and/or potential customers and vendors, and it may be more difficult for the Company to obtain additional financing on favorable terms, if at all. Further, it may become more difficult to attract and retain key members of management, our board of directors and other key employees. The investigation, including any potential SEC enforcement action, continues to be expensive and disruptive, and we are obligated to indemnify each of the individuals for their costs associated with the investigation, the Wells Notices, and any resulting litigation with the SEC or related litigation brought by other parties, which may cause financial distress to the Company. Our insurance, to the extent maintained, may not cover all claims that may be asserted against us or the specified individuals, and we are unable to predict how long the investigation and any potential SEC enforcement action will continue. In addition, because the Company depends on Messrs. Jia and Wang, the loss of their services may adversely impact the achievement of the Company's objectives. An unfavorable outcome may have an adverse impact on our business, financial condition, results of operations, prospects, reputation and/or our stock price. In addition, Nasdaq has broad discretion and may determine to delist our securities from the Nasdaq Capital Market or other applicable trading market within the U.S. Any proceeding could also negatively impact our reputation among our stakeholders.

Risks Related to Investing in Cryptocurrency

The launch of central bank digital currencies (“CBDCs”) may adversely impact our business.

The introduction of a government-issued digital currency could eliminate or reduce the need or demand for private-sector issued crypto currencies, or significantly limit their utility. National governments around the world could introduce CBDCs, which could in turn limit the size of the market opportunity for cryptocurrencies.

If we were deemed to be an investment company under the Investment Company Act, applicable restrictions likely would make it impractical for us to continue segments of our business as currently contemplated.

Under Sections 3(a)(1)(A) and (C) of the Investment Company Act, a company generally will be deemed to be an “investment company” if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding, or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities, shares of registered money market funds under Rule 2a-7 of the Investment Company Act, and cash items) on an unconsolidated basis. Rule 3a-1 under the Investment Company Act generally provides that notwithstanding the Section 3(a)(1)(C) test described in clause (ii) above, an entity will not be deemed to be an “investment company” for purposes of the Investment Company Act if no more than 45% of the value of its assets (exclusive of U.S. government securities, shares of registered money market funds under Rule 2a-7 of the Investment Company Act, and cash items) consists of, and no more than 45% of its net income after taxes (for the past four fiscal quarters combined) is derived from, securities other than U.S. government securities, shares of registered money market funds under Rule 2a-7 of the Investment Company Act, securities issued by employees' securities companies, securities issued by qualifying majority owned subsidiaries of such entity, and securities issued by qualifying companies that are controlled primarily by such entity. We do not believe that we are an “investment company” as such term is defined in either Section 3(a)(1)(A) or Section 3(a)(1)(C) of the Investment Company Act.

Recently, we have begun focusing on pursuing opportunities to expand our portfolio into digital assets. Since we believe cryptocurrency is not an investment security, we do not hold ourselves out as being engaged primarily, or propose to engage primarily, in the business of investing, reinvesting, or trading in securities within the meaning of Section 3(a)(1)(A) of the Investment Company Act.

With respect to Section 3(a)(1)(C), we believe we satisfy the elements of Rule 3a-1 and therefore are deemed not to be an investment company under, and we intend to conduct our operations such that we will not be deemed an investment company under, Section 3(a)(1)(C). We believe that we are not an investment company pursuant to Rule 3a-1 under the Investment Company Act because, on a consolidated basis with respect to wholly-owned subsidiaries but otherwise on an unconsolidated basis, no more than 45% of the value of the Company's total assets (exclusive of U.S. government securities, shares of registered money market funds under Rule 2a-7 of the Investment Company Act, and cash items) consists of, and no more than 45% of the Company's net income after taxes (for the last four fiscal quarters combined) is derived from, securities other than U.S. government securities, shares of registered money market funds under Rule 2a-7 of the Investment Company Act, securities issued by employees' securities companies, securities issued by qualifying majority owned subsidiaries of the Company, and securities issued by qualifying companies that are controlled primarily by the Company.

Cryptocurrency, as well as new business models and transactions enabled by blockchain technologies, present novel interpretive questions under the Investment Company Act. There is a risk that assets or arrangements that we are to invest which are not securities could be deemed to be securities by the SEC or another authority for purposes of the Investment Company Act, which would increase the percentage of securities held by us for Investment Company Act purposes. The SEC has requested information from a number of participants in the digital assets' ecosystem, regarding the potential application of the Investment Company Act to their businesses. For example, in an action unrelated to the Company, in February 2022, the SEC issued a cease-and-desist order under the Investment Company Act to BlockFi Lending LLC, in which the SEC alleged that BlockFi was operating as an unregistered investment company because it issued securities and also held more than 40% of its total assets, excluding cash, in investment securities, including the loans of digital assets made by BlockFi to institutional borrowers.

If we were deemed to be an investment company, Rule 3a-2 under the Investment Company Act is a safe harbor that provides a one-year grace period for transient investment companies that have a bona fide intent to be engaged primarily, as soon as is reasonably possible (in any event by the termination of such one-year period), in a business other than that of investing, reinvesting, owning, holding, or trading in securities, with such intent evidenced by the company's business activities and an appropriate resolution of its board of directors. The grace period is available not more than once every three years and runs from the earlier of (i) the date on which the issuer owns securities and/or cash having a value exceeding 50% of the issuer's total assets on either a consolidated or unconsolidated basis or (ii) the date on which the issuer owns or proposes to acquire investment securities having a value exceeding 40% of the value of such issuer's total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. Accordingly, the grace period may not be available at the time that we seek to rely on Rule 3a-2; however, Rule 3a-2 is a safe harbor and we may rely on any exemption or exclusion from investment company status available to us under the Investment Company Act at any given time. Furthermore, reliance on Rule 3a-2, Section 3(a)(1)(C), or Rule 3a-1 could require us to take actions to dispose of securities, limit our ability to make certain investments or enter into joint ventures, or otherwise limit or change our service offerings and operations. If we were to be deemed an investment company in the future, restrictions imposed by the Investment Company Act — including limitations on our ability to issue different classes of stock and equity compensation to directors, officers, and employees and restrictions on management, operations, and transactions with affiliated persons — likely would make it impractical for us to continue our business as contemplated, and could have a material adverse effect on our business, results of operations, financial condition, and prospects.

The cryptocurrency we hold is not insured and not subject to FDIC or SIPC protections.

Currently, the Company does not plan to insure the cryptocurrencies the Company will purchase in the future. Therefore, any loss that we may suffer with respect to our cryptocurrencies will not be covered by insurance and no person may be liable in damages for such loss, which could adversely affect our operations. The Company does not plan to hold the cryptocurrencies with a banking institution or a member of the Federal Deposit Insurance Corporation ("FDIC") or the Securities Investor Protection Corporation ("SIPC") and, therefore, our cryptocurrency is not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions.

Impact of Rising International Political Tensions and Disruptions in Financial Markets on Our Business.

Rising international political tensions and disruptions in the financial markets and global economic conditions may adversely affect our business, operating results, and the value of our securities. Political tensions between the United States and China have escalated in recent years due to, among other factors, the trade war between the two countries that began in 2018, the imposition of U.S. sanctions on certain Chinese officials from China's central government and the Hong Kong Special Administrative Region, the inclusion of Chinese entities and individuals on sanctions and other restrictive lists, the recently announced investment restrictions by the U.S. government, and the imposition of sanctions, export, and import restrictions by the Chinese government on certain U.S. persons.

The U.S. government has made statements and taken actions that may lead to potential changes to U.S. and international trade policies towards China. Unfavorable government policies on international trade, such as capital controls or tariffs, could affect the demand for our products and services, impact the competitive position of our products, or prevent us from selling products in certain countries. Furthermore, the application of tariffs or other trade barriers may significantly impact our ability to conduct business internationally, particularly with regard to the sale of electric vehicles (EVs), including battery electric vehicles (“BEVs”), in regions such as the U.S., where incentives and tax credits for BEVs may also be impacted by trade policy changes. On May 14, 2024, the U.S. government announced higher tariffs on steel and aluminum, semiconductors, electric vehicles, batteries, critical minerals, solar cells, ship-to-shore cranes and medical products. These higher tariffs were based on claims that China has engaged in unfair trade practices. The highest of these tariffs are applicable to electric vehicles, which will be subject to a tariff rate of 100% from August 1, 2024, an increase from the earlier rate of 25%. Recently, the Trump administration imposed a 25% tariff globally on all the automobiles and parts imported to the U.S., effective on April 4, 2025. On February 1, 2025, a 10% tariff was added on products imported from China. On March 4, 2025, tariff applicable to products made in China was increased to 20%. On April 2, 2025, an additional 34% tariff was imposed universally to Chinese-made products, which increased the applicable overall tariff to 54%. On April 9, 2025, in response to the retaliation tariff announced by China, the Trump administration further raised the additional tariff to 84%, and on the same day, a reciprocal duty of 125% was charged to products imported from China, and the final applicable tariff rate reaches 145%. On May 12, 2025, Chinese and the U.S. government came to an agreement to temporarily reduce reciprocal tariffs by 115% starting May 14, 2025. The effective tariff rate on products imported from China was reduced to 30%, while the Chinese tariff rate on American goods was reduced to 10%. On October 9, 2025, China added five rare-earth elements to its exportation control list, which requires an export license that foreign producers will have to apply for if they plan to export products that use even slight amounts of Chinese-origin rare-earth minerals. In response, on October 11, 2025, the Trump administration declared that a 100% tariff will be imposed on all importations from China, along with export controls on “any and all critical software from the U.S.” Recently, after a meeting between U.S. and Chinese governments, the restriction mentioned above was lifted and the Trump administration will halt plans for such 100% additional tariffs for one year. How the tariff war between the U.S. and China will develop is highly uncertain, and it is difficult for the Company to predict.

Additionally, on January 16, 2025, the Bureau of Industry and Security issued a final rule entitled “Securing the Information and Communications Technology and Services Supply Chain: Connected Vehicles” (the “Final Rule”), prohibiting certain transactions involving the sale or import of connected vehicles integrating specific hardware and software, or those components sold separately, with a sufficient nexus to China or Russia. The implementation details of the Final Rule remain under evaluation, the Final Rule may have a material adverse impact on our financial performance or business operations. Any new tariffs, import, export, or investment restrictions, or changes in existing trade agreements, particularly if the U.S. government escalates trade tensions or takes retaliatory measures, could negatively affect our business, financial condition, and results of operations.

Recent policy change on the tax benefit of purchasing an electric vehicle may negatively affect the Company’s operations.

On July 4, 2025, H.R. 1, commonly referred to as the One Big Beautiful Bill Act (the “OBBBA”), was signed into law. The bill provides consumers with a tax deduction for the interest on loans for certain U.S.-assembled vehicles and eliminates federal Electric Vehicle (“EV”) tax credits for vehicles purchased or leased after September 30, 2025. The termination of the EV tax credit, could have a material adverse effect on our business. Currently, the EV tax credit plays a significant role in encouraging consumer adoption of electric vehicles, which in turn drives demand for our products. The termination of the EV tax credit could reduce consumer purchasing power and slow the adoption of electric vehicles. A decline in demand could negatively impact our sales, revenue growth, and profitability. Additionally, such change to the EV tax credit could lead to increased competition or market uncertainty, as competitors may adjust their pricing and product offerings faster than us.

Jerry Wang, the President of FF, and Koti Meka, the Chief Financial Officer of FF, serve as the Co-Chief Executive Officer and the Chief Financial Officer of AIXC, respectively. Such appointment may cause them to devote less time to the Company.

On October 2, 2025, Jerry Wang, the President of FF and Koti Meka, the Chief Financial Officer of FF were appointed by AIXC to be the Co-Chief Executive Officer and the Chief Financial Officer of AIXC, respectively. As senior officers of both FF and AIXC, they may face challenges in fully dedicating their time, focus, and resources to our Company. This divided attention could lead to delays in decision-making, diminished strategic oversight, and a reduced ability to effectively address operational issues, thereby negatively impacting our business performance. Additionally, the potential for conflicts of interest may arise if the interests of the companies they manage are not fully aligned. These circumstances could result in compromised decision-making or actions that prioritize the interests of other companies over ours. Furthermore, the concentration of leadership responsibilities in a small group of individuals managing multiple companies may raise concerns about governance and succession planning, as it could limit the diversity of leadership perspectives and create risks in developing suitable successors. As a result, the ability of these officers to execute on our strategic objectives could be impaired, which may harm our financial performance, shareholder value, and long-term business stability.

Item 2. Unregistered Sales Of Equity Securities, Use Of Proceeds And Issuer Purchases Of Equity Securities

Unregistered Equity Issuance – SPA Portfolio Conversions

During the nine months ended September 30, 2025, the Company issued convertible promissory notes, related warrants and incremental warrants pursuant to various Securities Purchase Agreements. These instruments form the Company’s SPA Portfolio Notes financing program. As of September 30, 2025 the Company had received \$6.3 million and \$1.5 million in proceeds in advance of the fourth closing of the 2025 March Unsecured SPA Notes, and subsequent closing of the 2025 July Unsecured SPA Notes, respectively, which have not closed as of the issuance date of this report. The corresponding notes are reported as outstanding as of period end.

As of the date of this report, SPA Portfolio Notes and related warrants and Incremental Warrants have not been registered under the Securities Act of 1933, as amended (the “Securities Act”). These securities were issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D and were sold exclusively to accredited investors in private placements without general solicitation or advertising.

The shares of Class A common stock issuable upon conversion of the outstanding 2023 Unsecured SPA Notes, incremental Junior Secured SPA Notes, incremental 2024 Unsecured SPA Notes and 2025 March Unsecured SPA Notes were partially registered for resale under effective registration statements. As of the date of this report, the shares issuable upon conversion of the 2025 July Unsecured SPA Notes and upon exercise of any warrants or Incremental Warrants issued in connection with the SPA Portfolio Notes program have not been registered for resale under an effective registration statement.

Unregistered Equity Issuance – Cooper Standard

In June 2025, the Company issued 423,333 shares of Class A Common Stock to Cooper Standard in settlement of 0.6 million of outstanding payables. The issuance was made pursuant to a private settlement agreement and was not registered under the Securities Act of 1933, as amended (the “Securities Act”). The shares were issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act as a transaction by an issuer not involving a public offering. No general solicitation or advertising was used in connection with the issuance.

Pursuant to the terms of the settlement agreement, if the Company failed to deliver shares that were registered, listed on Nasdaq, and freely tradeable, the share component of the settlement would instead become payable in cash. Because the shares issued to Cooper Standard did not meet these conditions, the Company is required to settle the obligation in cash and intends to cancel the previously issued shares. The 423,333 shares remain issued and outstanding as of the reporting date.

Unregistered Equity Issuance – Bitron Settlement

On August 15, 2025, Faraday Future entered into certain Settlement Agreement with Bitron, S.P.A. (“Bitron”) to resolve an outstanding arbitration award owed to Bitron, in connection with several purchase orders and invoices. Faraday Future agreed to pay a total of \$0.3 million, of which \$0.1 million shall be paid by cash, and the remainder shall be paid in the form of shares of the Company’s Class A Common Stock. In connection herewith, on the same day, the Company entered into a Share Issuance Agreement with Bitron, pursuant to which the Company agreed to repay \$0.2 million in shares of Class A Common Stock to Bitron (such shares, the “Bitron Settlement Shares”). In October 2025, a total of 153,020 Bitron Settlement Shares were issued to Bitron.

Both issuances remain unregistered as of the date of this report.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During 2025, the following executive officer adopted a Rule 10b5-1 trading arrangement (as defined in Exchange Act Rule 10b5-1(c)), and all planned purchases under the arrangement were completed during the three months ended September 30, 2025:

- Mr. Yueting Jia, Global Co-CEO, adopted a Rule 10b5-1 trading plan on May 27, 2025, providing for the purchase of up to \$560,000 of the Company's Class A common stock. The planned purchase represents the after-tax portion of a \$1.2 million signing bonus awarded in April 2025 in connection with his appointment as Global Co-CEO. This trading plan expires on August 25, 2026. In the aggregate, Mr. Jia purchased 263,500 shares of the Company's common stock and thereby completing the purchase plan under Rule 10b5-1.

During 2025, the following executive officers adopted Rule 10b5-1 trading arrangements (as defined in Exchange Act Rule 10b5-1(c)). Each plan was terminated during the three months ended September 30, 2025 and is no longer in effect:

- Mr. Jerry Wang, President, adopted a Rule 10b5-1 trading plan on May 27, 2025, providing for the purchase of up to \$50,000 of the Company's Class A common stock. This trading plan expires on August 22, 2026. Before this plan was cancelled on September 15, 2025 by the broker, Mr. Wang purchased 10,600 shares of the Company's common stock under this trading plan.
- Mr. Koti Meka, Chief Financial Officer, adopted a Rule 10b5-1 trading plan on June 12, 2025, providing for the purchase of up to \$20,000 of the Company's Class A common stock. This trading plan expires on September 15, 2026. Before this plan was cancelled on September 15, 2025 by the broker, Mr. Meka purchased no shares of the Company's common stock under this plan.

Item 6. EXHIBITS

Exhibit No.	Description of Exhibits	Incorporation by Reference
3.1	<u>Third Amended and Restated Certificate of Incorporation of the Company</u>	Exhibit 3.1 to the Current Report on Form 8-K filed on February 7, 2024.
3.2	<u>Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of the Company</u>	Exhibit 3.1 to the Current Report on Form 8-K filed on February 7, 2024.
3.3	<u>Second Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of the Company</u>	Exhibit 3.1 to the Current Report on Form 8-K filed on February 26, 2024.
3.4	<u>Certificate of Elimination of Series A Preferred Stock</u>	Exhibit 3.2 to the Current Report on Form 8-K filed on August 1, 2024.
3.5	<u>Third Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of the Company</u>	Exhibit 3.1 to the Current Report on Form 8-K filed on August 1, 2024.
3.6	<u>Fourth Certificate of Amendment to Third Amended and Restated Certificate of Incorporation of Faraday Future Intelligent Electric Inc.</u>	Exhibit 3.2 to the Current Report on Form 8-K filed on August 15, 2024.
3.7	<u>Amended and Restated Bylaws of the Company</u>	Exhibit 3.2 to the Current Report on Form 8-K filed on June 16, 2023
3.8	<u>Certificate of Designation of Preferences, Rights and Limitations of Series A Preferred Stock, dated January 22, 2025.</u>	Exhibit 3.1 to the Current Report on Form 8-K filed on January 31, 2025
3.9	<u>Certificate of Amendment to Amended and Restated Certificate of Incorporation of Faraday Future Intelligent Electric Inc.</u>	Exhibit 3.1 to the Current Report on Form 8-K filed on March 11, 2025
3.10	<u>Certificate of Elimination of Series A Preferred Stock.</u>	Exhibit 3.2 to the Current Report on Form 8-K filed on March 11, 2025
3.11	<u>Form of Certificate of Designation of Preferences, Rights and Limitations of Series B Preferred Stock</u>	Exhibit 3.1 to the Current Report on Form 8-K filed on March 24, 2025
3.12	<u>Certificate of Designation of Preferences, Rights and Limitations of Series B Preferred Stock</u>	Exhibit 3.1 to the Current Report on Form 8-K filed on April 9, 2025
3.13	<u>Certificate of Correction of Certificate of Designation of Preferences, Rights and Limitations of Series B Preferred Stock</u>	Exhibit 3.2 to the Current Report on Form 8-K filed on April 9, 2025
3.14	<u>Certificate of Designation of Preferences, Rights and Limitations of Series A Preferred Stock, dated April 17, 2025</u>	Exhibit 3.1 to the Current Report on Form 8-K filed on April 17, 2025
3.15	<u>Certificate of Amendment to Amended and Restated Certificate of Incorporation of Faraday Future Intelligent Electric Inc.</u>	Exhibit 3.1 to the Current Report on Form 8-K filed on May 29, 2025
3.16	<u>Certificate of Elimination of Series A Preferred Stock</u>	Exhibit 3.2 to the Current Report on Form 8-K filed on May 29, 2025
3.17	<u>Certificate of Designation of Preferences, Rights and Limitations of Series A Preferred Stock</u>	Exhibit 3.1 to the Current Report on Form 8-K filed on August 8, 2025
3.18	<u>Amendment No. 1 to Certificate of Designations, Preferences and Rights of Series B Preferred Stock of Faraday Future Intelligent Electric Inc.</u>	Exhibit 3.1 to the Current Report on Form 8-K filed on August 22, 2025
3.19	<u>Eighth Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of Faraday Future Intelligent Electric Inc.</u>	Exhibit 3.1 to the Current Report on Form 8-K filed on September 25, 2025
3.20	<u>Certificate of Elimination of Series A Preferred Stock of Faraday Future Intelligent Electric Inc.</u>	Exhibit 3.2 to the Current Report on Form 8-K filed on September 25, 2025
4.1	<u>Form of Common Warrant</u>	Exhibit 4.1 to the Current Report on Form 8-K filed on March 24, 2025
4.2	<u>Form of Incremental Warrant</u>	Exhibit 4.2 to the Current Report on Form 8-K filed on March 24, 2025
4.3	<u>Form of Unsecured Note</u>	Exhibit 4.3 to the Current Report on Form 8-K filed on March 24, 2025
4.4	<u>Form of Placement Agent Warrant</u>	Exhibit 4.4 to the Current Report on Form 8-K filed on March 24, 2025
4.5	<u>Form of Unsecured Note</u>	Exhibit 4.1 to the Current Report on Form 8-K filed on July 16, 2025

Exhibit No.	Description of Exhibits	Incorporation by Reference
4.6	Form of Common Warrant	Exhibit 4.2 to the Current Report on Form 8-K filed on July 16, 2025
10.1	September Letter Agreement, dated January 28, 2025, by and between the Company and the purchasers party thereto.	Exhibit 10.1 to the Current Report on Form 8-K filed on January 31, 2025
10.2	December Letter Agreement, dated January 28, 2025, by and between the Company and the purchasers party thereto.	Exhibit 10.2 to the Current Report on Form 8-K filed on January 31, 2025
10.3	Purchase Agreement dated January 28, 2025, by and between the Company and Matthias Aydt.	Exhibit 10.3 to the Current Report on Form 8-K filed on January 31, 2025
10.4	Securities Purchase Agreement, dated March 21, 2025, by and among Faraday Future	Exhibit 10.1 to the Current Report on Form 8-K filed on March 24, 2025
10.5	Offer Letter, dated March 24, 2025, by and between Faraday Future Intelligent Electric Inc. and Jiawei (Jerry) Wang	Exhibit 10.5 to the Form 10-Q filed on May 09, 2025
10.6	Placement Agency Agreement, dated March 21, 2025, by and between Faraday Future	Exhibit 10.2 to the Current Report on Form 8-K filed on March 24, 2025
10.7	Purchase Agreement dated April 17, 2025, by and between the Company and Matthias Aydt	Exhibit 10.1 to the Current Report on Form 8-K filed on April 17, 2025
10.8	Offer Letter, dated April 23, 2025, by and between Faraday Future Intelligent Electric Inc. and Yueting Jia.	Exhibit 10.1 to the Current Report on Form 8-K filed on April 25, 2025
10.9	Form of SPA Waiver	Exhibit 10.1 to the Current Report on Form 8-K filed on May 15, 2025
10.10	Securities Purchase Agreement, dated July 14, 2025, by and among Faraday Future Intelligent Electric Inc. and the parties thereto.	Exhibit 10.1 to the Current Report on Form 8-K filed on July 16, 2025
10.11	Purchase Agreement Dated August 5, 2025, by and Between the Company and Matthias Aydt	Exhibit 10.1 to the Current Report on Form 8-K filed on August 8, 2025
10.12	Form of Subscription Agreement	Exhibit 10.1 to the Current Report on Form 8-K filed on September 25, 2025
10.13	Lead Investor Agreement	Exhibit 10.2 to the Current Report on Form 8-K filed on September 25, 2025
10.14	Registration Rights Agreement	Exhibit 10.3 to the Current Report on Form 8-K filed on September 25, 2025
31.1*	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	N/A
31.2*	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	N/A
32.1***	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	N/A
32.2***	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	N/A
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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.	

Exhibit No.	Description of Exhibits	Incorporation by Reference
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).	
*	Filed herewith.	
***	Furnished herewith.	

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Faraday Future Intelligent Electric Inc.

Date: November 21, 2025 By: /s/ *Matthias Aydt*
Matthias Aydt
Global Co-Chief Executive Officer
Principal Executive Officer

Date: November 21, 2025 By: /s/ *Koti Meka*
Koti Meka
Chief Financial Officer
Principal Financial and Accounting 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, Matthias Aydt, 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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our 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 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: November 21, 2025

/s/ Matthias Aydt

Matthias Aydt

Global Co-Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

**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, Koti Meka, 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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our 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 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: November 21, 2025

/s/ Koti Meka

Koti Meka

Chief Financial Officer

(Principal Financial and Accounting Officer)

Exhibit 32.1

**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 quarter ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthias Aydt, Global Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. 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.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report.

Dated: November 21, 2025

/s/ Matthias Aydt

Matthias Aydt

Global Co-Chief Executive Officer

(Principal Executive Officer)

Exhibit 32.2

**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 quarter ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Koti Meka, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. 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.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report.

Dated: November 21, 2025

/s/ Koti Meka

Koti Meka

Chief Financial Officer

(Principal Financial and Accounting Officer)