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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 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	**3711**	**84-4720320**
(State or other jurisdiction of incorporation or organization)	(Primary standard industrial classification code number)	(I.R.S. Employer Identification Number)
1990 E. Grand Avenue El Segundo, CA		**90245**
(Address of Principal Executive Offices)		(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

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12 (b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1 (b). ☐

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

Based on the closing price as reported on the Nasdaq Stock Market, the aggregate market value of the registrant's Common Stock held by non-affiliates on June 30, 2025 (the last business day of the registrant's most recently completed second fiscal quarter) was approximately 223,500,520. Shares of Common Stock held by each executive officer and director and by each stockholder of more than 10% of any class of voting equity securities of the registrant have been excluded from this calculation because such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of March 24, 2026, there were 248,764,702 shares of Class A Common Stock, $0.0001 par value, and 6,667 shares of Class B Common Stock, $0.0001 par value, issued and outstanding.

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Item 1. Business

Unless the context indicates otherwise, references in this Annual Report on Form 10-K for the year ended December 31, 2025 (this "Form 10-K") to "FFAI" or "FFIE" refer to Faraday Future Intelligent Electric Inc. (f/k/a Property Solutions Acquisition Corp.), a holding company incorporated in the State of Delaware, and not to its subsidiaries, and references herein to the "Company," "we," "us," "our," and similar terms refer to Faraday Future Intelligent Electric Inc. *and its consolidated subsidiaries, a complete list of which is set forth in Exhibit 21.1 to this Form 10-K forms a part. The Company refers to our primary operating subsidiary in the U.S., Faraday&Future Inc., as "FF U.S." The Company refers to all our subsidiaries organized in China (including Hong Kong) collectively as the "PRC Subsidiaries." As of December 31, 2025, our only operating subsidiaries in mainland China and in Hong Kong are FF Automotive (China) Co. Ltd., Ruiyu Automotive (Beijing) Co., Ltd. and Shanghai Faran Automotive Technology Co., Ltd., each of which was organized in the PRC. References to "PSAC" refer to Property Solutions Acquisition Corp., a Delaware corporation, our predecessor company prior to the*

consummation of the Business Combination (as defined herein), and "Legacy FF" refers to FF Intelligent Mobility Global Holdings Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands, together with its consolidated subsidiaries, prior to the Business Combination. References to "PSAC" refer to Property Solutions Acquisition Corp., a Delaware corporation, our predecessor company prior to the consummation of the Business Combination (as defined herein), and "Legacy FF" refers to FF Intelligent Mobility Global Holdings Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands, together with its consolidated subsidiaries, prior to the Business Combination. The discussion of the Company's business and the electric vehicle industry below is qualified by, and should be read in conjunction with, the discussion of the risks related to Company's business and industry detailed elsewhere in this Annual Report on Form 10-K.

Company Overview

Our Business Operations at a Glance

Faraday Future Intelligent Electric Inc. (the "Company") is a California-based technology company focused on the design, engineering, and development of intelligent, connected electric vehicles and related artificial intelligence-enabled technologies. The Company's primary business activities center on its AIEV platform, including the FF and FX vehicle series. As discussed below, the Company also holds a majority interest in AIxCrypto Holdings, Inc. ("AIXC"), an independent public company listed on Nasdaq under the symbol "AIXC," whose business is focused on embodied AI infrastructure and blockchain infrastructure.

Headquartered in Gardena, California, the Company designs and engineers next-generation intelligent electric vehicles that integrate advanced software, connectivity, and user-centric technologies. The Company manufactures and assembles vehicles at its production facility in Hanford, California, known as FF aiFactory California, which supports vehicle assembly, paint operations for FF vehicles, final integration, and end-of-line testing.

In addition to its U.S. operations, the Company maintains engineering and operational capabilities in China. The Company is also in the process of establishing a vehicle assembly facility in the United Arab Emirates ("U.A.E.") to support regional sales of FF and potentially FX vehicles and to expand its market presence in the Middle East.

Through AIXC, the Company has established a digital asset-related initiative focused on evaluating blockchain-based technologies and investment opportunities. AIXC's activities currently include the development of digital platforms and infrastructure supporting the Company's broader artificial intelligence and digital ecosystem strategy. The Company's blockchain-related activities are presently limited in scope and are primarily development-focused.

In addition, AIXC holds a legacy biologics asset originating from prior operations, consisting of an early-stage oncology program. This asset is not part of AIXC's core business and is maintained for potential strategic evaluation, including development or monetization opportunities, subject to market conditions and capital considerations.

The Company continues to evaluate emerging technologies and strategic initiatives that may complement its long-term objectives, while maintaining its primary focus on advancing its AIEV platform and related mobility solutions. During 2025, the Company began evaluating a robotics initiative as a potential extension of its broader embodied AI and intelligent mobility strategy. As of December 31, 2025, the robotics initiative remained preliminary and was not material to the Company's business operations. The program progressed more substantially in 2026. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 9B. Other Information—Robotics Initiative" for additional information.

Corporate Structure, and Capital Markets

Faraday Future Intelligent Electric Inc. is a Delaware holding company that conducts substantially all of its operations through its subsidiaries. As a holding company with no material operations of its own, the Company depends on its subsidiaries to conduct its business activities, generate revenue, and manage day-to-day operations. Accordingly, holders of the Company's Class A Common Stock and Class B Common Stock have equity interests solely in Faraday Future Intelligent Electric Inc., the parent entity, and do not have direct ownership interests in its operating subsidiaries.

The Company's Class A Common Stock is listed on the Nasdaq Stock Market under the ticker symbol "FFAI" (formerly "FFIE"). The Company's capital structure also includes Class B Common Stock, which provides enhanced voting rights to certain holders. This dual-class structure is intended to support long-term strategic decision-making and corporate stability while the Company continues to execute its multi-year development and commercialization plans.

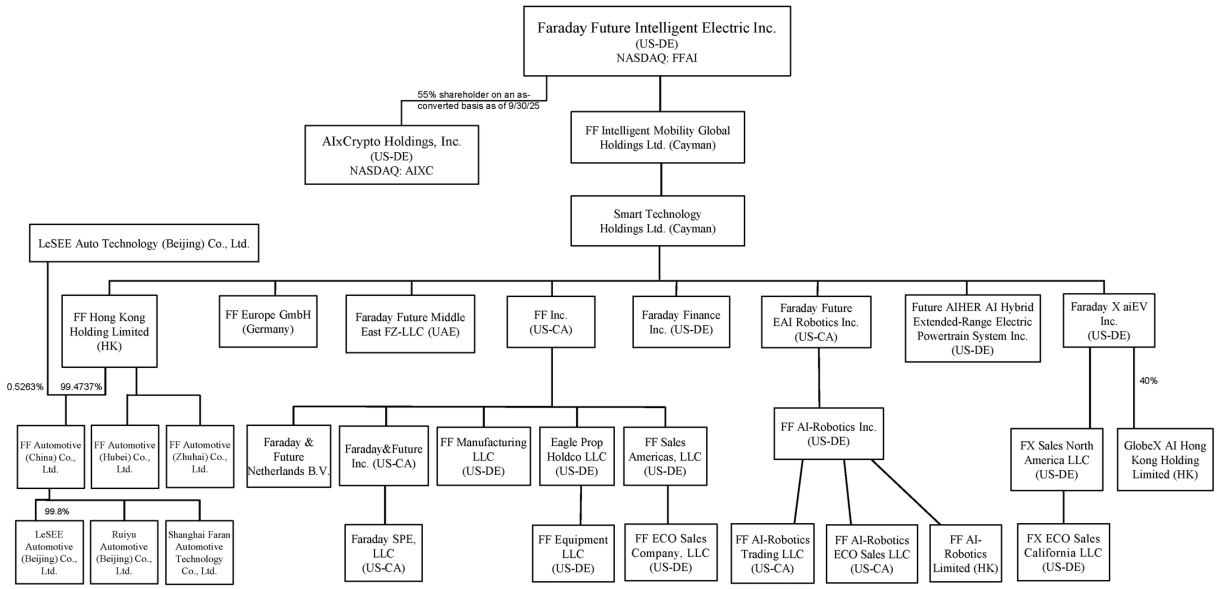
As part of its broader capital markets and strategic framework, the Company has made an investment in AIxCrypto Holdings Inc. ("AIXC"), a majority-owned and consolidated subsidiary of the Company. AIXC is separately listed on the Nasdaq Stock Market under the ticker symbol "AIXC." AIXC's operations are consolidated into the Company's financial statements in accordance with applicable accounting guidance.

The Company's global operating strategy is designed to support its AIEV platform through geographically diversified engineering, manufacturing, and commercial capabilities. Core vehicle design, engineering, and manufacturing activities are primarily conducted in the United States, supported by additional engineering, supply chain, and operational functions in China. In addition, the Company is establishing an assembly presence in the United Arab Emirates to support regional vehicle sales and expand its international footprint.

This corporate structure is intended to support capital-efficient growth, maintain operational flexibility, and provide access to multiple capital markets while aligning organizational resources with evolving strategic priorities. The organizational structure and key operating entities are illustrated in the organizational chart below, followed by a summary of significant corporate and operational milestones

Organizational Chart

The organizational chart below shows the Company's significant subsidiaries as of the date hereof:



* All ownership interests for the Operating Entities are 100% unless otherwise indicated.

International Operating Footprint

The Company's operations are organized across multiple geographic regions to support its vehicle development, manufacturing, assembly, and commercialization activities. The Company maintains core operations in the United States and China, which together represent its primary operating markets. In addition, the Company has established an operational presence in the United Arab Emirates ("U.A.E."). While the U.A.E. facility is not yet fully operational, it is intended to support regional vehicle assembly and sales activities and expand the Company's international footprint. The sections below describe the Company's operations in the United States, China, and the U.A.E.

U.S. Operations

The Company's primary U.S. operating subsidiary, FF U.S., was incorporated in the State of California in May 2014. Since its founding, the Company has focused on designing and engineering next-generation intelligent, connected, and electric vehicles, including the FF Series and the FX Series.

To further develop its business and facilitate international investments, the Company established a Cayman Islands holding company structure. Smart Technology Holdings Ltd. (formerly known as FFIE Global Holdings Ltd.) was incorporated on May 23, 2014, in the Cayman Islands, and directly or indirectly controlled 100% of the shareholding of all operating subsidiaries within the corporate group.

As part of an effort to facilitate third-party investment, the Company incorporated a top-level holding company, FF Intelligent Mobility Global Holdings Ltd. (formerly known as Smart King Ltd.), in the Cayman Islands in November 2017, which became the parent entity of Smart Technology Holdings Ltd.

In September 2024, Faraday X AIEV Inc. was incorporated in the State of Delaware to serve as the primary U.S. operating company for the launch of the Company's new FX brand, which is positioned at an accessible price point while integrating the Company's proprietary AI and vehicle software technology.

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. Future AIHER AI Hybrid Extended-Range Electric Powertrain System Inc. is indirectly 100% owned by the Company. It is anticipated that this subsidiary will primarily focus on designing and developing two products: (1) an AI hybrid extended-range ("AIHER") system; and (2) an AI extended-range system, along with comprehensive powertrain solutions to support each. An AIHER system is envisioned as a fusion of hybrid and range-extender technologies, primarily serving as a range extender, with hybrid drive functionality playing a secondary role.

China Operations and PRC Subsidiaries

The Company has historically pursued a dual-home market strategy intended to leverage both the U.S. and Chinese automotive industries. The Company has sought to combine U.S.-based technological innovation and vehicle development with China's supply chain and production capabilities to support its long-term strategic objectives. The Company also continues to evaluate opportunities in China, including potential joint ventures and other strategic partnerships with local OEMs and suppliers.

To facilitate its historical and ongoing activities in China, the Company conducts business in the region through a holding company structure, with FF Hong Kong Holding Limited serving as the primary holding company for the PRC Subsidiaries. As part of this structure, FF Automotive (China) Co., Ltd. was established as a wholly foreign-owned entity ("WFOE") in March 2017. As of December 31, 2025, LeSee Automotive (Beijing) Co., Ltd. ("LeSee Beijing") was 99% owned by the WFOE. Historically, the Company conducted its China-based operations through LeSee Beijing, which was incorporated in July 2014; however, LeSee Beijing currently has no active operations.

The Company refers to its subsidiaries organized in China, including Hong Kong, collectively as the "PRC Subsidiaries." As of December 31, 2025, the Company's operating subsidiaries in China were limited to the following entities:

- FF Automotive (China) Co., Ltd.
- Ruiyu Automotive (Beijing) Co., Ltd.
- Shanghai Faran Automotive Technology Co., Ltd.

For a hierarchical overview of the Company's corporate structure, refer to the *Organizational Chart* subsection above. A complete list of the Company's subsidiaries is provided in Exhibit 21.1 to this Annual Report on Form 10-K.

U.A.E. Operations and U.A.E. Subsidiaries

The Company has begun establishing an operational presence in the Middle East as part of its broader international market expansion strategy. The Company believes the region presents an opportunity supported by demand for advanced mobility technologies, luxury electric vehicles, and government initiatives promoting innovation, smart mobility, and sustainable transportation.

To support its Middle East activities, the Company conducts business in the region through Faraday Future Middle East FZ-LLC, a wholly owned subsidiary established in the United Arab Emirates. This entity serves as the Company's primary operating platform for regional business development, strategic partnerships, and related operational activities in the Middle East.

Through Faraday Future Middle East FZ-LLC, the Company has initiated activities related to regional market development, ecosystem partnerships, and operational infrastructure intended to support its longer-term presence in the region. These activities include engagement with local government entities, participation in industry events, and early-stage development of regional operational capabilities.

In addition, the Company has initiated early-stage activities in Ras Al Khaimah, United Arab Emirates, including preparation for localized assembly capabilities and coordination of supply chain logistics to support pilot production and vehicle operations in the region.

As of December 31, 2025, the Company's primary operating subsidiary in the Middle East was Faraday Future Middle East FZ-LLC.

The Company continues to evaluate opportunities to expand its presence in the Middle East through strategic partnerships, localized manufacturing capabilities, and broader collaboration across the mobility, energy, and technology sectors.

AIEV Milestones

Significant milestones in the Company's historical development and commercialization of the Company's electric vehicles include the following:

- In 2015, the Company completed its first test mule, an early-stage development vehicle used to evaluate core systems and components, followed by a fully developed beta prototype electric vehicle in August 2016.
- In January 2016, the Company debuted the FFZERO1 at the 2016 Consumer Electronics Show ("CES") and obtained a U.S. patent for its proprietary power inverter, the "FF Echelon Inverter." In November 2016, the Company obtained an autonomous vehicle testing permit issued by the State of California, which allowed the Company to test self-driving vehicles on public roads with a safety driver present.
- In January 2017, the Company unveiled FF 91, its luxury electric crossover vehicle, at CES 2017. In 2017, the FF 91 beta prototype set a production-electric vehicle record at the Pikes Peak International Hill Climb, with a time of 11 minutes and 25.083 seconds.
- In August 2018, the Company completed its first pre-production build of FF 91 at the FF aiFactory California manufacturing facility in Hanford, California.
- In January 2021, the Company entered into a definitive agreement for a business combination with Property Solutions Acquisition Corp. ("PSAC").
- In July 2021, the Company completed its merger with PSAC and changed its name to Faraday Future Intelligent Electric Inc. The Company's Class A Common Stock and Public Warrants began trading on the Nasdaq Stock Market on July 22, 2021.
- In September 2021, the Company completed the installation of pilot equipment in the pre-production build area of its FF aiFactory California manufacturing facility in Hanford, California.
- In March 2023, the Company started production of the FF 91 vehicle.
- In November 2023, the Company announced its entry into the Middle East market, including strategic cooperation agreements with Master Investment Group and Siraj Holding LLC, and introduced the FF 91 2.0 Futurist aiFalcon Limited Edition for that region.
- In July 2024, the Company introduced its Bridge Strategy, a two-brand approach under which the Faraday Future brand focuses on the luxury EV market and the Faraday X brand targets the mass market segment, leveraging the Company's existing technology and platform to expand its product lineup and market reach.
- In November 2024, the Company's wholly owned subsidiary, Faraday X AIEV Inc., entered into definitive agreements with OEMs to support the development, testing, regulatory compliance, supply chain management, and production planning of future FX models.
- In July 2025, the Company held the global initial launch event for the FX Super One.
- In October 2025, the Company launched the FX Super One in the United Arab Emirates.

- In December 2025, the first FX Super One pre-production vehicle rolled off the line at the Company's FF aiFactory California manufacturing facility.

Industry Overview and Market Opportunity

The Company operates across multiple technology-driven areas. The following sections provide an overview of the relevant industry environments and market conditions.

Electric Vehicle Industry Overview and Market Trends

The global electric vehicle market continues to develop, although adoption trends vary significantly by region. China remains the largest and most advanced market for electrified vehicles, supported by manufacturing scale, a competitive supplier base, rapid product development, and broad consumer adoption. Europe continues to progress toward greater electrification, although adoption rates vary across markets and remain influenced by affordability, infrastructure, and regulatory developments. In the United States, EV adoption is continuing at a more gradual pace, with market growth influenced by product positioning, customer demand, charging availability, and broader market conditions.

The Company believes these market conditions support its strategic focus on the U.S. and China markets. China remains significant due to its scale, supply chain depth, and pace of EV adoption, while the U.S. remains an important market for premium and intelligent electric vehicles despite a more gradual mass-market transition. The Company believes that its dual-home market strategy, together with its technology platform, intellectual property portfolio, and focus on product design, driving performance, and user experience, positions it to pursue opportunities in the evolving global EV market. The Company also believes its vehicle engineering capabilities and technology portfolio may support future licensing arrangements and other strategic partnerships.

Key Factors Influencing EV Market Adoption

The EV market continues to be influenced by a combination of consumer demand, affordability, charging infrastructure, vehicle range, product-market fit, and regulatory conditions. The Company believes these factors will continue to influence the pace and pattern of EV adoption across passenger vehicle and related mobility segments.

- *Consumer Demand, Affordability, and Product-Market Fit*

  Consumer adoption of electric vehicles is increasingly influenced by affordability and product-market fit. In the United States, entry-level BEV buyers remain underserved, while premium vehicle categories have become increasingly crowded. In Europe, affordability continues to be an important factor, particularly as direct purchase incentives have been reduced in certain markets. In China, intense competition, a focus on affordable, high-quality vehicles, and strong product-market fit have supported broader EV adoption. Consumer survey data also indicates that more than one-third of respondents across China, the European Union, and the United States intend to purchase a BEV, suggesting continued demand where customer expectations for price and performance are met.

- *Charging Infrastructure, Range Considerations, and Ownership Experience*

  Charging availability, range considerations, recharge time, and total cost of ownership remain important factors in EV adoption. Consumers continue to evaluate electric vehicles based not only on purchase price, but also on the convenience and reliability of charging, expected driving range, and overall ownership experience. In some regions, infrastructure limitations and range-related concerns have contributed to slower adoption, while in others, stronger charging networks and broader consumer familiarity with electrified vehicles have supported market growth. The Company believes that improvements in charging infrastructure, battery performance, and vehicle efficiency will remain important to broader EV adoption.

- *Regulatory and Policy Environment*

  Government policy and regulation continue to affect EV adoption globally, although the impact varies by region. In some markets, policy support, incentives, emissions regulations, and infrastructure investment have contributed to faster EV adoption and industry development. In other markets, evolving policy conditions and changes to incentive programs have contributed to more gradual adoption trends. The Company believes that regulatory developments, together with industrial policy, charging infrastructure investment, and broader market conditions, will continue to influence the competitive landscape for electric vehicles.

- *Growth of Shared Mobility and Mobility-as-a-Service*

  The mobility market continues to evolve as consumers increasingly consider alternatives to private vehicle ownership, including ride-hailing, car-sharing, and other mobility-as-a-service offerings. The Company believes that growth in shared mobility may continue to influence vehicle demand patterns, particularly in urban markets where convenience, utilization, and total cost of use are important considerations. Higher-utilization fleet applications may also be favorable to electrification over time, as electric vehicles can offer operating cost and efficiency advantages in certain use cases. At the same time, increased adoption of shared mobility services could partially offset growth in demand for privately owned passenger vehicles in some markets.

Technology

The Company develops technology for its electric vehicles, with a focus on vehicle architecture, propulsion systems, autonomous driving readiness, connectivity, and user experience. The Company's technology is intended to support vehicle performance, software-enabled functionality, and an intelligent mobility ecosystem. The Company has developed a proprietary platform architecture, referred to as the Variable Platform Architecture ("VPA"), advanced propulsion systems, and a proprietary intelligent computing ecosystem referred to as Internet, Autonomous Driving, and Intelligence ("I.A.I.") systems, to support its electric vehicle lineup. These technologies are intended to enable scalable product development, drivetrain performance, software integration, and personalized user interactions. The Company continues to advance its technology through ongoing system development, over-the-air ("OTA") updates, and expansion of its intellectual property portfolio.

The VPA is a modular skateboard-like platform that can be configured to accommodate various motor and powertrain configurations, enabling product development for both passenger and commercial vehicle segments. The Company's propulsion system includes a proprietary inverter design intended to support electric drivetrain performance. The Company's I.A.I. technology is designed to support high-performance computing, high-speed internet connectivity, OTA update capabilities, an open ecosystem for third-party application integration, and an autonomous driving-ready system, together with other features intended to enhance the user experience.

The following sections describe the key technologies used in the Company's vehicles.

FF aiHyper 6x4 Architecture 2.0

The FF aiHyper 6x4 Architecture 2.0 is the Company's advanced technology framework that integrates six technology platforms with four technology systems. This architecture is central to the design and functionality of the FF 91 2.0 series vehicles.

Six Technology Platforms:

- *FF OpenApp:* An open application platform that allows for the integration of various apps and services, designed to support integration of apps and service.
- *FF aiOS 2:* The second generation of the Company's operating system, designed to manage vehicle functions and user interactions.
- *FF aiHW 2.0:* Advanced hardware components that support the vehicle's AI capabilities and overall performance hardware components designed to support the vehicle's computing and related system functions.
- *FF Mechanical:* The mechanical systems that form the physical foundation of the vehicle designed to support data storage, processing, and connectivity features.
- *FF Cloud:* A cloud-based platform that enables data storage, processing, and connectivity features for the vehicle.
- *FF AI:* Artificial intelligence systems that learn user habits, enabling continuous improvement and personalized experiences designed to support adaptive and personalized user interactions.

Four Technology Systems:

- *Magic All-In-One:* A system that combines various vehicle control functions to provide a seamless driving experience.
- *Hyper Multi-Vectoring*: An integrated system that manages propulsion, steering, and braking to enhance vehicle agility and control designed to coordinate propulsion, steering, and braking functions.
- *3rd aiSpace:* An intelligent space within the vehicle that offers personalized services and entertainment options an in-vehicle environment designed to support personalized services and entertainment features.
- FF aiDriving**:** An AI-driven system that supports advanced driver-assistance features.

By combining these platforms and systems, the FF aiHyper 6x4 Architecture 2.0 is intended to support the vehicle's performance, connectivity, and user experience.

Propulsion Technology

The Company has designed an integrated set of powertrain systems ideally suited for the Company's modular VPA, which has been upgraded to PT Gen 2.0 to further enhance performance. The Company believes its proprietary and patented designed electric powertrain provides a competitive edge in horsepower, efficiency, and acceleration performance.

- *FF Echelon Inverter*

  The inverter in the Company's electric vehicle powertrain governs the flow of high-voltage electrical current throughout the vehicle and serves to power the electric motor, generating torque while driving and delivering energy into the battery pack while braking. The inverter converts direct current from the battery pack into alternating current to drive the permanent magnet motors and provides "regenerative braking" functionality, which captures energy from braking to charge the battery pack. The primary technological advantages of the Company's designs include the ability to drive large amounts of current in a small, physical package with high efficiency and low cost (low inverter losses to provide 98% of inverter efficiency) utilizing patented parallel IGBT technology and can achieve high torque accuracy with fast transient response. The inverter can achieve high reliability due to tab bonds in the high current path. The monitoring system is integrated into the inverter to provide enhanced safety. The patented FF Echelon Inverter is designed to have high power in a compact light weight package with high reliability and durability and can support multiple motor configurations.

- *Integrated Electric Motor Drive Units*

  The Company designs its own electric motor drive units (including gearbox). The electric drive units are fully integrated with the inverter, transmission, and control unit to create a compact and efficient design. The Company designed drive units have low noise and vibration that can greatly improve driving experience. Depending on the power requirements of each model, the motors can be utilized individually or in two or three motor configurations. The FF vehicles, equipped with three integrated electric drive units (each is designed to deliver up to 350 horsepower), is expected to deliver 1,050 horsepower and 12,510 Newton meters ("Nm") of torque. The Company believes its electric drive unit design is ahead of many of its competitors in terms of performance because of its proprietary, advanced packaging, stator-rotor design, and unique inverter layout.

- *AI-Powered Hybrid Extended-Range Systems (AIHER)*

  Launched in March 2025, Future AIHER is an initiative focused on the design, development, and potential commercialization of AI-driven range extender systems for extended-range electric vehicles ("EREVs"). The initiative includes two contemplated product concepts: an AI hybrid extended-range system and an AI extended-range system. These systems are intended to combine elements of traditional hybrid and range-extended architectures, with a primary focus on range extension and supporting hybrid-drive functionality, to enhance energy management and system integration.

I.A.I. Technology

The Company utilizes an industry-leading automotive grade dual-chip computing system running the Android Automotive operating system. The Company's I.A.I system is built on an enhanced Android Automotive code base and is upgraded with each release of Google's platform. The Company vehicles are designed with software OTA capabilities, which allow software and applications in the vehicle to be updated and upgraded wirelessly to deliver continuous enhancements. The vehicles are designed to be connected to the Company's information cloud at all times. When there is a firmware or software update available, the Company's cloud will push an update message to the vehicle to notify the driver to schedule an update. Upgrades will be wirelessly downloaded to the vehicle, installed, and enabled, including updates for firmware, operating systems, middleware, and applications. The Company's patented Future OS operating system allows multiple users to login through FF 91, preparing user's preferences per their cloud based FFID profiles.

For autonomous driving, the Company's advanced autonomous driving-ready system ("ADAS") will deliver multiple ADAS features through a combination of its own as well as industry partners' applications. The Company plans to devote resources to autonomous driving research and development and to work with partners to deliver full autonomous-driving capabilities in highway and urban driving, as well as parking, across its vehicle lines in the future.

The Company's Artificial Intelligence system can actively learn preferences, habits, entertainment, and navigation routines of a user, and associates them with the user's unique FFID (the Company's proprietary user ID). FFID provides a unique user profile that ensures a consistent experience across the FF Ecosystem, as the user goes from one seat to another or even from one vehicle to another. The seamless design and interface of the in-vehicle infotainment system planned in FF series vehicles will offer multiple human-machine interface ("HMI") options and facilitate a personalized user experience for each seat in the vehicle. The enhanced user experience platform powered by Android enables seamless access to third party applications. The Company's patented Intelligent Aggregation Engine can pull content from multiple video applications and displays content in a single area, removing the need to access multiple applications. The Intelligent Recommendation Engine that may be integrated in certain FF and FX series learns each passenger or driver's digital media preferences across multiple video applications and provide personalized recommendations. The User Recognition function is embedded in each seat through facial or voice recognition, to deliver a suite of personalized content and preferences.

Electrical/ Electronic ("E/E") Architecture

The Company has designed the first generation of FF vehicle series ("FF 91") with a domain-centralized E/E architecture, which enables architecture flexibility and maximizes performance efficiency while meaningfully reducing the overall system complexity and weight. The domain-centralized E/E architecture will consolidate the domain functions across five core high-performance domain control units ("DCU") that manage, compute, and process controls for propulsion, chassis, self-driving, body, and Internet of Vehicle-connected infotainment system ("IoV"). The E/E architecture of the Company's variable platform architecture is designed with the capacity to support the power and communication requirements necessary for seamless integration with advanced autonomous systems as they evolve. All of the Company's DCUs will support OTA updates and data collection.

Intellectual Property

As described above, the Company has developed a suite of technologies that underpin its electric vehicle architecture, propulsion systems, autonomous driving capabilities, and user experience innovations. Many of these proprietary advancements are protected by patents, and other intellectual property rights. The Company's commitment to technological innovation is reflected in its growing intellectual property portfolio, which includes patents and patent applications relating to key areas such as UI/UX, powertrain, ADAS, vehicle body, and software-hardware integration.

The Company has significant capabilities in vehicle engineering, development, and design, with a strong portfolio of proprietary systems and technologies. As of December 31, 2025, the Company had been granted approximately 656 patents, covering a broad range of innovations. Of these, approximately one-third were issued in the U.S., nearly two-thirds in China, and the remainder in other jurisdictions. These patents are held across multiple the Company entities, including FFAI, FF U.S., FF Automotive (China) Co., Ltd., Leka Automotive Intelligent Technology (Beijing) Co., Ltd., and LeEco Eco-Car (Zhejiang) Co., Ltd.

The Company's patented technology spans UI/UX, powertrain, ADAS, vehicle body, hardware/software platforms, and chassis. Key patents include the inverter assembly, integrated drive and motor assemblies, methods and apparatus for generating current commands for an interior permanent magnet ("IPM") motor,and seamless vehicle access systems. The Company plans to continue filing new patent applications to expand and protect its intellectual property portfolio.

In addition, the Company has disclosed patent applications relating to its AI-powered hybrid extended-range systems initiative, including an application involving deep reinforcement learning techniques intended to support dynamic energy management in hybrid systems, as well as applications involving structural designs intended to simplify certain plug-in hybrid system architectures. The Company's current strategy for this initiative includes evaluation of potential near-term use of third-party range extender technology in planned FX vehicles, as well as longer-term development of proprietary AI-driven range extender solutions. These activities remain subject to further development, technical validation, financing, and commercialization planning.

The Company's core patents are expected to remain in effect until 2035 or later, supporting its long-term position in EV innovation.

FF and FX Brands

The Company's flagship FF 91 and F 92 series are intended to define the FF brand DNA and represent the Company's ultimate AI-luxury positioning. At the high end of the FF product lineup, the "Futurist Alliance" configurations are designed to emphasize the Company's core brand attributes, including design, driving experience, interior comfort, connectivity, and a personalized, connected user experience for drivers and passengers.

The FX brand is intended to broaden the Company's reach into higher-volume segments through planned models, including the FX 4, FX 6, and FX Super One, which the Company describes as a "First Class AI-MPV." The Company expects these planned FX models to include a mix of battery-electric and range-extended powertrain configurations and to expand its product portfolio beyond the ultra-luxury segment.

Production Models

The Company's current vehicle lineup consists of two models that are in production or pre-production and are intended to address the ultra-luxury and premium multi-purpose vehicle segments.

FF 91

The FF 91 series represents the Company's first production vehicle and serves as the flagship model of the FF brand. The FF 91 is positioned as an ultra-luxury, AI-enhanced electric vehicle in the E-segment / Executive Full-Size or F-segment / Full-Size luxury category and is designed to deliver high performance, advanced technology integration, and a premium passenger experience.

The FF 91 is built on the Company's proprietary Variable Platform Architecture ("VPA"), which integrates the battery system, electric drive units, and inverter into a unified platform. In its top Futurist Alliance configuration, the FF 91 features a tri-motor all-wheel-drive system consisting of one front motor and two rear motors. This configuration is designed to produce up to 1,050 horsepower and approximately 12,510 Nm of torque and to enable torque vectoring at the rear axle to support vehicle dynamics, stability, and traction. The FF 91 Futurist Alliance is designed to accelerate from 0 to 60 miles per hour in approximately 2.27 seconds.

Connectivity is enabled through the Company's Super Mobile AP system, which includes up to three 5G modems to support high-throughput data connectivity and network coverage. The artificial intelligence system utilizes FFID facial recognition technology to load personalized user profiles automatically, allowing preferences to transfer across seats and between vehicles. Planned post-production features include individualized sound zones and rear "zero-gravity" seating with extended legroom and recline functionality.

As a limited-edition model, the FF 91 2.0 Futurist Alliance currently has a manufacturer's suggested retail price of approximately $309,000. Since the commencement of deliveries in August 2023, the Company has delivered a limited number of FF 91 vehicles.

FX Super One

The FX Super One series is the first multi-purpose vehicle ("MPV") under the FX brand. It is positioned as a premium, AI-enhanced MPV designed to serve a range of mobility, business, and lifestyle use cases, including executive transportation, family travel, and leisure applications. The vehicle is designed to offer a spacious interior with multiple rows of seating, ambient lighting, and integrated entertainment systems.

The FX Super One is planned to be offered with two powertrain configurations: a battery electric vehicle ("BEV") version and an AI hybrid extended-range configuration. The vehicle is also expected to be equipped with an all-wheel-drive system. The Company announced that pre-production of the FX Super One began at its Hanford, California manufacturing facility in December 2025.

The Company has outlined a phased delivery strategy for the FX Super One in the United States, with initial deliveries expected to begin in the second quarter of 2026, followed by a gradual ramp-up toward broader consumer availability in late 2026 or early 2027, subject to regulatory approvals, production readiness, and market conditions.

The FX Super One incorporates the Company's Super EAI F.A.C.E. System, an AI-enabled front communication interface designed to support multimodal interaction, including voice, gesture, and touch inputs. The system is intended to support user interaction and vehicle connectivity.

The FX Super One is positioned within the premium MPV segment.

Pipeline Products

In addition to the FF 91 series and the FX Super One, the Company is developing additional vehicle models under the FX brand as part of its product pipeline.

FF 92

The Company's updated master plan includes research and development for the next-generation FF 92. The FF 92 is intended to succeed the FF 91 series and further develop the Company's AI and EV technology platform. Detailed specifications and timing have not yet been publicly disclosed.

FX 4

The FX 4 is envisioned as an AI-enhanced midsize sport utility vehicle intended to expand the Company's presence in a broader vehicle segment. The Company expects the FX 4 to be priced between $30,000 and $45,000 and to be offered with both range-extended and battery-electric powertrain options. The FX 4 is intended to compete in a segment that includes vehicles such as the Toyota RAV4, Honda CR-V, Toyota bZ4X, Hyundai Ioniq 5, and Nissan Leaf. Additional details regarding specifications and launch timing have not yet been publicly announced.

FX 6

The FX 6 is envisioned as a family-oriented, AI-enhanced electric vehicle designed to incorporate premium design, safety features, and smart cabin and AI technologies. The Company expects the FX 6 to be priced between $30,000 and $50,000 and, like the FX 4, to be offered with both range-extended and battery-electric powertrain options. The FX 6 is intended to compete in a segment that includes vehicles such as the Toyota bZ4X, Hyundai Ioniq 5, Kia EV6, and Ford Mustang Mach-E. Additional details regarding specifications and launch timing have not yet been publicly disclosed.

Manufacturing and Distribution Strategies

Manufacturing and Assembly Strategy and Facilities

To implement a capital-light business model, the Company has adopted a hybrid manufacturing strategy centered on its manufacturing facility in Hanford, California, together with planned assembly activities in the United Arab Emirates ("U.A.E."). In addition to its U.S. operations, the Company has established Faraday Future Middle East FZ-LLC to support assembly and sales expansion in the Middle East region. Through an agreement with the Ras Al Khaimah Economic Zone ("RAKEZ"), the Company plans to lease a facility of approximately 108,000 square feet in the U.A.E. This expansion is intended to support the Company's "third pole" strategy, complementing its dual-home markets of the United States and China.

The Company currently builds its FF 91 series vehicles at FF aiFactory California, its manufacturing facility located in Hanford, California. The facility consists of approximately 1.1 million square feet and, based on the current build-out plan, is expected to have an estimated annual production capacity of approximately 30,000 vehicles. FF aiFactory California supports key manufacturing operations, including body assembly, paint operations, final vehicle assembly, and end-of-line testing for the FF 91. The Company also plans to assemble the FX Super One and future FX series vehicles at FF aiFactory California, leveraging the facility's existing infrastructure.

The Company intends for its vehicle engineering, purchasing, manufacturing, quality, and sales teams to work together across the value chain to improve coordination between design and production and to support quality assurance and product improvements. In addition, the Company plans to utilize virtual manufacturing simulation methods to validate operations and optimize manufacturing processes.

Suppliers

The Company has established a global supply chain and works with suppliers across North America, Europe, and Asia to source systems, components, raw materials, parts, manufacturing equipment, and essential services. The Company has onboarded suppliers for FF 91 components to support production activities.

In November 2024, the Company, through its subsidiary Faraday X, entered into definitive agreements with OEMs in Asia to support development, testing, regulatory compliance, supply chain management, and production planning for future FX

models. For additional information regarding certain key agreements, see the *Key Agreements and Partnerships* subsection below.

Subsequent to December 31, 2025, the Company entered into an executed agreement with a third-party automotive partner relating to certain engineering, testing, certification, supply chain, and related development activities for the FX Super One. Because this arrangement was entered into after year end, it did not form part of the Company's supplier arrangements as of December 31, 2025.

Distribution Model

The Company launched its first passenger vehicles in the United States in 2023. The Company plans to utilize a direct sales model integrating online and offline sales channels to support vehicle sales and user operations, including activities involving customers, drivers, and passengers of FF series vehicles. The Company also plans to work with partners through a co-creation and ecosystem-based sales model intended to support an asset-light approach to sales and distribution.

The Company's offline sales are planned to be conducted through partner-owned stores and showrooms. The Company believes this approach may support expansion of its sales and distribution network without substantial capital investment.

Co-Creation Program

The Company seeks to establish a direct and reciprocal relationship with its user base as part of its efforts to strengthen brand awareness and obtain product feedback. On August 12, 2023, the Company delivered the first FF 91 2.0 Futurist Alliance. Since then, the Company has continued to engage with Co-Creators, whose feedback is intended to help inform the refinement of vehicle features and functionality.

Partner Ecosystem Model

The Company plans to work with partners through a co-creation and ecosystem-based sales model intended to support an asset-light approach to sales and distribution. Under this model, partners may participate in vehicle sales, user operations, and related ecosystem activities. The Company believes this approach may support broader market reach and channel development without requiring a traditional inventory-heavy retail model.

Other Sales and Service Capabilities

To complement the Company's brand-building efforts, its sales team has been building out its sales and service capabilities. Recent developments include the following:

- *Leasing Program:* In collaboration with Luxury Lease Partners, the Company has launched a leasing program for FF 91 2.0 Futurist Alliance owners.
- *Bureau of Automotive Repair License:* The Company holds a license from the California Bureau of Automotive Repair.
- *Home Charging Installation Program:* In collaboration with Qmerit Electrification, the Company has launched a home charging installation program. The Company's home charger supports up to 19.2 kW and is a Wi-Fi-connected smart charger compatible with most electric vehicles.
- *Public Charging Program:* The Company has also launched a public charging program. Each FF 91 2.0 Futurist Alliance owner is eligible for $1,000 of charging credits that may be used across major U.S. EV charging networks.

Sales, Delivery, and Servicing of Vehicle

Purchase transactions are expected to be processed online through the Company's website or mobile applications. Company partners are expected to support the sales process, including demonstration drives and the provision of vehicle information, and to receive compensation based on a revenue-sharing model, territory, and/or services performed. Users accessing FF.com may purchase vehicles online and may choose the closest partner-owned experience center or showroom for support. Customers visiting a partner-owned experience center are expected to be supported by staff and directed to FF.com for purchase transactions. The Company believes that, as users become more familiar with its vehicles, a greater portion of the sales process may be completed online. The Company expects this approach may increase the efficiency of its partner-operated experience centers. Because the Company expects to oversee vehicle delivery, both Company stores and partner-owned experience centers and showrooms are expected to operate in an asset-light manner.

Partner-owned experience centers and showrooms are expected to serve as a primary network for servicing the Company's vehicles, including repair, maintenance, and bodywork services. The Company also expects to contract with select third-party service centers to support geographic coverage and to deploy mobile service vans based on user demand. To support expansion of its service capabilities, FF Eco Sales Company, LLC, the Company's sales subsidiary, has engaged Somit Solutions ("KPIT") to assist with development of systems supporting after-sales activities, including repair orders, warranty administration, parts catalog management, and repair manuals. In addition, the Company plans to engage a national automotive services provider to support certain after-sales activities, including shipping logistics and access to a service center network. The Company also plans to utilize a connected remote service platform. For additional information regarding certain key agreements, see the *Key Agreements and Partnerships* subsection below.

Competitive Strengths

The Company believes that its products, technology, team, and business model provide differentiated capabilities. The Company believes its competitive strengths include the following:

- *VPA Platform:* A flexible EV platform designed to support vehicle development and reduce development time and costs.
- *Propulsion System:* Proprietary inverter technology and integrated drive units designed to support efficiency, torque control, and vehicle performance.
- *I.A.I. Technology:* High-performance computing, driver-assistance functionality, and cloud connectivity designed to support the user experience.
- *Intellectual Property Portfolio:* Proprietary technologies and related intellectual property in areas including battery technology, powertrain, software, and user interface design.
- *Experienced Leadership:* A management team with experience in the automotive, technology, and internet sectors.
- *Co-Creation Model:* A user-driven approach that fosters engagement, brand loyalty, and product evolution based on real-world input.
- *Partner Ecosystem Model:* A partner-based sales and distribution approach intended to support an asset-light operating model and broader market reach.

VPA Platform

The Company's proprietary Variable Platform Architecture ("VPA") is a skateboard-like platform that incorporates the critical components of an electric vehicle and can be configured to accommodate various motor and powertrain configurations. This flexible, modular design is intended to support a range of consumer and commercial vehicles and facilitate development of multiple vehicle programs in a cost- and time-efficient manner.

Propulsion System

The Company's propulsion system includes a proprietary inverter design and proprietary drive propulsion system. The proprietary FF Echelon Inverter is designed to drive a large amount of current in a compact space using parallel Insulated Gate Bipolar Transistors ("IGBTs"), supporting low inverter losses and high efficiency. The propulsion system is also designed to provide torque accuracy and fast transient response. The electric motor drive units are integrated with the inverter, transmission, and motor to support packaging efficiency and overall system design.

The Company's integrated powertrain is designed to support horsepower, efficiency, and acceleration performance. The FF 91 has received an EPA-estimated range of 381 miles on a single charge, and the Company has reported internally measured acceleration of 2.27 seconds from 0 to 60 miles per hour.

Internet, Autonomous Driving, and Intelligence ("I.A.I") System

The Company's I.A.I. technology is designed to support high-performance computing, high-speed internet connectivity, OTA updates, an open ecosystem for third-party application integration, and an autonomous driving-ready system, together with other proprietary features intended to support a personalized user experience. The FF 91 series features a dual systems-on-a-chip ("SoC") computing platform for in-vehicle infotainment, an NVIDIA-based autonomous driving hardware platform, and a high-speed connectivity system capable of supporting up to three simultaneous 5G connections. Together, these systems are designed to support a voice-first user experience, cloud connectivity, and highway autonomous driving-ready functionality.

The I.A.I. system is built on an enhanced Android Automotive code base and is updated with each release of Google's platform.

The Company's vehicles use the proprietary FFID unique identifier to support personalized content, applications, and user experiences. FFID is intended to provide a consistent user profile across the FF ecosystem as the user moves from one seat to another or from one vehicle to another.

Intellectual Property Portfolio

The Company has capabilities in vehicle engineering, vehicle design and development, as well as software, internet, and artificial intelligence. The Company has also developed proprietary processes, systems, and technologies across these areas. The Company's research and development efforts have resulted in an intellectual property portfolio covering battery, powertrain, software, user interface design and user experience design ("UI/UX"), and advanced driver-assistance systems, among other areas.

Representative proprietary technologies include inverter designs integrated into electric drive units, keyless entry technology, gesture controls, and driver-assistance-related technologies. The Company believes its intellectual property portfolio may support differentiation from competitors and product development across future vehicle programs.

In addition, the Company has disclosed patent applications relating to its AI-powered hybrid extended-range systems initiative, including an application involving deep reinforcement learning techniques intended to support dynamic energy management in hybrid systems, as well as applications involving structural designs intended to simplify certain plug-in hybrid system architectures.

Key patents include the Company's inverter assembly, integrated drive and motor assemblies, methods and apparatus for generating current commands for an interior permanent magnet ("IPM") motor, and keyless vehicle entry system. These key patents will expire in 2035 or 2036.

Experienced Leadership

The Company is led by a management team with experience in the automotive, communications, and internet sectors. Global Co-Chief Executive Officer Matthias Aydt has been with the Company for over eight years. Before being appointed Global Co-Chief Executive Officer, he served in several roles, including Head of Product Execution, Head of Vehicle R&D and Vehicle Engineering, Head of Product Definition and Mobility Ecosystems, and Head of Business Development. Mr. Aydt has over 40 years of experience with luxury OEMs across technology, operations, and general management, including experience in developing multinational organizations, establishing cross-functional work environments, and designing development, project management, and simultaneous engineering processes.

Founder and Global Co-Chief Executive Officer Yueting Jia, who served as Chief Product and User Ecosystem Officer before April 2025, focuses on product and mobility ecosystem development, internet and AI, advanced research and development technologies, and user ecosystem initiatives. Mr. Jia founded Leshi Information Technology Co., Ltd., a video streaming website, in 2004. He also founded Le Holdings Co. Ltd. ("LeEco"), an internet ecosystem and technology company with businesses that included smartphones, smart TVs, smart vehicles, internet sports, video content, internet finance, and cloud computing.

Other members of the Company's management team also have experience in areas such as vehicle engineering, battery systems, powertrain, software, internet, AI, and consumer electronics.

Marketing and Sales Approach Through User Co-Creation

As the Company looks forward, its focus is set on continued ramp of vehicle production and building the Company's brands through user co-creation ("Co-Creation"). And these initiatives do more than just elevate the brands' presence; they cultivate a deep connection between the Company and its community, offering an enriched brand journey.

At the core, Co-Creation transcends mere collaboration; it's the manifestation of the Company's commitment to centering its users in all the Company's endeavors. Through collaborative partnerships with Co-Creators, the Company believes that substantial value can be accessed across various aspects such as product development, technological development, brand amplification, trust and loyalty, pricing power, strategic positioning, and brand marketing. This paradigm sets the Company apart in the dynamic EV landscape, ensuring its offerings are not merely technologically superior but also resonate with the ever-evolving expectations and aspirations of the Company's clientele.

Competitive Strengths

The Company has experienced, and expects to continue to experience, intense competition from several companies, particularly as the transportation sector increasingly shifts toward low-emission, zero-emission, or carbon-neutral solutions. Many established and new automobile manufacturers have entered or have indicated an intention to enter the alternative fuel and electric vehicle market. Many major automobile manufacturers, such as Tesla, Porsche, Mercedes-Benz, Rolls-Royce, and Audi, currently offer electric vehicles. Other CSRC filings automobile manufacturers are also developing electric vehicles, including NIO, XPeng, Li Auto, and Lucid Motors, among others. In addition, several manufacturers offer hybrid vehicles, including plug-in versions. The Company's FF series directly competes with other pure-play electric vehicle companies targeting the high-end segment, while also competing to a lesser extent with NEVs and ICE vehicles in the mid- to high-end segment offered by traditional OEMs. The FX series is intended to compete with other mass-market electric vehicles. The Company believes the primary competitive factors in the electric vehicle market include, but are not limited to:

- pricing;
- brand recognition;
- technological innovation, recently enhanced through PT Gen 2.0;
- customer experience, vehicle performance, quality, safety and reliability;
- space, comfort, and user experience;
- design, styling, and interior materials;
- supply chain management;
- manufacturing efficiency.

The Company believes that it will compete favorably with its competitors on the basis of these factors. However, most of the Company's current and potential competitors have greater financial, technical, supply chain, manufacturing, marketing, and other resources than the Company. They may be able to deploy greater resources to the design, development, manufacturing, supply chain, distribution, promotion, sales, marketing, and support of their electric vehicles. Additionally, the Company's competitors may also have greater name recognition, longer operating histories, lower material costs, larger sales forces, broader customer and industry relationships, and other resources than the Company.

Key Agreements and Partnerships

The Company has formed strategic agreements to support its manufacturing, technology, and market expansion.

FX Vehicle Co-Development Agreements

In November 2024, the Company, through its subsidiary Faraday X, entered into definitive agreements with OEMs in Asia for the joint development of new FX vehicle models. These agreements provide for collaboration on development, testing, regulatory compliance, supply chain management, and production planning. In December 2025, the first FX pre-production vehicle rolled off the line at the Company's FF aiFactory California manufacturing facility.

FX Vehicle Engineering Agreements

In January 2025, the Company entered into definitive engineering services agreements through its FX subsidiary with an automotive original equipment manufacturer in Asia. Pursuant to these agreements, the counterparty will provide vehicle engineering, product development, validation, certification support, and manufacturing engineering services in support of the Company's FX vehicle program, including activities intended to advance the vehicle toward mass-production readiness.

After-Sales and Service

The Company has engaged Somit Solutions ("KPIT") to support development of underlying after-sales service systems in the United States and China. The Company also plans to engage a U.S.-based national automotive services provider to support certain after-sales operations in the United States.

Governmental Regulations, Programs and Incentives

The Company operates in industries that are subject to extensive and evolving governmental regulation. The Company's business activities, including artificial intelligence electric vehicle ("AIEV") development and manufacturing, software-enabled and connected technologies, data management, and digital asset-related initiatives, are affected by a broad range of environmental, safety, technology, financial, and data protection laws and regulations. Failure to comply with applicable laws,

regulations, permits, approvals, or license requirements could materially and adversely affect the Company's business, financial condition, and results of operations.

Governance and Regulatory Framework

The Company's AIEV operations are subject to a complex and evolving regulatory framework governing vehicle design, manufacturing, distribution, software functionality, and post-sale operation. These regulations address matters including environmental compliance, vehicle safety, energy efficiency, autonomous driving technologies, and the sale and distribution of motor vehicles.

As an AIEV manufacturer, the Company must comply with regulatory requirements administered by multiple governmental authorities at the federal, state, provincial, and local levels, as well as by foreign regulatory agencies in jurisdictions where it operates or intends to operate. These requirements continue to evolve as governments develop policies addressing electrification, artificial intelligence integration, connected vehicle systems, and emerging mobility technologies.

The regulatory framework applicable to the Company's AIEV business includes, among other matters, environmental credit programs, autonomous driving and advanced driver-assistance system oversight, and automobile manufacturer and dealer regulations governing vehicle sales, distribution models, licensing, and consumer protection. The following sections summarize the principal regulatory considerations applicable to the Company's AIEV operations.

Vehicle Safety and Testing

The Company's vehicles are subject to, and must comply with, numerous regulatory requirements established by the National Highway Traffic Safety Administration ("NHTSA"), including applicable Federal Motor Vehicle Safety Standards ("FMVSS"). As a manufacturer, the Company self-certifies that its vehicles meet all applicable FMVSS requirements before they may be sold in the United States. These requirements include, among others, crashworthiness standards, active safety requirements, and electric vehicle requirements, such as limitations on electrolyte spillage, battery retention, and protection against electric shock following specified crash tests.

In addition to FMVSS requirements, the Company is subject to other federal laws administered by NHTSA, including Corporate Average Fuel Economy ("CAFE") standards, Theft Prevention Act requirements, consumer information labeling requirements, early warning reporting requirements relating to warranty claims, field reports, death and injury reports, foreign recalls, and owners' manual requirements. The Company is also subject to the Automobile Information and Disclosure Act, which requires manufacturers to disclose specified information relating to the manufacturer's suggested retail price, optional equipment, and other pricing information. In addition, the Company is required to comply with Environmental Protection Agency ("EPA") and California Air Resources Board ("CARB") requirements relating to annual compliance certification and certain running changes, including where vehicle range may be affected by software or hardware updates. NHTSA may also, at its discretion, purchase Company vehicles for testing under the New Car Assessment Program ("NCAP"), and the results of such testing may be required to appear on the Monroney label affixed to new vehicles sold in the United States.

Vehicles sold outside the United States are subject to similar foreign safety, environmental, and other regulatory requirements. Where those regulations and standards differ from those applicable in the United States, the Company may be required to redesign and/or retest its vehicles. For example, the European Union ("E.U.") has adopted vehicle safety regulations that include certain mandatory advanced driver-assistance system requirements and a framework for approval of automated and driverless vehicles. Vehicles sold in China are also subject to compulsory product certification requirements and, to be approved for manufacture and sale in China, must be included in the Announcement of Vehicle Manufacturers and Products issued by the Ministry of Industry and Information Technology ("MIIT") of China, following demonstration of compliance with applicable safety, technical, and other regulatory requirements.

Environmental Credits

The Company may earn tradable regulatory credits in connection with the production, delivery, and placement into service of its zero-emission vehicles under various governmental programs designed to promote the development and adoption of low- or zero-emission vehicles. These credits may be sold to other automotive manufacturers and regulated entities that use such credits to comply with applicable emissions standards and other regulatory requirements.

On December 30, 2021, the Environmental Protection Agency ("EPA") issued greenhouse gas emissions standards for model years 2023 through 2026 light-duty vehicles that accelerated the annual increase in the stringency of such standards from 1.5% to 5% to 10%. These standards include carbon dioxide emission credit multipliers for the sale of electric vehicles, and the

EPA has indicated that the standards are expected to contribute to increased market share for electric and plug-in hybrid vehicles by model year 2026. Similarly, on August 25, 2022, the California Air Resources Board ("CARB") approved the Advanced Clean Cars II rule, which amended California's existing Zero Emission Vehicle Regulation to require an increasing number of zero-emission vehicles beginning with model year 2026 and progressing to a 100% transition of light-duty passenger vehicles to zero-emission vehicles by model year 2035.

The Company may also earn similar regulatory credits under other applicable regulatory regimes in the United States and abroad.

EPA Emissions and Certification

The U.S. Clean Air Act requires the Company to obtain a Certificate of Conformity issued by the U.S. Environmental Protection Agency ("EPA"), and California law requires the Company to obtain a California Executive Order issued by the California Air Resources Board ("CARB"), certifying that applicable vehicles comply with relevant emissions requirements. A Certificate of Conformity is required for vehicles sold under applicable EPA standards, and a CARB Executive Order is required for vehicles sold in states that have adopted California's emissions standards for new vehicles and engines. States that have adopted California standards as approved by the EPA also recognize the CARB Executive Order for vehicle sales.

The FF 91 for model year 2025 has an EPA Certificate of Conformity and CARB certification as a zero-emission vehicle, as well as an EPA-attested range of 381 miles. For future model years, including FF 91 model year 2026, the Company will be required to obtain the applicable EPA Certificate of Conformity and CARB Executive Order before sale, as applicable.

Beginning with model year 2026, the Company will also be required to comply with California data standardization requirements for zero-emission vehicles, which specify certain vehicle and battery data that must be made available to vehicle owners through a scan-tool device.

Automobile Manufacturer and Dealer Regulation

U.S. state laws regulate the manufacture, distribution, and sale of automobiles and generally require motor vehicle manufacturers and dealers to be licensed in order to sell vehicles directly to consumers in a state. The Company may need to obtain dealer licenses, or their equivalents, to engage in sales activities for its self-operated experience centers and service centers, while partners in certain states may provide services through partner-owned experience centers and showrooms.

In China, automobile suppliers and dealers are required to obtain a business license and file and update relevant information through the information management system for national automobile circulation operated by the competent commerce department in China. In addition, under the Administrative Measures on Automobile Sales, automobile suppliers and dealers are required to sell automobiles, spare parts, and other related products that comply with applicable state provisions and standards. Dealers are also required to indicate, in an appropriate manner, the prices of automobiles, spare parts, and related products, as well as the rates charged for various services on their business premises, and may not sell products at higher prices or charge additional fees without express disclosure.

Battery Safety and Testing Regulations

The Company's battery packs are subject to mandatory regulations governing the transportation of dangerous goods, including lithium-ion batteries, and to regulations issued by the Pipeline and Hazardous Materials Safety Administration ("PHMSA"). These regulations are based on the United Nations Recommendations on the Transport of Dangerous Goods Model Regulations and related United Nations Manual of Tests and Criteria. Applicable requirements vary depending on the mode of transportation, including ocean vessel, rail, truck, or air. The Company is required to complete applicable transportation tests for its battery packs to demonstrate compliance with these regulations.

The Company uses lithium-ion cells in its high-voltage battery packs. The use, storage, and disposal of these battery packs are also subject to federal regulation. The Company may enter into arrangements with third-party battery recycling providers to recycle its battery packs. In addition, China and Europe have battery safety regulations with which the Company designs its battery systems to comply.

Regulatory Risks Related to Operations in the People's Republic of China

The Company's current operations and planned expansion in the People's Republic of China ("PRC") are subject to evolving regulatory and governmental oversight. In recent years, the Chinese government has introduced policies and restrictions affecting business operations, securities offerings, cybersecurity, data security, and anti-monopoly enforcement. These regulatory developments may limit the Company's ability to expand in China, attract foreign investment, or maintain its listing on a U.S. stock exchange.

In addition, the Chinese government retains broad authority to intervene in or influence the operations of the Company's PRC subsidiaries, which could result in material changes to the Company's business, financial condition, or the value of its Class A Common Stock and warrants. For additional information regarding these risks, see "Risk Factors – *Risks Related to our Operations in China*."

Requirements Under PRC Laws and Regulations

Under current PRC laws and regulations, each of the Company's PRC subsidiaries is required to obtain and maintain a business license to operate in the PRC. The Company's PRC subsidiaries have received the requisite business licenses to operate, and no application for a business license has been denied.

As the Company's operations in the PRC expand, its PRC subsidiaries may be required to obtain approvals, licenses, permits, and registrations from PRC regulatory authorities, including the State Administration for Market Regulation, the National Development and Reform Commission, the Ministry of Commerce ("MOFCOM"), and the Ministry of Industry and Information Technology ("MIIT"), which oversee different aspects of the electric vehicle business. As of December 31, 2025, the Company's PRC subsidiaries held the business licenses and approvals then required for their operations, and no applications for required permits had been denied. However, PRC regulators continue to impose evolving licensing and compliance requirements, particularly in the electric vehicle sector. In particular, regulatory requirements relating to cybersecurity, data security, and over-the-air software updates have become more stringent and specific, which may increase future compliance obligations. For additional information, see "Risk Factors—Risks Related to our Operations in China—We may be adversely affected by the complexity, uncertainties and changes in PRC regulations on internet-related business, automotive businesses and other business carried out by the Company's PRC subsidiaries."

The Company does not believe that any permission is required from Chinese authorities, including the China Securities Regulatory Commission (the "CSRC") and the Cyberspace Administration of China (the "CAC"), in connection with its prior offerings or listing. However, evolving PRC regulations relating to data security and cybersecurity review may result in additional compliance obligations in the future. The Company does not, and immediately prior to the filing of this Annual Report on Form 10-K will not, possess the personal information of more than one million PRC-based individuals. After consultation with its PRC counsel, the Company believes it is not currently subject to the requirement under the Cybersecurity Review Measures that a network platform operator holding personal information of more than one million users apply for a cybersecurity review by the CAC before listing abroad. In addition, as of December 31, 2025, after consultation with its PRC counsel, the Company was not aware of any other PRC laws or regulations then in effect that explicitly required the Company to obtain permission from the CSRC or other Chinese authorities in connection with its prior offerings or listing, nor had the Company received any inquiry, notice, or warning from the CSRC or any other Chinese authorities in that regard.

The PRC authorities have implemented regulations governing overseas securities offerings by Chinese companies, including the Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises, effective March 31, 2023, which require CSRC filings for future overseas listings. The Company may be required in connection with future securities offerings to complete filing or reporting procedures with the CSRC and may also be required to undergo cybersecurity review by PRC authorities. However, there are uncertainties as to whether the Company will be able to fully comply with any such requirements. For additional information, see "*Risk Factors—Risks Related to our Operations in China—The approval of, or filing or other administrative procedures with, the CSRC or other PRC governmental authorities may be required in connection with certain of our financing activities, and, if required, we cannot predict if we will be able to obtain such approval or complete such filing or other administrative procedures*" and "*Risk Factors—Risks Related to our Operations in China—We face challenges from the evolving regulatory environment regarding cybersecurity, information security, privacy and data protection. Many of these laws and regulations are subject to change and uncertain interpretation, and any actual or alleged failure to comply with related laws and regulations regarding cybersecurity, information security, data privacy and protection could materially and adversely affect our business and results of operations.*"

PRC Restrictions on Foreign Exchange and Transfer of Cash

Under PRC laws, current account transactions, including profit distributions and trade-related foreign exchange transactions, generally do not require prior approval from the State Administration of Foreign Exchange ("SAFE"), provided that procedural requirements are satisfied. Capital account transactions, such as loan repayments in foreign currency, generally require SAFE approval or registration. Where Chinese Yuan ("CNY") is to be converted into foreign currency and remitted out of China to pay capital expenses, including repayment of loans denominated in foreign currencies, approval from, or registration with, SAFE or its authorized banks is required. The PRC government may, at its discretion, impose restrictions on access to foreign currencies for current account or capital account transactions, including tightening outbound capital transfers and foreign currency remittances. If the foreign exchange control system prevents the Company's PRC Subsidiaries from obtaining sufficient foreign currencies to satisfy their foreign currency needs, the PRC Subsidiaries may not be able to pay dividends in foreign currencies to the Company. Further, the Company cannot assure investors that new regulations or policies will not be promulgated in the future that would further restrict the remittance of CNY into or out of the PRC. The Company also cannot assure investors that, in light of current restrictions or any future changes, the PRC Subsidiaries will be able to fund their future activities conducted in foreign currencies, including the payment of dividends.

Furthermore, under PRC laws, dividends may be paid only out of distributable profits. Distributable profits are net profit as determined under PRC GAAP, less any recovery of accumulated losses and appropriations to statutory and other reserves required to be made. The Company's PRC Subsidiaries are required to appropriate 10% of net profits reported in their statutory financial statements, after offsetting any prior-year losses, to statutory surplus reserves until such reserves reach 50% of their registered capital. As a result, the PRC Subsidiaries may not have sufficient, or any, distributable profits to pay dividends to the Company. See "*Risk Factors—Risks Related to our Operations in China—We are a holding company and, in the future, may rely on dividends and other distributions on equity paid by the PRC Subsidiaries to fund any cash and financing requirements that we may have, and the restrictions on PRC Subsidiaries' ability to pay dividends or make other payments to us could restrict our ability to satisfy our liquidity requirements and have a material adverse effect on our ability to conduct our business*" for a more detailed discussion of the relevant risks relating to restrictions on foreign exchange and transfer of cash.

How Cash is Transferred Through the Company's Corporate Organization

The PRC has currency and capital transfer regulations that require the Company to comply with certain requirements for the movement of capital into and out of the PRC. The Company may transfer cash (U.S. dollars) to the PRC Subsidiaries through capital contributions, and the Company may receive cash or assets declared as dividends from the PRC Subsidiaries. The PRC Subsidiaries may also transfer funds to each other, when necessary, by way of intercompany loans, as follows:

- FF Hong Kong Holding Limited, as the holding company of the other PRC Subsidiaries, may transfer cash to a PRC Subsidiary through capital contribution. Because Hong Kong's banking system is outside mainland China's banking system, transfers by FF Hong Kong Holding Limited to a PRC Subsidiary are subject to applicable SAFE procedures and regulations.
- FF Hong Kong Holding Limited, may also receive cash or assets declared as dividends from the other PRC Subsidiaries.
- Among PRC Subsidiaries other than FF Hong Kong Holding Limited, one PRC Subsidiary may provide funds to another PRC Subsidiary through an intercompany loan, subject to the rules of the relevant Chinese banking and regulatory authorities. In addition, a PRC Subsidiary may transfer cash to its subsidiary through a capital contribution, and any PRC Subsidiary may receive cash or assets declared as dividends from its subsidiaries.

In 2024 and 2023, FF U.S. extended loans in an aggregate amount of $8.0 million and $8.0 million, respectively, to FF Hong Kong Holding Limited to fund the operations of the PRC Subsidiaries. The Company will continue to assess the funding requirements of the PRC Subsidiaries and may make additional contributions as appropriate. As of December 31, 2025, the Company's only operating subsidiaries in China (including Hong Kong) were FF Automotive (China) Co. Ltd., Ruiyu Automotive (Beijing) Co., Ltd., and Shanghai Faran Automotive Technology Co., Ltd., each of which was organized in the PRC. The PRC Subsidiaries have not transferred cash or other assets to any non-Chinese entity, including by way of dividends. The Company does not currently plan or anticipate transferring cash or other assets from its operations in China to any non-Chinese entity.

Capital contributions to PRC companies are governed by the revised Company Law of the PRC, effective July 1, 2024, and the Foreign Investment Law. The PRC imposes timing requirements for capital contributions and restrictions on dividend distributions by PRC Subsidiaries when remitting payments outside China. Under PRC law, the Company's PRC Subsidiaries may distribute dividends only from net profits, as determined under PRC generally accepted accounting principles ("PRC

GAAP"), and only after statutory reserve allocations and recovery of prior-year losses. The Company's operating PRC Subsidiaries are required to set aside a portion of their net income, if any, each year to fund general reserves until such reserves have reached 50% of the relevant entity's registered capital. These reserves are not distributable as cash dividends. A PRC company may not distribute profits until losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year. In addition, registered share capital and capital reserve accounts are restricted from withdrawal in the PRC up to the amount of net assets held in each operating subsidiary.

Enforceability

Certain of the Company's current operations are conducted in the PRC through its wholly owned subsidiaries. All or a substantial portion of the assets of these persons are located outside the U.S. and in the PRC. As a result, it may not be possible to effect service of process within the U.S. or elsewhere outside the PRC upon these persons. In addition, uncertainty exists as to whether the courts of the PRC would recognize or enforce judgments of U.S. courts obtained against the Company or such director predicated upon the civil liability provisions of the securities laws of the U.S. or any state thereof, or be competent to hear original actions brought in the PRC against the Company or such director predicated upon the securities laws of the U.S. or any state thereof. See "Risk Factors – *Risks Related to our Operations in China – There may be difficulties in effecting service of legal process, conducting investigations, collecting evidence, enforcing foreign judgments or bringing original actions in China based on United States or other foreign laws against us and our management.*"

Human Capital Management and Resources

Workforce Overview

As of December 31, 2025, the Company employed approximately 288 people globally, with 215 employees in the U.S., 9 in the U.A.E., and 64 in the PRC. The Company has developed employee-focused programs to attract, support, and retain talent, ensuring competitiveness in the market while prioritizing employee well-being and professional development. Below is a summary of the employee count by country and functional job areas.

Job Function	Total	UAE	U.S.	PRC
Administration	98	2	66	30
Research and Development	87		65	22
Manufacturing	55	3	46	6
Sales & Marketing	48	4	38	6
	288	9	215	64

The Company's recruitment, development, compensation, and benefits programs align with its core values and long-term growth strategy. Management remains focused on implementing initiatives that foster a growth mindset, strengthen employee engagement within the broader the Company ecosystem, and create a supportive and dynamic work environment. Given the critical role of employees in the Company's success, since 2023, the Compensation Committee of the Board of Directors has overseen the Company's human capital management strategy and practices, including talent recruitment, development, and retention, employee engagement, and succession planning.

The Company actively supports the physical, financial, and mental well-being of employees and their families through comprehensive benefits programs. As part of this commitment, The Company fully covers employee-only healthcare premiums and continually explores opportunities to enhance support and improve the effectiveness of its benefit offerings.

Workforce Strategy and Practices

A majority of the Company's employees are engaged in research and development, engineering, manufacturing, and supply chain functions. To preserve its current cash position, the Company may implement additional headcount reductions based on the Company's financial condition and market conditions. However, as the Company scales production and delivery, the Company may expand hiring efforts to support targeted vehicle production.

The Company's hiring strategy focuses on attracting highly skilled professionals with experience from leading OEMs, software, internet, consumer electronics, artificial intelligence companies, tier-one automotive suppliers, and engineering firms. The Company has not experienced any work stoppages and considers its relationship with employees to be strong. None of the Company's employees are subject to collective bargaining agreements or represented by a labor union.

The Company's team is composed of talent from diverse industry backgrounds and nationalities, all working toward the shared goal of creating highly innovative and unique products. The Company's human capital objectives include identifying, recruiting, retaining, and integrating top talent while fostering a workplace culture that prioritizes employee engagement, growth, and well-being.

Professional Development

The Company is committed to ethics, integrity, and professional growth. Through ongoing compliance training and leadership development programs, the Company foster a culture of transparency, accountability, and ethical behavior. The Company's Academy provides employees with opportunities to build new skills, advance their careers, and align with the Company's Mission, Vision, Values, and Culture.

The Company continually enhances learning and development initiatives to ensure employees receive the resources needed for success. The Company regularly reinforces the importance of honesty, authenticity, and ethical decision-making through compliance training and leadership development programs.

Partnership Program

Acting through FF Global Partners LLC ("FF Global"), a shareholder of the Company, in July 2019, certain current and former executives of the Company established a program referred to as the "Partnership Program." As described below, the Partnership Program provides financial benefits to certain Company directors, management and employees, which they are required to report to the Company pursuant to the Company's Investment Reporting Policy. The Partnership Program is administered by FF Global and is not under the Company's supervision.

Purpose of Partnership Program

The purpose of the Partnership Program is to help the Company and FF Global succeed, including by helping key Company employees remain aligned with the Company's mission, interests and economic success, by awarding units representing membership interests in FF Global to such individuals. The Company has been advised by FF Global that the VP of Human Resources in the Company, who is also a member of FF Global, may provide recommendations to the FF Global Board of Managers regarding proposed awards, and that the number of units granted is determined by FF Global's Board of Managers in its discretion after consideration of, among other things:

- the individual's position in the Company,
- the importance of the individual's role in the Company and/or FF Global,
- the individual's historical contributions to the Company and/or FF Global,
- the importance of the individual to the achievement of the Company's and FF Global's strategic objectives,
- the individual's awards under the Company's employee stock option plan, and
- the individual's existing holdings of FF Global units.

To date awards under the Partnership Program have in the past been granted exclusively to current or former directors of the Company and current or former employees of the Company or its affiliates.

Pursuant to the Company's Investment Reporting Policy, members of its management and other employees are required to report information relating to their investments, including their interests in FF Global. However, since the Company's board of directors (the "Board") does not have oversight over the Partnership Program, the Company is not able to assess whether awards made by FF Global under the Partnership Program incentivize management and employee behavior and activities that

the Company intends to incentivize, or indeed, whether the Partnership Program effectively works against efforts by the Company to manage its workforce. For example, as part of the special committee of independent directors established by the Board to investigate allegations of inaccurate Company disclosures ("Special Committee") it was determined that a Company employee who is also a beneficiary under the Partnership Program deliberately interfered with the Special Committee's investigation. Although the Company disciplined this employee, the effectiveness of the Company's disciplinary efforts may have been counteracted by awards this employee has received or expects to receive under the Partnership Program.

Terms of Awards

FF Global units awarded under the Partnership Program are purchased by the recipient from FF Global. The awarded units generally consist of Common Units representing membership interests in FF Global. Under the form of subscription agreement, the base purchase price is $0.50 per unit, with 10% of the aggregate purchase price due within five months after the closing date and the remaining 90% payable in nine equal, successive annual payments, each due within five months after the applicable anniversary of the closing date, subject to extension or postponement by FF Global's committee. The Common Units are issued as fully vested units. In limited circumstances related to unfunded subscription recovery mechanics, Capital Units may also be issued. The units entitle the recipient to receive distributions from FF Global when and if declared by the FF Global Board of Managers on a pro rata basis based on their paid-in capital (after their contributions are all returned); however, FF Global advised the Company that no distributions were made in 2024 or 2025. There is no concept of automatic expiration of an award. Rather, the units remain outstanding unless a redemption event occurs and FF Global affirmatively exercises its redemption rights. FF Global advised the Company that redemption events may include service termination, breach, cause or death, and that the applicable committee determines the redemption price in accordance with the governing agreement.

Scope of Partnership Program

FF Global has informed the Company that to date a total of 34 individuals have received awards under the Partnership Program, that fewer than 16 individuals continue to hold outstanding units awarded under the Partnership Program, and that all recipients of such awards are current or former directors or employees of the Company or its affiliates. Some of these individuals are or were members of the FF Global Board of Managers. Certain members of Company management and other Company employees are equity owners of FF Global, which beneficially owned less than 1% of the voting power of the Company's fully diluted Common Stock as of December 31, 2025.

Item 1A. Risk Factors

Below is a summary of material factors that make an investment in our Common Stock speculative or risky. Importantly, this summary does not address all the risks and uncertainties that we face. Additional discussion of the risks and uncertainties summarized in this risk factor summary, as well as other risks and uncertainties that we face, can be found under "*Cautionary Note Regarding Forward-Looking Statements*" in *Part I, Item 1A, "Risk Factors*" in this Form 10-K. The below summary is qualified in its entirety by those more complete discussions of such risks and uncertainties. You should consider carefully the risks and uncertainties described under Part I, Item 1A, "Risk Factors" in this Form 10-K as part of your evaluation of an investment in our Common Stock.

Summary Risk Factors

An investment in our Common Stock involves substantial risk. The occurrence of one or more of the events or circumstances described in the section entitled "*Risk Factors*," alone or in combination with other events or circumstances, may have a material adverse effect on our business, cash flows, financial condition and results of operations. Important factors and risks that could cause actual results to differ materially from those in the forward-looking statements include, among others, the following:

Risks Related to our Business and Industry

- We do not have sufficient liquidity to pay our outstanding obligations and to operate our business and will likely file for bankruptcy protection if we are unable to access additional capital.
- We have a limited operating history and face significant barriers to growth in the electric vehicle industry.
- We have incurred substantial losses and anticipate we will continue to do so.
- We expect our operating expenses to increase significantly.
- Our financial forecasts rely in large part upon assumptions and analyses developed by management.
- We have significant unfunded commitments from our investors.

- MHL and V W Investment are purchasers of the Unsecured SPA Notes and are affiliates of FF Global and a longtime stockholder of our company, respectively, and such purchasers have limited assets.
- We have incurred substantial indebtedness and may incur additional substantial additional indebtedness in the future, and we may be unable to refinance borrowings on terms that are acceptable to us, or at all.
- The production and delivery of the FF 91 Futurist has experienced, and may continue to experience, significant delays.
- Non-binding reservation deposits and other non-binding indications of interest may not be converted into binding orders/sales.
- The success of our business depends on attracting and retaining a large number of consumers and maintaining strong demand for our vehicles, software and services.
- We may not be able to accurately estimate the supply and demand for our vehicles.
- We may have insufficient reserves to cover future warranty claims.
- We have taken remedial measures in response to the Special Committee findings, which may be unsuccessful.
- We were involved in an SEC investigation and may be subject to future investigations and legal proceedings related to the matters underlying the Special Committee investigation and other matters.
- The market for the FF 91 Futurist is nascent and not established.
- We depend on our suppliers, the majority of which are single-source suppliers.
- Manufacturing the FF 91 at our California facility does not guarantee we will not incur significant production delays.
- We have minimal experience servicing and repairing our vehicles.
- Changes in U.S. and international trade policies may adversely impact our business and operating results.
- We face competition from multiple sources, including new and established domestic and international competitors.
- Our go-to-market and sales strategy will require substantial investment and commitment of resources and is subject to numerous risks and uncertainties.
- We are pursuing multiple business strategies and expect to expand our development capabilities, and as a result, we may encounter difficulties in managing our multiple business units and our growth, which could disrupt our operations.
- If we are unable to attract and/or retain key employees and Board members, officers and other individuals, our ability to compete could be harmed.
- Vehicle defects may result in production and delivery delays, recall campaigns and/or increased warranty costs.
- We may become subject to product liability claims that could harm our financial condition and liquidity.
- Third-party claims of infringing or misappropriating intellectual property rights could be costly, time consuming and prevent us from developing or commercializing future products.
- We have elected to protect some of our technologies as trade secrets rather than as patents.
- We depend on our proprietary intellectual properties.
- We are subject to stringent and changing laws, regulations and standards related to data privacy and security.
- We are subject to cybersecurity risks relating to our various systems and software.
- Our distribution model is different from the predominant current distribution model for automobile manufacturers and is subject to regulatory limitations on our ability to sell and service vehicles directly.
- Our use of artificial intelligence technologies may not be beneficial to our business, and may cause our performance and reputation to suffer.
- We and our suppliers may be subject to increased environmental and safety or other regulations and disclosure rules.
- Increases in costs, disruption of supply or shortage of materials used to manufacture our vehicles, in particular for lithium-ion cells or electronic components, could harm our business.
- We may not obtain/maintain sufficient insurance coverage, which could expose us to significant costs and disruption.
- Yueting Jia's public image may adversely impact us.
- Yueting Jia is subject to restrictions in China that may adversely impact our China strategy.
- 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 interests.
- Disputes with our stockholders are costly and distracting.
- We are subject to legal proceedings, claims, and disputes arising both in and outside the ordinary course of business.

- Our latest business strategy, which we refer to as the Bridge Strategy and/or Dual Brand Strategy, is subject to numerous risks and uncertainties.

Risks Related to Investing in Cryptocurrency

- The launch of central bank digital currencies ("CBDCs") may adversely impact our business.
- 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.
- The cryptocurrency we hold is not insured and not subject to FDIC or SIPC protections.
- Jerry Wang, the Global 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.

Risks Related to our Operations in China

- Policy changes of the PRC government may materially and adversely affect us.
- Uncertainties with respect to the Chinese legal system, regulations and policies could have a material adverse effect.
- Fluctuations in exchange rates could result in foreign currency exchange losses to us.
- Changes in the laws and regulations of China or noncompliance with applicable laws and regulations may have a significant impact on our business, results of operations and financial condition.
- We are a holding company and may rely on dividends and other distributions on equity paid by the PRC Subsidiaries.
- PRC regulation of loans to and direct investments in PRC entities by offshore holding companies may delay or prevent us from making loans or additional capital contributions to the PRC Subsidiaries.
- The PRC government can take regulatory actions and make statements to regulate business operations in China with little advance notice.
- The approval of, or filing or other administrative procedures with, the CSRC or other PRC governmental authorities may be required in connection with certain of our financing activities.
- U.S. regulatory bodies may be limited in their ability to conduct investigations or inspections of our China operations.
- A significant portion of our financing is expected to come from investors in China, and such investment is subject to delay due to due diligence review, including know your customer, anti-money laundering and other review.

Risks Related to the Restatement

- We have identified material weaknesses in our internal control over financial reporting.
- We face risks related to the restatement of our previously issued consolidated financial statements.

Risks Related to our Common Stock

- We are currently unable to utilize our "at-the-market" equity program.
- If we seek to implement a reverse stock split, it could negatively affect the price of our Common Stock.
- Our Common Stock has been and may continue to be volatile, and you could lose all or part of your investment.
- We may issue additional shares of Common Stock or preferred shares, which would dilute stockholder interests.
- We have granted preferential director nomination rights to certain investors that may cause us to fall out of compliance with Nasdaq listing rules.
- Claims for indemnification by our directors and officers may reduce available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

RISK FACTORS

Cautionary Note Regarding Forward-Looking Statements

An investment in our Common Stock involves risk. Before investing in our Common Stock, in addition to the other information described in Item 7 ("Management's Discussion and Analysis of Financial Condition and Results of Operations") of Part II of this Form 10-K," you should carefully consider the following risks. Such risks are not the only ones that relate to our businesses and capitalization. The risks described below are considered to be the most material. However, there may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that also could have material adverse effects on our businesses. Past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods. If any of the events described below or in the documents incorporated by reference herein were to occur, our businesses, prospects, financial condition, results of operations and/or cash flows could be materially adversely affected, which in turn could have a material adverse effect on the value of our Common Stock.

Risks Related to our Business and Industry

We do not have sufficient liquidity to pay our outstanding obligations and to operate our business and will likely file for bankruptcy protection if we are unable to access additional capital.

Since inception, we have incurred cumulative losses from operations, negative cash flows from operating activities and had an accumulated deficit of $4.7 billion and $4.3 billion as of December 31, 2025 and 2024, respectively. We expect to continue to generate significant operating losses for the foreseeable future. Based on our recurring losses from operations since inception and continued cash outflows from operating activities, in our consolidated financial statements for the year ended December 31, 2025 we concluded that this circumstance raised substantial doubt about our ability to continue as a going concern within one year from the original issuance date of such financial statements. Similarly, in their audit reports on the consolidated financial statements for the years ended December 31, 2025 and 2024, our current and former independent registered public accounting firms included an explanatory paragraph stating that our recurring losses from operations and continued cash outflows from operating activities raised substantial doubt about our ability to continue as a going concern. Our consolidated financial statements for the years ended December 31, 2025 and 2024 do not include any adjustments that may result from the outcome of this uncertainty. As of the date that our consolidated financial statements for the year ende*d* December 31, 2025*, were issued, our management determined that FF would be required to obtain additional funding to continue as a going concern, resulting in there being substantial doubt about our ability to continue as a going concern.*

We only recognized $0.5 million in revenue in 2025. We rely on capital from investors to support our operations. We do not have sufficient cash on hand to meet our current obligations and are currently unable to generate cash through our at-the-market equity program or via our Registration Statement on Form S-3 because we are not currently S-3 eligible. For further detail, see "*Risk Factors — Risks Related to FF's Common Stock —We are currently unable to utilize our "at-the-market" equity program."* We also have limited remaining authorized share availability to generate cash through equity or equity-linked issuances. If we are unable to find additional sources of capital, we will lack sufficient resources to fund our outstanding obligations and continue operations and we will likely have to file for bankruptcy protection and our assets will likely be liquidated. Our equity holders would likely not receive any recovery at all in a bankruptcy scenario.

We have a limited operating history and face significant barriers to growth in the electric vehicle industry.

We expect to need substantial additional financing to start the third phase of our three-phase delivery plan of the FF 91 Futurist, as well as to execute our FX strategy. We may be unable to develop the manufacturing capabilities and processes, or secure reliable sources of component supply to meet the quality, engineering, design or production standards, or the required production volumes to successfully grow into a viable business.

We face significant barriers to growth in the electric vehicle industry, including continuity in development and production of safe and quality vehicles, brand recognition, customer base, marketing channels, pricing policies, talent management, value-added service packages and sustained technological advancement. If we fail to address any or all of these risks and barriers to entry and growth, our business and results of operation may be materially and adversely affected.

Given our limited operating history, the likelihood of our success must be evaluated especially considering the risks, expenses, complications, delays, and the competitive environment in which it operates. Our business plan may not prove successful. We will continue to encounter risks and difficulties frequently experienced by early commercial stage companies, including scaling our infrastructure and headcount, and may encounter unforeseen expenses, difficulties, or delays in connection with our growth. In addition, due to the capital-intensive nature of our business, we expect to continue to incur substantial operating expenses without generating sufficient revenues to cover those expenditures. We may never be able to generate revenue consistently, raise additional capital when required or operate profitably.

We do not have sufficient cash on hand to meet our current obligations and we expect that we will need to seek additional equity and/or debt financing in both the near- and long-term to finance a portion of our costs and capital expenditures. Our ability to obtain the necessary financing to carry out our business plan is subject to a number of factors. These factors include investor and customer acceptance of our business model, market confidence in our ability to execute against our business plans, industry wide EV adoption rates or slower growth in demand, and general conditions in the global economy and financial markets, including volatility and disruptions in the capital and credit markets due to inflation, interest rate changes, and global conflicts or other geopolitical events. These factors may make the timing, amount, terms and conditions of such financing unattractive or unavailable to us. The sale of additional equity or equity-linked securities would result in dilution for our stockholders. If we are unable to receive funds under our existing financing arrangements, raise sufficient funds or obtain funding on terms satisfactory to us, we may have to significantly reduce our spending, delay, or cancel our planned activities or substantially change our corporate structure, and we may not have sufficient resources to conduct our business as planned, which would materially and adversely affect our business, prospects, financial condition, results of operations, and cash flows. Any investment in our company is therefore highly speculative.

We have incurred substantial losses in the operation of our business and anticipate that we will continue to do so. We may never achieve or sustain profitability.

The design, engineering, manufacturing, sales and service of intelligent, connected electric vehicles is a capital-intensive business. We have incurred losses from operations and had negative cash flows from operating activities since inception. We incurred a net loss of $397.1 million and $355.8 million for the years ended December 31, 2025 and 2024, respectively. Net cash used in operating activities was $107.6 million and $70.2 million for the years ended December 31, 2025 and 2024, respectively.

We may incur unforeseen expenses, or encounter difficulties, complications, and delays in delivering the FF 91 series or developing the FX series and therefore may never generate sufficient revenues to sustain ourselves. We may continue to incur substantial losses for a variety of reasons, including the lack of demand for the FF 91 series and the relevant services, inability to secure agreements for the FX series, vehicle service and warranty costs, increasing competition, challenging macroeconomic conditions, regulatory changes and other risks discussed herein, and may never achieve or sustain profitability.

Given the risks associated with our ability to obtain additional funding to execute on our plans to develop and deliver vehicles and begin to generate significant revenue, including the FX series, the required funding could differ from earlier estimates, and the timing to reach profitability and positive cash flows could be further delayed or never occur.

We expect operating expenses to increase significantly, which may impede our ability to achieve profitability.

We expect to further incur significant operating costs including R&D expenses, capital expenditures relating to our manufacturing capacities, additional operating costs and expenses for production ramp-up, raw material procurement costs, general and administrative expenses as it seeks to scale our operations, and sales, marketing, and distribution expenses as we build our brand and markets our vehicles, including the contemplated FX series.

Our ability to become profitable will not only depend on our ability to successfully market our vehicles and other products and services, but also to control costs. Ultimately, we may not be able to adequately control costs associated with our operations for reasons outside our control, including the cost of raw materials such as aluminum, steel and lithium-ion cells. Substantial increases in such costs could increase our cost of revenue and our operating expenses and reduce our margins. Additionally, currency fluctuations, inflationary pressures, tariffs or shortages in petroleum and other economic or political conditions could result in significant increases in logistics and freight charges and raw material costs. If we are unable to design, develop, manufacture, market, sell and service our vehicles, including providing service in a cost-efficient manner, our margins, profitability, and prospects would be materially and adversely affected.

The rate at which we incur costs and losses may increase significantly as we:

- continue to develop the FF 91;
- seek to execute on our FX strategy;
- seek to execute on our AI strategy;
- continue to develop and equip our manufacturing FF aiFactory California facility in Hanford, California;
- build up inventories of parts and components;
- develop and expand design, development, maintenance, servicing and repair capabilities; and
- increase sales and marketing activities.

These efforts may be more expensive than currently anticipated, and these efforts may not result in increased revenues, which could further increase losses. Cost overruns may materially and adversely affect our business prospects, financial condition and results of operations.

Our financial forecasts rely in large part upon assumptions and analyses developed by management. If these assumptions and analyses prove to be incorrect, actual operating results could suffer.

Our financial forecasts largely rely on management's assumptions and analyses, which could be incorrect. Additionally, our fundraising efforts may be unsuccessful. Actual operating and financial results and business developments depend on a number of factors, many of which are outside our control, including but not limited to:

- the ability to obtain sufficient and timely capital to sustain and grow our business, including the development of FX vehicle models;
- our ability to manage relationships with key suppliers;
- our ability to sign up and manage relationships with business partners for them to invest in and operate sales and service centers;
- our ability to obtain necessary regulatory approvals;
- demand for our products and services in our target markets;
- the timing and cost of new and existing marketing and promotional efforts;
- competition, including established and future competitors;
- our ability to retain existing key management and to attract, retain and motivate qualified personnel;
- the overall strength and stability of domestic and international economies;
- regulatory, legislative and political changes; and
- consumer spending habits.

Specifically, our financial forecasts are based on projected purchase prices, unit costs for materials, manufacturing, labor, packaging and logistics, warranty, sales, marketing and service, tariffs, and projected vehicles production and demand, with factors such as industry benchmarks taken into consideration. Any of these factors could turn out to be different than those anticipated. Unfavorable changes in any of these or other factors, many of which are outside our control, could materially and adversely affect our business, prospects, financial results and results of operations.

We have significant unfunded commitments. If we are unable to satisfy the conditions to funding or if there is a dispute regarding the conversion requirements related to the unfunded commitments, we may not have enough capital to support our business and could be subject to investor legal claims.

Pursuant to the Secured SPA Notes; 2023 Unsecured SPA Notes; Junior Secured SPA Notes; 2024 Unsecured SPA Notes, 2025 March Unsecured SPA Notes and 2025 July Unsecured SPA Notes (collectively known as the "SPA Portfolio Notes") (each as defined in Note 8, *Notes Payable* to the Notes to Consolidated Financial Statements) has obtained commitments from several investors totaling $739.0 million in convertible note financing, subject to certain conditions. A total $503.3 million under these commitments were funded as of December 31, 2025 with the remaining unfunded commitment of $49.5 million. Investors of the convertible notes have the option to purchase an additional up to 100% of the committed notes at the same economics. In aggregate, these investors have an option to invest an additional $467.0 million, of which $111.0 million had been funded as of December 31, 2025, with remaining optional funding of $40.5 million. We may be unable to satisfy the conditions to receive additional funding. If we fail to satisfy funding conditions, we may be required to further delay our production and delivery plans, reduce headcount, liquidate our assets, file for bankruptcy, reorganize, merge with another entity, and/or cease operations. In addition, we could suspend effecting conversion requests in a manner that could result in an event of default and monetary penalties under the various securities purchase agreements. This could subject us legal claims by the investors, which could have a material and adverse impact on our reputation and financial condition.

We may also be subject to legal claims arising from disagreement over the terms of our securities. For example, we previously issued certain convertible notes (the "Senyun Notes") to Senyun International Ltd. ("Senyun"). The Senyun Notes are subject to a restriction that we will not convert the Senyun Notes, and Senyun will not have the right to convert the Senyun Notes, to the extent that Senyun would own more than 9.99% of our outstanding Common Stock after giving effect to the conversion. In May 2023, Senyun requested to convert the Senyun Notes into shares of Common Stock and we converted a certain amount of the Senyun Notes. We did not convert the Senyun Notes that would have resulted in Senyun owning more than 9.99% of our Common Stock. However, Senyun believes that the Senyun Notes should have been converted in full in accordance with its interpretation of conversion limitations in the Senyun Notes. We dispute this interpretation. In July 2023 and October 2023, Senyun sent us a letter outlining its position and reserving its rights under the Secured SPA. Further, pursuant to the Senyun Joinder, Senyun agreed to exercise its option to purchase $15.0 million of Tranche A Notes (as defined in Note 8, *Notes Payable*, in the Notes to the Consolidated Financial Statements contained in this Form 10-K) in accordance with the terms of the Secured SPA, with funding of 75% of such amount within five business days of the date of the Senyun Joinder and the remaining 25% of such amount within three business days thereafter, subject to certain conditions which have been satisfied. It is not possible at this time to predict the outcome of the disagreement with Senyun.

Further, any litigation, proceedings or dispute related to legal claims of our investors, even those without merit, may divert our financial and management resources that would otherwise be used to benefit future performance. Potential and actual proceedings may also result in settlements, injunctions or damages that could have a material adverse effect on our business, financial condition and results of operations, and investors or other financing sources may be unwilling to provide additional funding on commercially reasonable terms, or at all.

MHL and V W Investment are purchasers of the Unsecured SPA Notes (as defined in Note 8, Notes Payable, in the Notes to the Consolidated Financial Statements contained in the Form 10-K) and are affiliates of FF Global and a longtime stockholder of our company, respectively, and such purchasers have limited assets.

On May 8, 2023, we entered into the Unsecured SPA with Metaverse Horizon Limited ("MHL") and V W Investment Holding Limited ("V W Investment") to issue and sell, subject to the satisfaction of certain closing conditions, $100.0 million aggregate principal amount of senior unsecured convertible promissory notes. MHL and V W Investment committed to fund in eight subsequent closings fifteen days apart, subject to the satisfaction of certain closing conditions. MHL, who is the anchor investor in the Unsecured SPA Notes and has committed $80.0 million of the funding, is an independent investment fund with investors including FF Global Partners Investment LLC, formerly known as FF Top Holdings LLC ("FF Global"), and V W Investment is an affiliate of Mr. Lijun Jin, a long-term stockholder. As such, MHL is a related party. FF Global has 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 or other stockholder interests.

Further, in connection with the Unsecured SPA, we entered into equity commitment letters with each of FF Global and Mr. Jin to support the obligations of MHL and V W Investment under the Unsecured SPA subject to the limitations set forth therein. If MHL or V W Investment are unable to fund their commitments and FF Global and/or Mr. Jin breach their obligations under their equity commitment letters, we may be unable to recover the damages caused by such breach(es) from FF Global due to the nature of their assets, including the fact that many of Mr. Jin's assets are not located in the United States and FF Global's only assets are shares of our Class B Common Stock, a note payable from us, and a capital commitment from an investor with terms not disclosed to us or third party beneficiary rights in favor of us. If MHL and/or V W Investment do not fund their commitments and we are unable to recover damages under the equity commitment letters, we may need to seek additional investors or other financing sources. We may be unable to attract additional investors or other financing sources. If we are unable to attract additional investors or other financing sources in a timely manner or on acceptable terms, or at all, we may be required to further delay our production and delivery plans, reduce headcount, liquidate our assets, file for bankruptcy, reorganize, merge with another entity, and/or cease operations.

We have incurred and expect to continue to incur substantial indebtedness, and may be unable to refinance borrowings on terms that are acceptable, or at all.

We have incurred and expect to continue to incur additional indebtedness to support our operations. The incurrence of any additional debt could:

- limit our ability to satisfy obligations under certain debt instruments, to the extent there are any;
- cause us to seek bankruptcy protection or enter into other insolvency proceedings if we are unable to renew or refinance any existing indebtedness as it becomes due;
- increase our vulnerability to adverse general economic and industry conditions;

- require us to dedicate a substantial portion of cash flow from operations to servicing and repaying indebtedness, thereby reducing the availability of cash flow to fund working capital, capital expenditures, and other general corporate purposes;
- increase our exposure to interest rate and exchange rate fluctuations;
- limit our ability to borrow additional funds and impose additional financial and other restrictions, including limitations on declaring dividends; and
- increase the cost of additional financing.

Commercial banks, financial institutions and individual lenders may have concerns in providing additional financing for our operations. The governments of the United States and China may also pass measures or take other actions that may tighten credit available in relevant markets. Any future monetary tightening measures as well as other monetary, fiscal and industrial policy changes and/or political actions by those governments could materially and adversely affect our cost and availability of financing, liquidity, access to capital, and ability to operate our business.

The production and delivery of the FF 91 Futurist has experienced, and may continue to experience, significant delays.

Our future business depends in large part on our ability to execute our plans to develop, manufacture, market, and deliver electric vehicles. The first phase of the three-phase delivery plan of the FF 91 Futurist was delayed several years and began at the end of May 2023. In addition, due to a supplier's timing constraints and the completion of an additional system testing related to enhanced safety testing of a single unique product feature of the FF 91 Futurist, the second phase of the three-phase delivery plan originally contemplated to begin by June 30, 2023, began in August 2023.

Production or delivery of the FF 91 Futurist has experienced further delays due to insufficient capital and may experience further delays due to reasons such as supply shortages and constraints, design defects, additional system testing, talent gaps, and/or force majeure. We need substantial additional financing to start the third phase of the delivery plan. Further, we rely on third-party suppliers for the provision and development of many key components used in the FF 91 Futurist. If our suppliers experience delays in providing or developing necessary components or if they experience quality issues, we could experience further production and delivery delays. In addition, if we have to adjust and/or reduce or suspend certain payments to suppliers, such adjustments and/or reductions could further delay production and deliveries.

If we further meaningfully delay additional production and delivery, potential consumers may lose confidence in us, and customers who have placed reservation deposits may them, harming our growth prospects. Additionally, our competitors may move more quickly to market, which could impact our ability to grow our market share.

Non-binding pre-orders and other non-binding indications of interest may not be converted into binding orders or sales.

Through December 31, 2025, we had sold or leased only 16 FF 91 Futurist vehicles to user developers and employees. Non-employee user developers entered into consulting, branding, and other arrangements with us in exchange for fees ranging from approximately $150,000 to $475,000.

Further, although we have engaged in marketing activities, as of December 31, 2025, we had only 13,600 non-binding, fully refundable pre-orders for the FF 91 Futurist in the U.S. and China, under 500 non-binding, fully refundable pre-orders for the FX Super One and other non-binding indications of interest. We do not have binding purchase orders or commitments from customers for any vehicles. Pre-orders and other indications of interest may fail to convert into binding orders or sales.

Until our products are commercially available for purchase and we are able to scale up our marketing function to support sales, there will be substantial uncertainty as to customer demand. The potentially long wait from the time a non-binding pre-order is made or other indication of interest is provided until the time vehicles are delivered, and any delays beyond expected wait times, could also impact customer decisions on whether to ultimately make a purchase. Even if we are able to obtain binding orders, customers may defer their purchases as they assess our vehicles. Commercializing the FF 91 Futurist and potential FX models, including FX Super One, will likely be a long process and depend on our ability to fund and scale up our productions, including through securing additional funding for our operations, the consummation of various third-party agreements and expanding marketing functions, as well as the safety, reliability, efficiency and quality of our vehicles, and the support and service that will be available. It will also depend on factors outside our control, such as competition, general market conditions and broader trends in vehicle electrification and fleet management, which could impact customer buying decisions. As a result, there is significant uncertainty regarding demand for our products and the pace and levels of growth that we may be able to achieve.

The success of our business depends on attracting and retaining a large number of consumers and maintaining strong demand for our vehicles, software and services. If we are unable to do so, we will not be able to achieve profitability.

Our success depends on attracting a large number of consumers and maintaining strong demand for our vehicles and the value added software, AI systems, and services we provide and may in the future provide to consumers. We offer consumers the ability to pre-order the FF 91 and the FX series in the United States. We have experienced, and may in the future experience, consumer cancellations, which may result in lower vehicle unit sales and increased inventory, which could adversely affect our business, prospects, financial condition, results of operations, and cash flows. In 2025, we expect our total deliveries to be derived primarily from new orders generated during the year. We have limited experience in marketing, selling, and advertising, and there can be no assurance that we will be successful in ramping up these new capabilities on a timely basis or to their full potential or that we will achieve the expected benefits.

Demand in the automobile industry is volatile. A number of factors can impact overall demand and consumer decisions on whether to purchase our vehicles, including changes in customer preferences, competitive developments, introduction of new vehicles and technologies, general economic or geopolitical conditions (such as decreases in per capita income and level of disposable income, increased and prolonged unemployment, or a decline in consumer confidence), increases in interest rates that could make financing less attractive for some customers, increased tariffs, changes to government incentives, higher insurance premiums for EVs, lack of charging infrastructure, negative perceptions regarding EV demand and adoption, and any event or incident that generates negative media coverage about us or the safety or quality of EVs. As a newer EV manufacturer and software and services provider, we have fewer financial resources than more established competitors to withstand changes in the market and disruptions in demand. Reduced EV demand could lead to lower sales, revenue shortfalls, loss of customers, and increased inventory, which may result in further downward price pressure and adversely affect our business, prospects, financial condition, results of operations, and cash flows. These effects may also have a more pronounced impact on our business given our relatively smaller scale and financial resources as compared to other established manufacturers.

If consumers do not perceive our vehicles, software and services to be of sufficiently high value and quality, cost competitive, and appealing in aesthetics or performance, or if consumers prefer to purchase the same brand of vehicle that they have owned in the past, we may not be able to retain our reservations or attract new consumers, and our business, prospects, financial condition, results of operations, and cash flows would be materially and adversely affected. If, for any of these reasons, we are not able to attract and maintain consumers, our business, prospects, financial condition, results of operations, or cash flows would be materially and adversely affected.

Vehicle retail sales depend heavily on affordable interest rates and availability of credit for vehicle financing and if rates continue to increase substantially or remain relatively high it could materially and adversely affect our business, prospects, financial condition, results of operations, and cash flows.

In certain regions, including North America, financing for new vehicle sales had been available at relatively low interest rates for several years due to, among other things, expansive government monetary policies. As interest rates have risen, market rates for new vehicle financing and vehicle insurance premiums have also risen, which may make our vehicles less affordable to customers or steer customers to less expensive vehicles that would be less profitable for us, adversely affecting our business, prospects, financial condition, results of operations, and cash flows. Additionally, if consumer interest rates continue to increase substantially or remain relatively high, or if financial service providers tighten lending standards or restrict their lending to certain classes of credit, customers may not desire or be able to obtain financing to purchase or lease our vehicles and demand for our vehicles could be negatively impacted, which could have a material adverse effect on our business, prospects, financial condition, results of operations, and cash flows.

If we have insufficient reserves to cover future warranty claims, our business, prospects, financial condition, results of operations, and cash flows could be materially and adversely affected.

As our vehicles are produced and delivered, we will need to maintain warranty reserves to cover warranty-related claims. If our warranty reserves are inadequate to cover future warranty claims on our vehicles, our business, prospects, financial condition, results of operations, and cash flows could be materially and adversely affected. Additionally, estimating warranty reserves is inherently uncertain, particularly in light of our limited operating history and limited field data available to us, and changes to such estimates based on real-world observations may cause material changes to our warranty reserves. We may become subject to significant and unexpected warranty expenses. Then-existing warranty reserves may be insufficient to cover all claims. In addition, if future laws or regulations impose additional warranty obligations on us that go beyond our manufacturer's warranty, we may be exposed to materially higher warranty expenses than we expect, and our reserves may be insufficient to cover such expenses.

We have taken remedial measures in response to the Special Committee findings, which may be unsuccessful. In addition, certain remedial measures have reversed or not fully implemented in light of the corporate governance agreements with FF Top and FF Global.

In November 2021, the Board established a special committee of independent directors (the "Special Committee") to investigate allegations of inaccurate disclosures. The Special Committee engaged independent legal counsel and a forensic accounting firm to assist in its review. The Special Committee made several findings, including that certain statements made by us or on our behalf in connection with the PIPE Financing were inaccurate; that deficiencies existed in our internal control environment; and that certain of our policies and procedures required enhancement. Based on the results of the Special Committee investigation and subsequent investigative work based on the Special Committee's findings performed under the direction of the Executive Chairperson and reporting to the Audit Committee, the Board directed management to implement a number of remedial measures. (See Note 12, *Commitments and Contingencies,* in the Notes to the Consolidated Financial Statements contained in this Form 10-K for more information regarding the findings and remedial actions relating to the Special Committee investigation.)

There can be no guarantee that the Special Committee investigation revealed all instances of inaccurate disclosure or other deficiencies, or that other existing or past inaccuracies or deficiencies will not be revealed in the future. Additional inaccuracies or deficiencies could subject us to further litigation and regulatory investigations and could contribute to our failure to meet our SEC reporting obligations in a timely manner, any of which could adversely impact investor confidence, contribute to a decline in trading prices for our securities and interfere with our ability to access financing.

On September 23, 2022, we entered into an agreement with FF Global and FF Top (the "Heads of Agreement") pursuant to which we agreed to and implemented significant changes to the Board and company governance. Certain of these changes altered some of the remedial measures of the Special Committee and/or preclude us from fully implementing certain remedial measures. For instance, Ms. Swenson, who was appointed to the position of Executive Chairperson that the Board created based on the Special Committee investigation, tendered her resignation from her role as both Executive Chairperson and member of the Board on October 3, 2022, effective immediately, and Mr. Adam (Xin) He was appointed to serve as Interim (non-Executive) Chairman of the Board effective as of the same date. On July 31, 2023, Mr. He tendered his resignation from the Board, effective immediately. Following the resignation of Ms. Swenson, all our management (including Mr. Yueting Jia) reported directly or indirectly to our Global CEO (previously Dr. Breitfeld and Mr. Xuefeng Chen). In addition, Mr. Jia was, effective as of October 4, 2022, also appointed as Founder Advisor, in which capacity he acts as an advisor to the Board with no change to his current compensation.

On January 13, 2023, we entered into an amended shareholder agreement with FF Global (only with respect to the amendment of the Heads of Agreement) and FF Top (the "Amended Shareholder Agreement"), pursuant to which various terms of the Heads of Agreement were amended.

On February 26, 2023, after the Board's assessment of our management structure, the Board approved Mr. Yueting Jia reporting directly to the Board, as well as our product, mobility ecosystem, I.A.I., and advanced R&D technology departments reporting directly to Mr. Jia. The Board also approved our user ecosystem, capital markets, human resources and administration, corporate strategy and China departments reporting to both Mr. Jia and Mr. Xuefeng Chen. Our remaining departments continued to report to Mr. Xuefeng Chen. Mr. Chen subsequently resigned from his position as Global CEO and was replaced by Matthias Aydt. Based on the changes to his responsibilities, the Board determined that Mr. Jia is an "officer" of our company within the meaning of Section 16 of the Exchange Act (a "Section 16 officer") and an "executive officer" of our company under Rule 3b-7 under the Exchange Act. On April 25, 2025, the Company disclosed the appointment of Mr. Yueting Jia as 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.

Given the governance changes pursuant to the Heads of Agreement such as those described above and further changes to the composition of the Board, the remedial actions approved by the Board in connection with the Special Committee investigation may not be fully implemented or successful.

We were involved in an SEC investigation and may be subject to future investigations and legal proceedings related to the matters underlying the Special Committee investigation and other matters, which may result in adverse findings, damages, the imposition of fines or other penalties, increased costs and expenses and the diversion of management's time and resources.

In connection with the Special Committee investigation, we, certain members of our management team and other employees 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 beginning in October 2021. We had previously voluntarily contacted the SEC in connection with the Special Committee investigation and cooperated fully with the SEC's investigation. In June 2022, we received a preliminary request for information from the U.S. Department of Justice ("DOJ") in connection with the matters that were the subject of the Special Committee investigation. We responded to that request and intend to fully cooperate with any future requests from the DOJ.

On October 20, 2022, we received a subpoena from the SEC requiring us to produce certain documents relating to our transactions with Senyun. On March 31, 2023, we received questions from the SEC regarding our disclosed delivery estimates regarding the start of production of the FF 91 Futurist. On March 23, 2023, we received an SEC request to supplement production and on May 18, 2023, we received an additional subpoena from the SEC. On July 14, 2023, we received an additional request from the SEC to supplement production related to the May 18, 2023, subpoena and documents related to the consulting or sales agreements with the first three users of the FF 91 Futurist. On each of January 30, 2024, and April 8, 2024, we received a subpoena from the SEC requiring us to produce certain additional documents relating to the SEC's investigation. We fully complied with the subpoenas.

We have incurred, and may continue to incur, significant legal, accounting and other professional services expenditures in connection any future SEC investigation, SEC inquiries, stockholder lawsuits and/or the DOJ inquiry. Any legal proceedings resulting from these investigations, including further shareholder derivative litigation or governmental inquiries or investigations may further divert management's time and attention and may result in the incurrence of significant expense, including legal fees. Such legal proceedings could also have a material adverse effect on our business, financial condition, results of operations and cash flows including as a result of such expenses or arising from any consequences of such legal proceedings including damages, monetary fines, sanctions, penalties, adverse publicity and damage to reputation.

The market for our vehicles is nascent and not established.

Our growth is highly dependent upon the consumers' reception and adoption of our vision as to what the future of transportation and mobility should embody. Although there are many automakers introducing multiple options of mass-market electric vehicles, the market for electric vehicles with ultra-new technology is still nascent and untested. There is no assurance that the retail vehicle market we envision for our vehicles will be established.

We depend on our suppliers, the majority of which are single-source suppliers. The inability of these suppliers to deliver necessary components on schedule and at prices, quality levels and volumes acceptable to us, or our inability to efficiently manage these suppliers, could have a material adverse effect on our business prospects, financial condition and operating results.

The FF 91 model incorporates approximately 2,200 purchased components sourced from approximately 200 suppliers, many of whom are currently our single-source suppliers for the components they supply. Moreover, we rely on a single supplier for the majority of the components and engineering services required for our FX Super One. The supply chain exposes us to multiple potential sources of delivery failure or component shortages. We have delayed payments to suppliers, which in some cases has resulted in, and may continue to result in, certain suppliers ceasing to do business with us. If our suppliers experience any delays or stoppages in providing or developing necessary components or experience quality issues, or if they otherwise decide to cease doing business with us, we could experience further delays, including in homologating the FX Super One for the U.S. Market, some of which may be significant, in delivering on our planned timelines.

We have not approved secondary sources for the key single-sourced components used in the FF 91 series and FX Super One. Generally, we do not maintain long-term agreements with these single-source suppliers.

Historically, certain suppliers ceased supplying their components and initiated legal claims against us when we failed to make payments. There are several outstanding disputes with suppliers in the U.S. and in China. Some suppliers have requested accelerated payments and other terms and conditions as a result of our past payment history and concerns about our financial condition, leading to less favorable payment terms than anticipated, and delaying or putting at risk certain deliveries. Disruption in the supply of components, whether or not from a single-source supplier, could impair production until a satisfactory alternative supplier is found, which can be time consuming and costly. We may be unable to successfully retain alternative suppliers or supplies in a timely manner or on acceptable terms, if at all. If we are unable to efficiently manage our suppliers, our business, prospects, financial condition and operating results may be materially and adversely affected. Additionally, changes in business and/or political conditions, force majeure events, changes in regulatory framework and other factors beyond our control could also affect supplier ability to deliver components in a timely manner. Any of the foregoing could materially and adversely affect our business, prospects, financial condition and operating results and could result in a material change in our operations and a material reduction in the market value for our securities.

We may not be able to accurately estimate the supply and demand for our vehicles, which could result in a variety of inefficiencies in our business and hinder our ability to generate revenues and profits. If we fail to accurately predict our manufacturing requirements, we could incur additional costs or experience delays.

We have to provide forecasts of our demand to our suppliers several months prior to the scheduled delivery of products to our prospective customers. Currently, there is limited historical basis for making judgments on the demand for our vehicles, our ability to develop, manufacture, and deliver vehicles, or our results of operations in the future. If we overestimate our requirements, we or our suppliers may have excess inventory, which would indirectly increase our costs. If we underestimate our requirements, we or our suppliers may have inadequate inventory, which could interrupt manufacturing of our products and result in delays in shipments and revenues. In addition, lead times for materials and components that our suppliers order may vary significantly and depend on factors such as the specific supplier, contract terms, and demand for each component at a given time. If we fail to order sufficient quantities of product components in a timely manner, the delivery of vehicles to our customers could be delayed, which could materially and adversely affect our business, prospects, financial condition, results of operations, and cash flows.

If any of our suppliers become economically distressed or go bankrupt, we may be required to provide substantial financial support or take other measures to ensure supplies of components or materials, which could increase our costs, affect our liquidity or cause production disruptions.

If any of our suppliers experience substantial financial difficulties, cease operations, or otherwise face business disruptions, we may be required to provide substantial financial support to ensure supply continuity, or we would have to take other measures to ensure components and materials remain available. Any disruption could affect our ability to deliver vehicles and could increase our costs and negatively affect our liquidity and financial performance.

We face a number of challenges in the sale and marketing of our vehicles.

Any plans to enhance brand recognition, improve brand reputation and grow a customer base would require substantial investments in marketing and business development activities. However, we cannot guarantee that the marketing spending or the marketing strategies it adopts, which may be limited in size and scope, will have their anticipated effect or generate returns. We face a number of challenges in the sale and marketing of our vehicles, including but not limited to:

- demand in the automobile industry is highly volatile;
- consumers may choose to not purchase our vehicles due to concerns about our viability;
- The quality of our vehicles may vary from estimates;
- many consumers are not aware of our products or their benefits;
- we compete with other automotive manufacturers for consumer spending;
- many other automotive manufacturers have manufactured and sold electric vehicles at scale for several years, providing them with a substantial marketing advantage;
- our failure to keep up with rapid technological changes could make our vehicles less attractive than those of competitors or make potential customers unwilling to pay a premium for our vehicles; and
- we may not be able to attract a sufficient number of retail partners.

If we are unable to efficiently enhance our brand and market our vehicles, our business prospects, financial condition and operating results may be adversely and materially affected.

We have developed and continue to develop complex software and technology systems in coordination with vendors and suppliers for our electric vehicles.

Our vehicles use a substantial amount of third-party and in-house software code and complex hardware to operate. Defects and errors may be revealed over time, and our control over the performance of third-party services and systems may be limited. We rely on third-party suppliers to help develop and manage emerging technologies for use in our vehicles, including lithium-ion battery technology. As technology in electric vehicles is constantly evolving, we may also need to rely on suppliers to develop technologies that are not yet commercially viable. Our suppliers may be unable to meet the technological requirements, production timing, and volume requirements needed to support our business plan. Such emerging technologies and systems may not be successfully developed on commercially reasonable terms, or at all. Our potential inability to develop the necessary software and technology systems would harm our competitive position and business, prospects, financial condition and operating results.

Our use of artificial intelligence technologies may not be beneficial to our business, and may result in the performance of our products, services and business, as well as our reputation and the reputations of our customers, to suffer or cause us to incur liability resulting from harm to individuals or the violation of laws or regulations or contracts to which we are a party.

Our technology framework integrates artificial intelligence in our products. However, in recent years use of this technology has come under increased regulatory scrutiny. Already, certain existing legal regimes (e.g., relating to data privacy and consumer protection) regulate certain aspects of AI, and new laws regulating AI have entered into force in the United States and are expected to enter into force in 2025.

We also expect that increased investment will be required in the future to continuously improve our use of AI technologies. As with many technological innovations, there are significant risks involved in developing, maintaining and deploying these technologies and there can be no assurance that the usage of or our investments in such technologies will always enhance our products or services or be beneficial to our business, including our efficiency or profitability.

In particular, if the models underlying our AI technologies are: incorrectly designed or implemented; trained or reliant on incomplete, inadequate, inaccurate, biased or otherwise poor quality data, or on data to which we do not have sufficient rights or in relation to which we and/or the providers of such data have not implemented sufficient legal compliance measures; used without sufficient oversight and governance to ensure their responsible use; and/or adversely impacted by unforeseen defects, technical challenges, cybersecurity threats or material performance issues, the performance of our products, services and business, as well as our reputation and the reputations of our customers, could suffer or we could incur liability resulting from harm to individuals or the violation of laws or contracts to which we are a party or civil claims.

In the United States, the new presidential administration has rescinded an executive order relating to the safe and secure development of AI that was previously implemented by the prior presidential administration. The new presidential administration then issued an executive order that, among other things, requires certain agencies to develop and submit to the president action plans to "sustain and enhance America's global AI dominance," and to specifically review and, if possible, rescind rulemaking taken pursuant to the rescinded prior administration's executive order. Thus, the new presidential administration may continue to rescind other existing federal orders and/or administrative policies relating to AI, or may implement new executive orders and/or other rule making relating to AI in the future. Any such changes at the federal level, together with state-level laws regulating AI that entered into force or are expected to in 2025, could require us to expend significant resources to modify our products, services, or operations to ensure compliance or remain competitive.

New laws, guidance, and/or decisions in this area could provide a new regulatory framework that will evidence a necessity to adjust or that may limit our ability to use our existing machine learning and artificial intelligence models and require us to make changes to our operations that may decrease our operational efficiency, result in an increase to operating costs and/or hinder our ability to improve our services.

Manufacturing the FF 91 at our leased FF aiFactory in California does not guarantee we will not incur significant production delays.

We plan to continue to build-out our leased FF aiFactory in California to support the production of the FF 91 series. We may experience unexpected delays or other difficulties that could further increase costs and/or adversely affect our manufacturing and delivery timelines. Various risks and uncertainties inherent in all new manufacturing processes could result in delays in vehicle production, including for example those with respect to:

- the pace of bringing production equipment and processes online with the capability to manufacture high-quality units at scale;
- compliance with complex and evolving environmental, workplace safety and similar regulations;

- channels to secure necessary equipment, tools and components from suppliers on acceptable terms and in a timely manner;
- the ability to attract, recruit, hire and train skilled employees;
- quality controls;
- a health emergency, difficult economic conditions and international political tensions; and
- other delays and cost overruns.

We have minimal experience servicing and repairing our vehicles. The inability to adequately service vehicles may adversely affect our business.

We have minimal experience servicing and repairing our vehicles. Servicing EVs is different than servicing vehicles with internal combustion engines and requires specialized skills, including high voltage training and servicing techniques. Although we are planning to internalize most aspects of vehicle service over time, initially we may look to partner with third parties to enable nationwide coverage for roadside and off-road assistance and collision repair needs. We may be unable to enter into acceptable arrangements with any third-party providers. Although potential servicing partners may have experience in servicing other vehicles, they will initially have limited experience in servicing our vehicles. Service arrangements may fail to adequately address the service requirements of our customers to their satisfaction, and servicing partners could lack sufficient resources, experience, or inventory to meet these service requirements in a timely manner.

In addition, a number of states currently impose limitations on the ability of manufacturers to directly service vehicles. This could hinder or impede our ability to provide services for our vehicles from a location in every state. As a result, if we are unable to roll out and establish a widespread service network that complies with applicable laws, customer satisfaction could be adversely affected, which in turn could materially and adversely affect our reputation and business.

In the future, additional pressure may be placed on our customer support team or partners, and we may be unable to respond quickly enough to accommodate short-term increases in customer demand for technical support. Customer behavior and usage may result in higher-than-expected maintenance and repair costs, which may negatively affect our business. We also could be unable to modify the future scope and delivery of our technical support to compete with changes in the technical support provided by competitors. Increased customer demand for support, without corresponding revenue, could increase costs and negatively affect our results of operations. If we are unable to successfully address the service requirements of our customers or establish a market perception that we maintain high-quality support, we may be subject to claims from customers, including loss of revenue or damages, and our business could be materially and adversely affected.

Changes in U.S. and international trade policies, including the export and import controls and laws, particularly with regard to China, may adversely impact our business and operating results.

We operate with a United States and China dual-home market strategy, partnering with leading international suppliers from North America, Europe and Asia. This subjects us to risks associated with international trade conflicts including between the United States and China, particularly with respect to export and import controls and laws. President Donald J. Trump has advocated for greater restrictions on international trade in general, which could result in significantly increased tariffs on certain goods imported into the United States, particularly from China. For example, in recent years the United States government has renegotiated or terminated certain existing bilateral or multi-lateral trade agreements. It has also imposed tariffs on certain foreign goods which resulted in increased costs for goods imported into the United States. In response to these tariffs, a number of United States trading partners have imposed retaliatory tariffs on a wide range of United States products, making it more costly for companies to export products to those countries. The new presidential administration recently imposed new tariffs on imports to the United States from China, Mexico and Canada, with the tariffs on Mexico and Canada taking effect on March 4, 2025. In addition, China has imposed retaliatory tariffs on the United States and, if tariffs on Mexico and Canada were to go into effect, these countries could also impose retaliatory tariffs on the United States.

On December 23, 2021, the Uyghur Forced Labor Prevention Act, which effectively prohibits imports of any goods made either wholly or in part in Xinjiang, was signed into law. The law went into effect on June 21, 2022. The law prohibits "the importation of goods made with forced labor" unless U.S. Customs and Border Protection determines, based on "clear and convincing evidence", that the goods in question were not produced "wholly or in part by forced labor", and submits a report to the U.S. Congress setting out its findings. While we do not currently expect that this law will directly affect our supplies, since we do not believe that our suppliers source materials from Xinjiang for the products they sell to us, other renewable energy companies' attempts to shift suppliers in response to this law, withhold release orders, or other policy developments could result in shortages, delays, and/or price increases that could disrupt our own supply chain or cause our suppliers to renegotiate existing arrangements with us or fail to perform on such obligations. Broader policy uncertainty could also reduce Chinese panel production, affecting supplies and/or prices for panels, regardless of supplier. While we have developed multiple supply sources in a variety of countries, we could still be adversely affected by increases in our costs, negative publicity related to the industry, or other adverse consequences to our business.

Rising political tensions could reduce trade volume, investment, technological exchange and other economic activities between major international economies, resulting in a material adverse effect on global economic conditions and the stability of global financial markets. Additionally, the resulting environment of tariffs, retaliatory trade or other practices or additional trade restrictions or barriers, if implemented on a broader range of products or raw materials, could harm our ability to obtain necessary raw materials and product components or sell our products and services at prices customers are willing to pay, which could have a material adverse effect on our business, prospects, results of operations, and cash flows. Relatedly, trade policies could lead to an increasing number of competitors entering the United States, thereby creating more competition.

Escalated geographical tensions in key markets may result in declines in consumer confidence and spending, could have a material adverse effect on the Company's operating results and development.

Events such as international hostilities (including the Russian invasion of Ukraine and war in the Middle East), terrorism, natural disasters or outbreaks of disease may suppress consumer spending and delay our development and deployment of our business in Middle East.

Recent escalations in hostilities involving Iran, as well as the risk of a broader regional conflict in the Middle East, have increased geopolitical uncertainty and volatility in the region. The Middle East represents a significant market for the Company, and further deterioration in regional stability could adversely affect consumer confidence, and overall demand for our products in that market. In addition, expanded military activity, sanctions, trade restrictions, shipping disruptions, port closures, airspace restrictions, or damage to critical infrastructure could disrupt the Company's distribution channels, supply chain operations, logistics providers, and retail partners in the region.

Escalation of the conflict could also result in higher energy prices, currency volatility, inflationary pressures, or broader global economic instability, any of which could negatively impact consumer spending and the Company's operating costs. To the extent that hostilities persist or expand, the Company could experience adverse effects on our business, financial condition, and results of operations.

Continued or increased price competition in the automotive industry generally, and in electric and other alternative fuel vehicles, may harm our business.

Increased competition could result in lower vehicle unit sales, increased inventory, price reductions, revenue shortfalls, loss of customers and loss of market share, which could harm our business, prospects, financial condition and operating results. For example, the automotive industry has witnessed increasing price competition in recent years. With more competitors entering the field, many manufacturers are facing downward price pressure and have been adjusting their pricing strategies. We do not have the financial resources as most of the competitors to allow us to adjust pricing strategies, which may result in a loss of customers and future market share. On the other hand, if we follow the downward price adjustment trend, our ability to generate revenues and achieve profitability may be adversely affected. Any of the foregoing may harm our business, prospects, results of operations and financial condition.

We face competition from multiple sources, including new and established domestic and international competitors, and expect to face competition from others in the future, including competition from companies with new technology, which may adversely affect revenues, increase our costs to acquire new customers, and hinder our ability to acquire new customers.

The automotive market in the United States, China and the Middle East are highly competitive. A significant and growing number of established and new automobile manufacturers, as well as other companies, have entered or are reported to have plans to enter the alternative fuel vehicle market, including hybrid, plug-in hybrid and fully electric vehicles, as well as the market for autonomous driving technology and applications. In some cases, such competitors have announced an intention to produce electric vehicles exclusively at some point in the future. We currently directly compete with other pure-play electric

vehicle companies targeting the high-end market segment and to a lesser extent with NEVs and internal combustion engine vehicles in the mid- to high-end market segment offered by traditional OEMs. The FX brand would compete with companies targeting the lower end of the market. In light of the increased demand and regulatory push for and technology changes in connection with alternative fuel vehicles, we expect competition in the industry to intensify with more new players in the future, including companies with new technology.

Most of our current and potential competitors have significantly greater financial, technical, manufacturing, marketing, distribution and other resources, and are able to devote greater resources to the design, development, manufacturing, distribution, promotion, sale and support of their products. In order to acquire customers and better compete, we may have to incur significant expenses for marketing and business development activities and discounts. Any inability to successfully compete with new or existing competitors may prevent us from attracting new customers and result in loss of market share. We may be unable to compete successfully in global and local markets, which could materially and adversely affect our business, prospects, financial condition and results of operations.

Our go-to-market and sales strategy, including partner stores and showrooms as well as our online web platform, will require substantial investment and commitment of resources and is subject to numerous risks and uncertainties.

We intend to establish online and offline marketing, sales, and after-sales channels, which consist of partner stores and showrooms and an online web platform. We plan to distribute our vehicles. Users would be able to place orders and purchase our vehicles exclusively through an online platform while assigning the transaction to a specific store or showroom.

We expect partner stores and showrooms would be compensated from the sales and services that are conducted online and from the capital upside of our equity that the retail partners may receive as an incentive for making their initial investment in stores and showrooms. However, a partner business model may not be as attractive as that of traditional OEMs, which could prevent us from scaling up our network to an adequate size. In addition, we are not in a position to guarantee that it will be able to generate sufficient traffic to our online web platform or to attract a sufficient number of users to place orders. Moreover, we will be competing with automakers with well-established distribution channels, which place significant risk to the successful implementation of our business plan.

If we are unable to roll out and establish a broad network covering both online and offline channels that fully meet customers' expectations, consumer experience could be adversely affected, which could in turn materially and adversely affect our business, financial condition, results of operations and prospects. Implementing our business model is subject to numerous significant challenges, including obtaining permits and approvals from government authorities, and we may be unsuccessful in addressing these challenges. In addition, dealer trade associations may mount challenges to our distribution strategy by challenging the legality of our operations in court and employing administrative and legislative processes to attempt to prohibit or limit our ability to operate. All these would have a material and adverse effect on our business, prospects, results of operations and financial condition.

We are pursuing multiple business strategies and expect to expand our development capabilities, and as a result, we may encounter difficulties in managing our multiple business units and our growth, which could disrupt our operations.

Although our main business strategy has been focused on the design, engineering and manufacturing of next-generation intelligent, connected, electric vehicles, we are currently pursuing multiple business strategies simultaneously, including activities in cryptocurrency, artificial intelligence and robotics. We believe pursuing these multiple business strategies could offer financial and operational synergies, but these diversified operations also place increased demands on our resources and also introduce complexities in management and operations. Effective management of multiple business units requires judicious allocation of resources. As we continue to expand our capabilities, operational complexity will increase. Managing this complexity without significant disruptions to existing operations may pose a substantial challenge. Moreover, balancing the priorities of different business strategies may lead to conflicts in strategic focus, potentially diluting the effectiveness of our business efforts and leading to suboptimal outcomes. Our leadership team's ability to oversee multiple business units and expansion initiatives is finite and excessive demands on management could lead to oversight gaps and strategic missteps. To manage our multiple business strategies and our ongoing and anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities, and continue to recruit and train additional qualified personnel. Our management team may not be able to effectively manage our multiple business strategies and the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations has led to and may continue to lead to significant costs and may divert our management and business development resources. Our management, personnel, and systems may not be adequate to support our future expansion. Any inability to manage our multiple business units and growth could delay the execution of our business strategies or disrupt our operations and the synergies we believe currently exist between our business units. The integration of new business units or expansion of development capabilities may not proceed smoothly, potentially leading to inefficiencies, duplication of efforts, or cultural misalignment. Rapid growth can also strain our systems, processes, and staff, and if not managed properly, can lead to

operational inefficiencies or increased costs. Our failure to manage these complexities could lead to operational disruptions and negatively impact our business, prospects, results of operations and financial condition.

Difficult economic conditions, financial or economic crises, or the perceived threat of such a crisis, including a significant decrease in consumer confidence, may affect consumer purchases of premium items, such as our FF 91 Futurist.

Sales of premium consumer products, such as the FF 91 Futurist and other electric vehicles, depend in part on discretionary consumer spending and therefore may decline based on adverse changes in general economic conditions. The global economy and financial markets experience significant disruptions from time to time, constantly facing new challenges, including ongoing trade disputes and tariffs, as well as the related economic policies taken by various governments around the world. It is unclear whether these challenges will be successfully addressed and what effects they may have. Any prolonged slowdown in economic development might lead to tighter credit markets, increased market volatility, sudden drops in business and consumer confidence and dramatic changes in business and consumer behaviors.

Difficult macroeconomic conditions, such as decreases in per capita income and disposable income, increased and prolonged unemployment, a decline in consumer confidence, and/or reduced spending by businesses could have a material adverse effect on future investor interest or customer demand for our vehicles. In response to the perceived uncertainty in economic conditions, consumers might delay, reduce or cancel purchases of such electric vehicles. Potential customers may seek to reduce spending by foregoing luxurious new energy vehicles. Decreased demand for our vehicles, particularly in the United States and China, could negatively affect our business, prospects, financial condition and results of operations.

We face risks related to natural disasters, climate change, health epidemics and pandemics, terrorist attacks, civil unrest and other circumstances outside our control, which could significantly disrupt our operations.

The occurrence of unforeseen or catastrophic events, including the emergence of an epidemic, pandemic or other widespread health emergency, civil unrest, war, terrorist attacks, climate events or natural disasters could create economic and financial disruptions. These types of events could lead to operational difficulties, impair our ability to manage our business and expose our business activities to significant losses. Our management and operational teams are based in the United States, China and the U.A.E. Our manufacturing facility is located in Hanford, California, and we may seek to establish manufacturing through a joint venture in China and/or other regions for certain future vehicle models. An unforeseen or catastrophic event in any of these regions could adversely impact our operations.

If we are unable to attract and/or retain key employees and hire qualified Board members, officers and other individuals, our ability to compete could be harmed.

Our success depends in part on our ability to retain key members of our senior management team and the Board, and to attract and retain other highly qualified individuals for the Board and senior management positions. We have experienced significant changes in the membership of the Board and senior management team. This significant recent turnover has disrupted, and potential future turnover could further disrupt, our operations, strategic focus or ability to drive stockholder value.

If we fail to attract new skilled personnel for senior management positions and the Board, or if one or more of them are unable or unwilling to continue their services, we may be unable to replace them easily, in a timely manner, or at all. Movements in the market price of our Common Stock, including any decline, may significantly affect the value of employee stock options and restricted stock awards, which may at any time be insufficient to counteract more lucrative offers from other companies.

In addition, we may incur additional expenses to recruit, train and retain qualified personnel. Failure to do so may lead to difficulties in effectively executing our business strategies, and our business, prospects, financial condition and results of operations could be materially and adversely affected. Furthermore, if any of our executive officers or key employees join a competitor or form a competing company, we may lose know-how and be poorly positioned in the marketplace.

Unionization activities or labor disputes may disrupt our business and operations and affect our profitability.

Although none of our employees are currently represented by organized labor unions, it is not uncommon for employees at companies in the automobile industry to belong to a union, which can result in higher employee costs and increased risk of work stoppages. Our business, operations and profitability could be adversely affected if unionized activities such as work stoppages occur, or if we become involved in labor disputes or other actions filed by labor unions. Any unfavorable outcome in such disputes could create a negative perception of how we treat our employees.

If our employees engage in strikes or other work stoppages, or if third-party strikes or work stoppages cause supply chain interruptions, our business, prospects, operations, financial condition and liquidity could be materially adversely affected.

A strike or work stoppage by our employees could have a material adverse effect on our business, prospects, operations, financial condition and liquidity. Work stoppages at our suppliers could cause supply chain interruptions, which could materially and adversely impact our operations given our limited and, in most cases, single-source supply chain. If a work stoppage occurs, it could delay the manufacture and sale of our products, disrupt our business and operations, and have an adverse effect on our cash flow, any of which could materially and adversely affect our business, prospects, operating results, financial condition and liquidity.

The discovery of defects in vehicles may result in delays in production and delivery of new models, recall campaigns or increased warranty costs, which may adversely affect our brand and result in a decrease in the residual value of our vehicles.

Our vehicles may contain design and manufacturing defects. The design and manufacturing of our vehicles are complex and could contain latent defects and errors, which may cause our vehicles not to perform or operate as expected or even result in property damage, personal injuries or death. Furthermore, our vehicles use a substantial amount of third-party and in-house software codes and complex hardware to operate. Advanced technologies are inherently complex, and defects and errors may be revealed over time. While we have performed extensive internal testing on our vehicles and the related software and hardware systems, and will continue this testing and evaluation, we have a limited frame of reference by which to assess the long-term performance of our vehicles and systems. We may fail to detect or fix defects in a timely manner.

The discovery of defects in our vehicles may result in delays in production and delivery of new models, recall campaigns, product liability claims or increased warranty costs and other expenses, and may decrease the residual values of vehicles that are subject to leasing arrangements. We might from time to time, voluntarily or involuntarily, initiate vehicle recalls if any of our vehicles, including any systems or parts sourced from suppliers and contractors, prove to be defective or noncompliant with applicable laws and regulations. For example, on March 1, 2024, we issued a voluntary recall of certain 2023 FF 91 Futurist vehicles when it was discovered that these vehicles had a software issue that could prevent the airbag malfunction light from illuminating in case of an airbag control unit communications fault. Such recalls, whether voluntary or involuntary or caused by systems or components engineered or manufactured by us or by suppliers and contractors, could require that we incur significant costs relating to logistics and/or repair. All of the foregoing could materially harm our brand image, business, prospects, financial condition and results of operations.

We may become subject to product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims.

We may become subject to product liability claims, even those without merit, which could harm our business, prospects, operating results, and financial condition. The automobile industry experiences significant product liability claims and we face inherent risk of exposure to claims if our vehicles do not perform as expected or malfunction resulting in personal injury or death. The risks in this area are particularly pronounced given that we have limited field experience for our vehicles and currently do not have product liability insurance. A successful product liability claim against us could require us to pay a substantial monetary award. Moreover, a product liability claim could generate substantial negative publicity about our vehicles and business and inhibit or prevent commercialization of other future vehicle candidates, which would have a material adverse effect on our brand, business, prospects and operating results. Any insurance coverage we are able to obtain in the future might not be sufficient to cover all potential product liability claims. We may be unable to secure additional product liability insurance coverage on commercially acceptable terms or at reasonable costs when needed, which could have a material and adverse effect on our operating results and financial condition.

Third-party claims of infringing or misappropriating intellectual property rights could be costly, time consuming and prevent us from developing or commercializing future products.

We are subject to litigation risks from third parties alleging infringement of their intellectual property, which could be time-consuming and costly, regardless of whether the claims have merit. Individuals, organizations and companies, including competitors, may hold or obtain patents, trademarks and/or other proprietary rights that would prevent, limit or interfere with our ability to make, use, develop, sell and/or market our vehicles or components, and may bring claims alleging our infringement of such rights. If we are determined to have, or believe there is a high likelihood that we have, infringed upon a third party's intellectual property rights, not only may be required to pay substantial damages or settlement costs, but we may also be required to cease sales of our vehicles, incorporate certain components into our vehicles, or offer vehicles or other goods or services that incorporate or use the challenged intellectual property, seek a license from the holder of the infringed intellectual property rights (which license may not be available on reasonable terms or at all), redesign the vehicles or other goods or services, establish and maintain alternative branding for our products and services, and/or alter our business strategy, all of which could prevent us from developing or commercializing our vehicles and adversely and materially affect our business, prospects, financial condition and results of operations. In addition, any litigation or claims, whether or not valid, could result in substantial costs, negative publicity, and diversion of resources and management attention.

We may be subject to damages resulting from claims that we or our employees have wrongfully used or disclosed alleged trade secrets or other intellectual property rights of former employers of our employees.

Many of our employees were previously employed by other automotive companies or by suppliers to automotive companies. We may be subject to claims that it or these employees have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. If we fail in defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. A loss of key personnel or their work product could impair or prevent our ability to commercialize our products, which could severely harm our business, prospects, results of operations and financial condition. Even if we were successful in defending against these claims, litigation could result in substantial costs, negative publicity and demand on management resources, which could materially and adversely affect our business, prospects, brand, financial condition and results of operations.

We have elected to protect some of our technologies as trade secrets rather than as patents, which has certain risks and disadvantages.

We have elected to protect many of our technological developments as trade secrets rather than filing patent applications on them. If another person has filed or files in the future a patent application on the same subject invention, we may be precluded from subsequently filing for our own patent on such invention. In addition, if the other person's patent application is granted, our continued use of our technological development could then constitute infringement of the other person's patent. In that case, we could be forced to stop using the affected technology or to pay royalties to continue using it. These risks are heightened for us given the large number of patent filings in the industry.

Another risk of reliance upon trade secret protection is that there is no guarantee that the efforts we have made to keep our trade secrets secret will be successful. Trade secrets may be taken or used without our authorization or knowledge, including via information security breaches. It is difficult to detect that trade secrets are being misappropriated, and it is very difficult and expensive to prove disclosure or unauthorized use in court and to obtain an adequate remedy.

We depend on our proprietary intellectual properties.

We consider our copyrights, trademarks, trade names, internet domain names, patents and other intellectual property assets invaluable to our ability to develop and protect new technology, grow our business and enhance our brand recognition. We have invested significant resources to develop our intellectual property assets. Failure to successfully maintain or protect these assets could harm our business. The steps we have taken to protect our intellectual property rights may not be adequate or prevent theft and use of our trade secrets by others or prevent competitors from copying our newly developed technology. If we are unable to protect our proprietary rights or if third parties independently develop or gain access to similar technology, our business, revenue, reputation and competitive position could be harmed. For example, the measures we take to protect our intellectual property from unauthorized use by others may not be effective for various reasons, including the following:

- any patent applications we submit may not result in the issuance of patents;
- the scope of our issued patents may not be broad enough to adequately protect our proprietary rights;
- our issued patents may be challenged and/or invalidated by our competitors or others;
- the costs associated with enforcing patents, confidentiality and invention agreements and/or other intellectual property rights may make aggressive enforcement impracticable;
- current and future competitors may circumvent our patents;
- our in-licensed patents may be invalidated, or the owners of these patents may breach their license arrangements; and
- even if we obtain a favorable outcome in litigation asserting our rights, we may not be able to obtain an adequate remedy, especially in the context of unauthorized persons copying or reverse engineering our products or technology.

We may need to resort to litigation to enforce our intellectual property rights if our intellectual property rights are infringed or misappropriated, which could be costly and time consuming. Additionally, protection of our intellectual property rights in different jurisdictions may vary in their effectiveness. We have little patent coverage anywhere in the world except the United States and China. Implementation and enforcement of Chinese intellectual property-related laws historically has been considered to be deficient and ineffective. Moreover, with our ownership of patents limited mostly to those issued in China and the United States, we may find it impossible to prevent competitors from copying our patented advancements in vehicles manufactured and sold elsewhere.

Despite our efforts to protect our proprietary rights, third parties may still attempt to copy or otherwise obtain and use our intellectual property or seek court declarations that such third parties' intellectual property does not infringe upon our

intellectual property rights, or they may be able to independently develop technologies that are the same as or similar to our technologies.

We may not be able to obtain patent protection on certain of our technological developments and may face better-funded competitors with formidable patent portfolios.

We may not be able to obtain patent protection for certain of our technological developments because some of our existing applications were abandoned and applicable filing deadlines for seeking to protect such technologies may have passed in the United States and around the world. Also, we have elected to protect some of our technologies as trade secrets rather than as patents. This risks the wrongful disclosure and use of our trade secrets by departing employees and others. We have delayed filing for patent protection on certain of our technological developments in recent years due to financial constraints. Because patents are granted on a first-to-file basis, a delay in patent filings, such as this, can result in other companies filing for and obtaining the same inventions either independently derived or otherwise. In addition, inventions not subject to an earlier filing date as disclosed in an active application can result in our inventions or patents being "blocked" by prior art in the meantime. The consequences of the filing delays could place us at a disadvantage relative to competitors that have been continuously more active in filing patent applications and could leave us unable to protect our technologies that differentiate our vehicles from the vehicles of our competitors. We also face better-funded competitors with formidable patent portfolios and there can be no guarantee that one or more competitors has not and/or will not obtain patent protection on features necessary to implement in our vehicles.

We are subject to stringent and changing laws, regulations, standards and contractual obligations related to data privacy and security, and our actual or perceived failure to comply with such obligations could harm our reputation, subject us to significant fines and liability, or otherwise adversely affect our business, prospects, financial condition and results of operations.

We plan to permit certain of our business partners to collect, process, store, and in some cases transfer across borders, personally identifiable information concerning the drivers and passengers of our vehicles. Such information may include, among other things, faces, names, geolocation information, payment data, and preferences. Although we have adopted security policies and measures, including technology, to protect customer information and other proprietary data, we may be required to expend significant resources to further comply with information security laws, data breach notification requirements, and privacy and data protection law if third parties improperly obtain or use personal information of our customers or we otherwise experience a data loss with respect to our customers' personal information. Moreover, privacy and data protection laws are constantly evolving, and new requirements may limit or disrupt our data practices, restrict our ability to market our products, impact operations, and increase legal and reputational risks.

We plan to operate on a global basis, and thus will face a significant burden to comply with data privacy and information security laws and regulations in the United States at the federal and state level, China, the Middle East, Europe, and elsewhere. Although we would endeavor to comply with all such laws and regulations, as well as our own policies and obligations under contracts with third parties, we may at times fail to do so or be alleged to have failed to do so. Any failure or perceived failure by us to comply with such privacy, data protection or information security laws, regulations, policies, and obligations in one or more jurisdictions could expose us to litigation, awards, fines or judgments, civil and/or criminal penalties or negative publicity, and could adversely affect our business, financial condition, results of operations and prospects.

The global regulatory framework governing the collection, processing, storage, use and sharing of personal information, is rapidly evolving and is likely to continue to be subject to uncertainty and varying interpretations. In the United States, certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to sensitive and personal information than federal, international or other state laws, and such laws may differ from each other, which may complicate compliance efforts. For example, California enacted the California Consumer Privacy Act of 2018 ("CCPA") which went into effect in January 2020 and became enforceable by the California Attorney General in July 2020, and which, among other things, requires companies covered by the legislation to provide new disclosures to California consumers and afford such consumers new rights of access and deletion for personal information, as well as the right to opt out of certain sales of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action may increase the likelihood of, and risks associated with, data breach litigation. Additionally, a California ballot initiative, the California Privacy Rights Act ("CPRA") was passed in November 2020 and its amendments to the CCPA went into effect January 1, 2023. The CPRA amendments impose additional obligations on in-scope companies and significantly modify the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA amendments also created a new state agency vested with authority to implement and enforce the CCPA, and which is presently engaged in rulemaking processes that can introduce additional burdens or obligations on our compliance programs and data practices. Moreover, additional states such as Virginia, Colorado, Connecticut and Utah have passed similar legislation that went into effect in 2023, and further states may follow.

Additionally, the Federal Trade Commission has issued an Advanced Notice of Proposed Rulemaking in August of 2022 indicating its interest in developing broad regulations around information security and commercial surveillance practices that may further impact our business. The effects of these new privacy laws and regulations are potentially significant and may require us to modify our data collection or processing practices and policies and to incur substantial costs and expenses in an effort to comply and increase our potential exposure to regulatory enforcement and/or litigation.

Internationally, many jurisdictions have established their own data security and privacy legal framework with which we or our clients may need to comply, including, but not limited to, the E.U. The E.U.'s data protection landscape is currently unstable, resulting in possible significant operational costs for internal compliance and risk to our business. In China, the Personal Information Protection Law was passed on August 20, 2021, and took effect on November 1, 2021, imposing restrictions on entities that collect and process personal data and sensitive information about subjects in China. China also has a cybersecurity regulatory regime that may also add to our regulatory compliance risks.

Failure by us, whether actual or perceived, to comply with federal, state or international privacy, data protection or security laws or regulations could result in regulatory or litigation-related actions against us, legal liability, fines, damages and other costs, and could adversely affect our business, financial condition, results of operations and prospects.

We are subject to cybersecurity risks relating to our various systems and software, or that of any third party that we rely upon, and any failure, cyber event or breach of security could prevent us from effectively operating our business, harm our reputation and subject us to significant liability.

Our business requires us to use and store confidential information, including information relating to our suppliers and other third parties, and our customers' personal information and preferences. We and the business partners storing our data are routinely subject to cybersecurity threats and attacks. Information security risks have increased in recent years in part because of the proliferation of new technologies and the increased sophistication and activities of organized crime, hackers, terrorists, state-sponsored actors, and other external parties. Moreover, cybersecurity laws are increasing in complexity and creating expanded areas for potential legal liability in the wake of data breaches or technological vulnerabilities. Our vehicles contain complex IT systems and software to support interactive and other functions. We maintain policies, procedures and technological safeguards and has implemented policy, procedural, technical, physical and administrative controls intended to prevent unauthorized access to our IT networks and vehicles' systems. However, we regularly defend against and respond to information security incidents, vulnerabilities and other security events. Unauthorized persons may gain unauthorized access to modify, alter, insert malicious code and use such networks and systems or gain access to confidential information of our suppliers, other third parties or customers, or our software or other technologies may have vulnerabilities that lead to operational interruptions, data losses, or other harms. In the event we or our business partners' data system protection, disaster recovery, business continuity or secure software and development lifecycle efforts are unsuccessful and such systems or the data systems of vehicles are compromised, we could suffer substantial harm.

We cannot entirely eliminate the risk of improper or unauthorized access to or disclosure of data or personal information, technological vulnerabilities or other security events that impact the integrity or availability of our data systems and operations, or the related costs we may incur to mitigate the consequences from such events. Additionally, we cannot guarantee that any insurance coverage would be sufficient to cover all losses. Moreover, we have limited control over and limited ability to monitor third-party business partners that collect, store, and process information, including personally identifiable information, on our behalf. They and their systems could be the subject of cyberattacks, just as we could, and they may or may not put into practice the policies and safeguards they should in order to comply with applicable laws, regulations, and their contractual obligations to us. A vulnerability in a third-party business partner's software or systems, a failure of a third-party business partner's safeguards, policies or procedures, or a breach of a third-party business provider's software or systems could result in the compromise of the confidentiality, integrity or availability of our systems or vehicles, or the data stored by our business partners.

Vulnerabilities related to our systems and software could be exploited before they can be identified, and remediation efforts may be unsuccessful. A major breach of our network security and systems could have negative consequences for our business, prospects, financial condition and results of operations, including possible fines, penalties and damages, reduced customer demand for our vehicles and harm to our reputation and brand. Any cyberattacks, unauthorized access, disruption, damage or control of our IT networks and systems or any loss or leakage of data or information stored in our systems could result in disruption of our operations and legal claims or proceedings. In addition, regardless of their veracity, reports of cyberattacks to our networks, systems or data, as well as other factors that may result in the perception that our networks, systems or data are vulnerable to "hacking," could further negatively affect our brand and harm our business, prospects, financial condition and results of operations.

We may be unable to obtain regulatory approval for our vehicles.

Motor vehicles are subject to substantial regulation under international, federal, state and local laws. Vehicles produced or sold by us will be required to comply with the applicable safety, product and other standards and regulations in our target markets. For example, our vehicles in the U.S. are subject to numerous regulatory requirements established by the National Highway Traffic Safety Administration ("NHTSA"), including all applicable Federal Motor Vehicle Safety Standards ("FMVSS"). Our vehicles must also obtain emissions certification from either the Environmental Protection Agency ("EPA") or California Air Resources Board ("CARB"). Rigorous testing and the use of approved materials and equipment are among the requirements for achieving federal certification. In addition, any vehicles sold in China must pass various tests and undergo a certification process and be affixed with the China Compulsory Certification ("CCC"), before delivery from the factory and sale, and such certification is also subject to periodic renewal. We may fail to obtain or renew the required certification or regulatory approval for our vehicles, which may prevent us from delivering, selling and/or importing/exporting our vehicles, and therefore materially and adversely affect our business, results of operations, financial condition and prospects.

We and our suppliers may be subject to increased environmental and safety or other regulations and disclosure rules resulting in higher costs, cash expenditures, and/or sales restrictions.

We and our suppliers are subject to complex environmental, manufacturing, health and safety laws and regulations at numerous jurisdictional levels in the U.S., China and other locations where they have operations, including laws relating to the use, handling, storage, recycling, disposal and human exposure to hazardous materials and relating to the construction, expansion and maintenance of their facilities. Evolving disclosure rules on environmental matters may also entail additional compliance and reporting costs.

The costs of compliance, including remediating contamination if any is found on our or our suppliers' properties, and any operational changes mandated by new or amended laws, may be significant. We and/or our suppliers may be required to incur additional costs to comply with any changes to such regulations, and any failures to comply could result in significant expenses, delays or fines. We and our suppliers are subject to laws, regulations and standards applicable to the supply, manufacture, import, sale and service of automobiles in different jurisdictions and relating to vehicle safety, fuel economy and emissions, among other things, in different jurisdictions which often may be materially different from each other. As a result, we and/or our suppliers may need to make additional investments in the applicable vehicles and systems to ensure regulatory compliance.

Additionally, there are a variety of international, federal and state regulations that may apply to autonomous vehicles, which include many existing vehicle standards that were not originally intended to apply to vehicles that may not have a driver. Certain states have legal restrictions on autonomous vehicles, and many other states are considering them. Such regulations continue to rapidly change, which increases the likelihood of a patchwork of complex or conflicting regulations. This could result in higher costs and cash expenditures or may delay products or restrict self-driving features and availability, any of which could adversely affect our business, prospects, financial condition and results of operation.

Our distribution model is different from the predominant current distribution model for automobile manufacturers and is subject to regulatory limitations on our ability to sell and service vehicles directly, which subjects us to substantial risk and makes evaluating our business, prospects, financial condition, results of operations, and cash flows difficult.

We are selling, financing, and leasing our vehicles directly to customers through online and offline sales channels rather than through franchised dealerships. This model of vehicle distribution is relatively new, different from the predominant current distribution model for automobile manufacturers and, with limited exceptions, unproven, which subjects us to substantial risk. We have limited experience in selling and leasing vehicles and therefore this model may require significant expenditures and provide for slower expansion than the traditional dealer franchise system. For example, we will not be able to utilize long-established sales channels developed through a franchise system to increase sales volume. Moreover, we will be competing with companies with well-established distribution channels. Our success will depend in large part on our ability to effectively develop our own sales channels and marketing strategies. If our direct sales and leasing model does not develop as expected, develops more slowly than expected, or faces significant adversity from the established industry, we may be required to modify or abandon our sales and leasing model, which could materially and adversely affect our business, prospects, financial condition, results of operations, and cash flows.

As a manufacturer engaged in sales directly to consumers, we may also face regulatory limitations on our ability to sell and service vehicles directly, which could materially and adversely affect our ability to sell our vehicles. Many states in the United States have laws that may be interpreted to impose limitations on this direct-to-consumer sales model for manufacturers. The application of these state laws to our operations may be difficult to predict. Laws in some states may limit our ability to obtain dealer licenses from state motor vehicle regulators or to own or operate our own service centers. As a result, we may not be able to sell, finance, or lease directly to customers in each state in the United States or provide service from a location in every state. In addition, decisions by regulators permitting us to sell vehicles may be challenged by dealer associations and others as to whether such decisions comply with applicable state motor vehicle industry laws. In some states, there have also

been regulatory and legislative efforts by dealer associations to interpret laws or propose laws that, if enacted, would prevent us from obtaining dealer licenses in their states given our direct sales model. States may also restrict our ability to service vehicles once sold or leased and delivered to customers. Some states, for example, have laws that prohibit manufacturers from providing warranty service in state or restrict the ability for manufacturers to own or operate service operations. The foregoing examples of state laws governing the sale and servicing of motor vehicles are just some of the legal hurdles we face as we sell, lease, and service our vehicles. In many states, there is limited historical application of motor vehicle laws to our sales model, particularly with respect to the sale of new vehicles over the internet. Internationally, there may be laws in jurisdictions that may restrict our sales or other business practices.

We may be subject to anti-corruption, anti-bribery, anti-money laundering, economic sanctions and other similar laws and regulations, and non-compliance with such laws and regulations could subject us to civil, criminal and administrative penalties, remedial measures and legal expenses, all of which could adversely affect our business, prospects, results of operations, financial condition and reputation.

We are subject to laws with respect to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and other similar laws and regulations in various jurisdictions in which we conduct, or in the future may conduct, activities, including the U.S. Foreign Corrupt Practices Act ("FCPA") and other anti-corruption laws and regulations. The FCPA prohibits us and our officers, directors, employees and business partners acting on our behalf, including agents, from offering, promising, authorizing or providing anything of value to a "foreign official" for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The FCPA also requires companies to make and keep books, records and accounts that accurately reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. A violation of these laws or regulations could adversely affect our business, prospects, results of operations, financial condition and reputation.

Our policies and procedures designed to ensure compliance with these regulations may not be sufficient, and our directors, officers, employees, representatives, consultants, agents, and business partners could engage in improper conduct for which we may be held responsible. Non-compliance with anti-corruption, anti-bribery, anti-money laundering or financial and economic sanctions laws could subject us to adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, prospects, results of operations, financial condition and reputation.

Increases in costs, disruption of supply or shortage of materials used to manufacture our vehicles, in particular for lithium-ion cells or electronic components, could harm our business.

We incur significant costs related to procuring components and raw materials required to manufacture our vehicles. We may experience cost increases, supply disruption and/or shortages relating to components and raw materials, which could materially and adversely impact our business, prospects, financial condition and operating results. We use various components and raw materials in our business, such as steel, aluminum, and lithium battery cells. The prices for these materials fluctuate, and their available supply may be unstable, depending on market conditions and global demand for these materials, including as a result of increased production of electric vehicles by competitors, as well as unforeseeable events.

For example, we are exposed to multiple risks relating to lithium battery cells or electronic components, including but not limited to: (i) an increase in the cost, or decrease in the available supply, of materials used in the battery cells, such as lithium, nickel, cobalt and manganese; (ii) disruption in the supply of battery cells or electronic components due to quality issues or recalls by battery cell or electronic component manufacturers; and (iii) the inability or unwillingness of our current battery cell or electronic component manufacturers to build or operate battery cell or electronic components manufacturing plants to supply the numbers of lithium cells or electronic components required to support the growth of the electric vehicle industry as demand for such battery cells or electronic components increases.

Our business depends on the continued supply of battery cells for the battery packs used in our vehicles and other electronic components. While we believe several sources for battery cells are available, it has to date fully qualified only one supplier and has very limited flexibility in changing battery cell suppliers. Any disruption in the supply of battery cells or electronic components from such supplier could disrupt production of our vehicles until such time as a different supplier is fully qualified. We may be unable to successfully retain alternative suppliers on a timely basis, on acceptable terms or at all.

Furthermore, tariffs or shortages in petroleum and other economic conditions may result in significant increases in freight charges and material costs. In addition, a growth in popularity of electric vehicles without a significant expansion in battery cell production capacity could result in shortages which would result in increased materials costs, negatively impacting our business, prospects, financial condition and results of operations. Substantial increases in the raw materials or component prices costs could reduce margins if we cannot recoup the increased costs through increased vehicle prices. Any attempts to

increase product prices in response to increased material costs could result in a decrease in sales and therefore materially and adversely affect our brand, business, prospects, financial condition and operating results.

We may be subject to risks associated with autonomous driving technology.

The FF 91 series is designed with autonomous driving functionalities and we plan to continue R&D efforts in autonomous driving technology. However, such functionality is relatively new and poses risks, such as from defective software performance or unauthorized access or security attacks by other people. The safety of such technologies also depends in part on user interaction, and users may not be accustomed to using such technologies. Such failures could lead to accidents, injury and death. For example, there have already been fatal accidents caused by autonomous driving vehicles developed by other leading market players. Any accidents involving self-driving vehicles, even if involving those of competitors, may result in lawsuits, liability and negative publicity and increase calls for more restrictive laws and regulations governing self-driving vehicles or to keep in place laws and regulations in locations that do not permit drivers to employ the self-driving functionality. Any of the foregoing could materially and adversely affect our business, results of operations, financial condition, reputation and prospects.

Autonomous driving technology is also subject to considerable regulatory uncertainty as the law evolves to catch up with the rapidly evolving nature of the technology itself, all of which are beyond our control. Also see "– *We and our suppliers may be subject to increased environmental and safety or other regulations and disclosure rules resulting in higher costs, cash expenditures, and/or sales restrictions*."

Developments in new energy technology or improvements in the fuel economy of internal combustion engines or significant reduction in gas prices may materially and adversely affect our business, prospects, financial condition and results of operations.

Significant developments in alternative technologies, such as advanced diesel, ethanol, or compressed natural gas or improvements in the fuel economy of the internal combustion engine or significant reduction in gas prices may materially and adversely affect our business, prospects, financial condition and results of operation. Other fuels or sources of energy, such as hydrogen fuel cells, may emerge as customers' preferred alternative to battery electric vehicles. We are currently a pure battery electric vehicle company. Any failure by us to develop new or enhanced technologies or processes, or to react to changes in existing technologies or consumer preferences, could result in the loss of competitiveness, decreased revenue and a loss of market share.

As technologies change, we plan to continue to upgrade or adapt our products and services with the latest technology. However, our vehicles may not compete effectively with alternative systems if we are not able to source and integrate the latest technology into our vehicles. The introduction and integration of new technologies into our vehicles may increase our costs and capital expenditures required for the production and manufacture of our vehicles. In addition, upgrades and adaptations to our vehicles will also require, from time to time, planned and temporary manufacturing shutdowns. If we are unable to cost efficiently implement new technologies or adjust our manufacturing operations, if we experience delays in achieving the foregoing, or if planned manufacturing shutdowns last longer than projected, our business, prospects, financial condition, results of operations, or cash flows would be materially and adversely affected.

Our vehicles use lithium-ion battery cells, which have been observed to catch fire or vent smoke and flames.

Our vehicles use lithium-ion battery cells, which have been reported that on rare occasions, can rapidly release the energy they store by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion cells. While our battery pack has been designed with the management system and thermal event alarming system which should actively and continuously monitor each cell voltage and also the battery pack temperature and pressure condition to prevent such incidents, a field or testing failure of our vehicles or battery packs could occur, which could subject us to product liability claims, product recalls, or redesign efforts, and lead to negative publicity. Moreover, any failure of a competitor's electric vehicle or energy storage product may cause indirect adverse publicity.

In addition, we will need to store a significant number of lithium-ion cells at our facilities. Any mishandling of battery packs may cause disruption to our business operations and cause damage and injuries.

Our EVs' battery's range and life will deteriorate with usage and time, which, if material, could negatively influence potential customers' decisions to purchase our EVs.

All lithium-ion batteries are consumable components that become less effective as they chemically age. As lithium-ion batteries chemically age, the amount of charge they can hold diminishes, which may result in a perceptible decrease in range for an EV. This can be referred to as the battery's maximum capacity, i.e., the measure of battery capacity relative to when it was new. In addition, a battery's ability to deliver maximum instantaneous performance, or "peak power," may decrease and impact acceleration performance in an electric vehicle. A normal battery is designed to retain up to 80% of its original capacity after 30,000 miles when operating under normal conditions. Although common to all EVs, lithium-ion battery aging may negatively influence potential customers' EV purchase decisions.

Our expansion into new business lines and services may result in unseen risks, challenges and uncertainties.

On March 17, 2025, we announced the launch of Future AIHER AI Hybrid Extended-Range Electric Powertrain Systems Inc., our new 'Future AIHER' subsidiary dedicated to the commercialization and development of both AI extended range and AI hybrid extended-range electric powertrain systems and solutions. We are subject to a multitude of risks inherent in a recently established business venture in a rapidly developing and changing industry, including potential unseen risks, challenges and uncertainties. We have no operating history in the extended-range EV business and may not be able to achieve our business objectives. We cannot assure you that our past experience in the EV business will be sufficient to allow us to successfully achieve our business objectives, and our past performance should not be used as an indicator of our likely performance. Our lack of operating history in the extended-range EV business also makes it difficult to evaluate the prospects of this business. We have not yet been able to confirm that our business model can or will be successful, and we may not ever recognize revenue or operating income from this business. Our expectations regarding the extended-range EV business may not prove to be accurate. Our operating results will likely fluctuate moving forward as we develop this business. In addition, we expect additional growth in this business, which could place significant demands on our management team and other resources and require us to continue developing and improving our operational, financial and other internal controls. We may not be able to address these challenges in a cost-effective manner or at all. If we do not effectively manage our growth, we may not be able to execute on our business plan, respond to competitive pressures or take advantage of market opportunities, and our business, financial condition and results of operations could be materially harmed.

We do not currently generate cash from operations from this new business line, and we expect that we will need to seek additional equity and/or debt financing in both the near- and long-term to finance a portion of our costs and capital expenditures related to the extended-range EV business. So, we will need additional funding from other sources to develop this business. There can be no assurance that we will be able to obtain financing on favorable terms or at all, or that we will have sufficient capital to fully implement our business plan. In addition, most of our current and potential competitors in this business have significantly greater financial, technical, manufacturing, marketing, distribution and other resources, and are able to devote greater resources to the design, development, manufacturing, distribution, promotion, sale and support of their products. If we are unable to receive funds under our existing financing arrangements, raise sufficient funds or obtain funding on terms satisfactory to us, we may have to significantly reduce our spending, delay, or cancel our planned activities for the extended-range EV business, which would materially and adversely affect our business, prospects, financial condition, results of operations, and cash flows.

A reduction or change in the demand for extended-range electric powertrain systems and solutions would have an adverse effect on our ability to develop our extended-range EV business. We are susceptible to general economic slowdowns as well as adverse developments in the extended-range EV, EV, and broader technology and automobile industries. Reduced demand could also result from changes in industry practice or in technology, including development of new technology that could render our extended-range EV business unnecessary. Our results of operations and financial condition could be materially adversely affected as a result of any or all of these factors.

You should consider our extended-range EV and prospects in light of these risks and the risks and difficulties that we will encounter as we continue to develop our business model. We may not be able to address these risks and difficulties successfully, which would materially harm our business and operating results.

Our future growth is dependent on the demand for, and upon customers' willingness to adopt, EVs.

Our future growth is dependent on the demand for, and upon customers' willingness to adopt EVs, and even if EVs become more mainstream, customers choosing us over other EV manufacturers is not assured. Demand for EVs may be affected by factors directly impacting automobile prices or the cost of purchasing and operating automobiles, such as sales and financing incentives, prices of raw materials and components, cost of energy, and governmental regulations, including incentives and tariffs, import regulation, and other taxes.

The market for new alternative energy vehicles is still rapidly evolving, characterized by rapidly changing technologies, competitive pricing and competitive factors, evolving government regulation and industry standards, and changing consumer demands and behaviors. Other factors that may influence the adoption of alternative fuel vehicles, and specifically EVs, include:

- perceptions about EV quality, safety, design, performance, and cost, especially if negative events or accidents occur that are linked to the quality or safety of EVs, whether or not such vehicles are produced by us or other manufacturers, resulting in adverse publicity and harm to consumer perceptions of EVs generally;
- perceptions about vehicle safety in general, in particular safety issues that may be attributed to the use of advanced technology, including EV systems;
- range anxiety, including the decline of an EV's range resulting from deterioration over time in the battery's usable capacity;
- the availability of new alternative energy vehicles;
- competition, including from other types of alternative fuel vehicles, plug-in hybrid EVs, and high fuel-economy internal combustion engine vehicles;
- the quality, reliability, and availability of service and charging stations for EVs;
- the costs and challenges of installing home charging equipment, including for multi-family, rental, and densely populated urban housing;
- the environmental consciousness of consumers, and their adoption of EVs;
- the higher initial upfront purchase price of EVs, despite potentially lower cost of ongoing operating and maintenance costs as well as the cost and time required to service and repair EVs, as compared to internal combustion engine vehicles;
- the higher cost of insurance for EVs, as compared to internal combustion engine vehicles;
- the perception that EVs have lower residual values, as compared to internal combustion engine vehicles;
- the availability of tax and other governmental incentives to purchase and operate EVs and future regulations requiring increased use of nonpolluting vehicles;
- perceptions about and the actual cost of alternative energy, including the capacity and reliability of the electric grid;
- volatility in the price of gasoline or other petroleum-based fuel, any extended periods of low gasoline or other petroleum-based fuel prices or an improved outlook for the long-term supply of oil to the United States;
- regulatory, legislative and political changes; and
- macroeconomic factors.

We will also depend upon the adoption of EVs by operators of commercial vehicle fleets for future growth, and on our ability to produce, sell and service vehicles that meet their needs. The entry of commercial EVs is a relatively new development, particularly in the United States, and is characterized by rapidly changing technologies and evolving government regulation, industry standards, and customer views of the merits of using EVs in their businesses. This process has been slow to date.

Additionally, recent executive orders by the new United States presidential administration indicate an intention to reverse much of the previous administration's policy directives as it relates to clean energy and EVs. This policy shift may reduce governmental incentives and subsidies for EVs, potentially chilling customer demand and impacting our future growth prospects. These recent executive orders may also face legal challenges that could delay or alter their implementation. The possibility of enacting these new policies, including the legal durability of said actions, introduces uncertainty into the regulatory environment, potentially affecting our business, prospects, financial condition, results of operations, and cash flows.

We may not be able to provide customers with access to efficient, economical and comprehensive charging solutions.

We have not built any commercial charging infrastructure. Our customers must rely on private and publicly accessible charging infrastructure, which is generally considered to be insufficient. This places us at a competitive disadvantage in terms of proprietary charging infrastructure or holistic charging solutions. Some competitors provide charging services via self-owned charging infrastructure, battery swapping and charging vehicles, which we may be unable to deliver.

The charging services we provide could fail to meet customer expectations and demands, who may lose confidence in us and our vehicles. This may also deter potential customers from purchasing our vehicles. In addition, even if we had the ability and plan to build our own charging infrastructure, it may not be cost-effective and we may face difficulties in finding proper locations and obtaining relevant government permits and approvals. To the extent we are unable to meet our customers' expectations or demands, or faces difficulties in developing efficient, economical and comprehensive charging solutions, our reputation, business, financial condition and results of operations may be materially and adversely affected.

If owners of our EVs modify our EVs regardless of whether third-party aftermarket products are used, the EV may not operate properly, which may create negative publicity and could materially and negatively affect our business.

Vehicle enthusiasts may seek to alter our EVs to modify their performance which could compromise vehicle safety and security systems. Also, customers may customize their EVs with aftermarket parts that can compromise rider safety. We may not test, nor do we endorse, such changes or products. In addition, customers may attempt to modify our EVs' charging systems or use improper external cabling or unsafe charging outlets that can compromise the vehicle systems or expose our customers to injury from high-voltage electricity. Such unauthorized modifications could reduce the safety and security of our EVs and any injuries resulting from such modifications could result in adverse publicity, which would negatively affect our brand and thus materially and negatively affect our business, prospects, financial condition and operating results.

We face risks associated with international operations, including possible unfavorable regulatory, political, currency, tax and labor conditions, which could harm our business, prospects, financial condition and results of operations.

We have a global footprint with domestic and international operations and subsidiaries. Accordingly, we are subject to a variety of legal, political and regulatory requirements and social, environmental and economic conditions over which we have little control. For example, we may be impacted by trade policies, environmental conditions, political uncertainty and economic cycles involving the U.S. and China, which are inherently unpredictable. We are subject to a number of risks particularly associated with international business activities that may increase our costs, impact our ability to sell vehicles, and require significant management attention. These risks include conforming our vehicles to various international regulatory and safety requirements as well as charging and other electric infrastructures, organizing local operating entities, difficulty in establishing, staffing and managing foreign operations, challenges in attracting customers, hedging against foreign exchange risk, compliance with foreign labor laws and restrictions, and foreign government taxes, regulations and permit requirements, our ability to enforce our contractual rights, trade restrictions, customs regulations, tariffs and price or exchange controls, and preferences of foreign nations for domestically manufactured products. If we do not sufficiently address any of these challenges, our business, prospects, financial condition and results of operations may be materially and adversely affected.

We may not obtain and maintain sufficient insurance coverage, which could expose us to significant costs and business disruption.

We may only obtain and maintain limited liability insurance coverage for our products and business operations. A successful liability claim against us due to injuries suffered by the users of our vehicles or services could materially and adversely affect our business, prospects, financial condition, results of operations and reputation. In addition, we do not have any business disruption insurance. Any business disruption event could result in substantial cost and diversion of resources.

Demand for our products and services may be impacted by the status of government and economic incentives supporting the development and adoption of such products.

Government and economic incentives that support the development and adoption of EVs in the United States, including certain tax exemptions, tax credits and rebates, may be reduced, eliminated, amended or exhausted from time to time. Incentives provided by federal or state authorities may have predetermined expiration dates, may conclude once allocated funds are depleted, or could be reduced or discontinued due to changes in regulatory or legislative priorities. In addition, certain government and economic incentives may also be implemented or amended to provide benefits to manufacturers who have local suppliers or have other characteristics that may not apply to us. Such developments could negatively impact demand for our EVs, and we and our customers may have to adjust to them, including through pricing modifications. Consequently, the effects of governmental EV programs, including regulatory impacts and limitations that might affect our ability and that of our competitors to benefit from these programs, remain uncertain at this time Future federal and state administrations could introduce additional uncertainty for the EV industry. For instance, the new United States presidential administration has issued executive orders and could implement additional policies or modify regulations that could negatively impact the expansion of the EV market, such as by rescinding or modifying certain tax credits, and could take further actions to diminish incentives for the production and purchase of EVs. Consequently, the availability of these tax credits or other government incentives and our ability and that of our customers and competitors to benefit from these credits and incentives, remain uncertain at this time.

We may engage in direct-to-consumer leasing or financing arrangements which would expose us to credit, compliance and residual value risks, the failure of which to manage may materially harm our business, prospects, financial condition and results of operations.

We expect the availability of financing or leasing programs to be important for potential customers. We may be unable to obtain adequate funding for future financing or leasing programs or offer terms acceptable to potential customers. If we are unable to provide compelling financing or leasing arrangements for our vehicles, we may be unable to grow the vehicle orders and deliveries, which could materially and adversely harm our business, prospects, financial condition and results of operations.

Additionally, if we do not successfully monitor and comply with applicable national, state, and/or local consumer protection laws and regulations governing these transactions, we may become subject to enforcement actions or penalties, either of which may harm our business and reputation.

Moreover, offering leasing or financing arrangements expose us to risks commonly associated with the extension of credit. Credit risk is the potential loss that may arise from any failure in the ability or willingness of the customer to fulfill our contractual obligations when they fall due. In the event of a widespread economic downturn or other catastrophic event, our customers may be unable or unwilling to satisfy their payment obligations on a timely basis or at all. Moreover, competitive pressure and challenging markets may increase credit risk through loans and leases to financially weak customers and extended payment terms. If a significant number of our customers default, we may incur credit losses and/or have to recognize impairment charges with respect to the underlying assets, which may be substantial. Any such credit losses and/or impairment charges could adversely affect our business, prospects, results of operations and financial condition.

Further, in lease arrangements, the profitability of any vehicles returned to us at the end of their leases depends on our ability to accurately project such vehicles' residual values at the outset of the leases, and such values may fluctuate prior to the end of their terms depending on various factors such as supply and demand for our used vehicles, economic cycles, and the pricing of new vehicles. We may incur substantial losses if our vehicles' fair market value deteriorates faster than projected.

Yueting Jia, our founder and Global Co-Chief Executive Officer, is closely associated with our image and brand, and his public image may color public and market perceptions of our company. Negative information about Mr. Jia may adversely impact us. Disassociating from Mr. Jia could also adversely impact us.

Because of his position as our founder and his continuing role as our Chief Product and User Ecosystem Officer, as Founder Advisor to the Board (effective as of October 4, 2022), and, as of February 26, 2023 and his appointment as Global Co-Chief Executive Officer in April 2025, a Section 16 officer and an "executive officer" under Rule 3b-7 of the Exchange Act, Mr. Jia is closely associated with our image and brand. As a result, his activities, media coverage about his activities and those of his affiliates and public and market perception of him and his role within our company all contribute to public and market perception of our company, which in turn impacts, among other things, our ability to conduct business, our relationships with our management and employees, our ability to raise financing and our relationships with government and regulatory officials.

In the past, Mr. Jia's activities have resulted in him being subject to discipline by our company. He has also been the subject of regulatory and legal scrutiny for his conduct at with us and in connection with his other business ventures. The following events and activities, among others, and any future similar events and activities could generate negative perceptions about Mr. Jia and, by extension, us:

- Mr. Jia was disciplined as part of the Special Committee investigation. See "Note 12, *Commitments and Contingencies,* in the Notes to the Consolidated Financial Statements for more information regarding the findings and remedial actions relating to the Special Committee investigation.
- Mr. Jia personally declared Chapter 11 bankruptcy in 2019; the U.S. bankruptcy court approved a restructuring plan in this proceeding in 2020.
- The Shenzhen Stock Exchange ("SSE") determined in 2019 that Mr. Jia was unsuitable for a position as director, supervisor or executive officer of public listed companies in China. This action came as a result of the violation by Leshi Information Technology Co., Ltd. ("LeTV"), an SSE-listed public company founded and controlled by Mr. Jia, of several listing rules, including those related to related party transactions, discrepancies in LeTV's forecast and financials, and the use of proceeds from a public offering.
- The China Securities Regulatory Commission notified Mr. Jia in 2021 of its decision to impose fines and a permanent ban from entry into the securities market as a result of misrepresentations in LeTV's disclosure and financial statements, fraud in connection with a private placement, and other violations of securities laws and listing requirements.
- Mr. Jia is a named defendant in securities litigation before the Beijing Financial Court brought in 2021 relating to alleged misrepresentations made by LeTV in connection with the matters referred to above. This matter is pending.
- The Hong Kong Stock Exchange ("HKSE") notified Mr. Jia in 2021 that he and another former executive director of Coolpad Group Limited ("Coolpad"), an HKSE-listed public company of which Mr. Jia was executive director and chairman, had breached their undertakings to the HKSE as a result of Coolpad's failure to comply with listing rules relating to timely disclosure and the publishing of financial results. The HKSE determined that Mr. Jia should be removed from the board of Coolpad as his continued service would be prejudicial to the interests of investors.

Although we are subject to risks from its ongoing association with Mr. Jia, if Mr. Jia ceased to be associated with us, this also could adversely impact our business, operations, brand, management and employee relations, and customer relationships, as well as our ability to develop business in China. Customers, employees and investors could conclude that because of Mr. Jia's long relationship with and involvement in our business, and the substantial contributions he has made to our strategy, products and competitive positioning, a loss of Mr. Jia's involvement could significantly harm our business and prospects.

Yueting Jia is subject to restrictions in China that may adversely impact our China strategy.

Mr. Jia remains subject to restrictions that prevent him from working for us in China. Continuance of these restrictions could adversely impact us because of our reliance on him to develop our business in China.

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.

On February 26, 2023, after an assessment by the Board of our management structure, the Board approved Mr. Jia (alongside the Company's then Global CEO, Mr. Xuefeng Chen) reporting directly to the Board, as well as our product, mobility ecosystem, I.A.I., and advanced R&D technology departments reporting directly to Mr. Jia. The Board also approved our user ecosystem, capital markets, human resources and administration, corporate strategy and China departments reporting to both Mr. Jia, our Global Co-CEO as of April 25, 2025 and our other Global Co-CEO, subject to processes and controls to be determined by the Board after consultation with our management. Our remaining departments continue to report to the Global Co-CEOs. Based on the changes to his responsibilities, the Board determined that Mr. Jia is a Section 16 officer and an "executive officer" under Rule 3b-7 under the Exchange Act. Mr. Jia's responsibilities have been expanded and his ability to further influence us, our management, business and operations have increased.

FF Global is controlled by a board of five voting managers that includes Mr. Jia and certain business associates and a family member, which at times have included certain of our directors and senior executives. Despite the participation of some members of our executive management in the management of FF Global, FF Global is not under the control of our Board.

FF Global, in turn, has control over our management, business and operations by several means, including:

- *FF Global has substantial influence over the composition of our Board (in addition to FF Global's director nomination rights under the Shareholder Agreement described below)*. Additionally, pursuant to the Amended Shareholder Agreement, FF Top informed us that it may request us to submit a stockholder proposal to amend the Amended and Restated Charter to provide that (i) the voting power of the Class B Common Stock, of which FF Global owns all outstanding shares, will be 10 votes per share and (ii) the voting power of the Class B Common Stock will increase from 10 votes per share to 20 votes per share following our achieving an equity market capitalization of $3.0 billion.

- *Control of the Partnership Program described in this 10-K under "Business – Partnership Program."* Acting through FF Global, in July 2019 certain current and former directors and executives of the Company established an arrangement which they refer to as the "Partnership Program." The Partnership Program provides financial benefits to certain Company directors, management and employees. The Partnership Program is administered by FF Global and is not under our supervision, and as a consequence we cannot be sure that we have all information about the Partnership Program that would be necessary to evaluate or mitigate its impact on our ability to set and ensure the execution of our business objectives and strategies.
- *The exercise of rights to appoint and remove directors.* Beginning in June 2022, we were a party to a dispute with FF Global over various terms of the Shareholder Agreement (as then in effect), including relating to FF Global's right to remove its designees from the Board. On September 23, 2022, we entered into the Heads of Agreement, which provided for a governance settlement with FF Top that gave FF Global significant influence over the nomination and election of directors to the Board. On January 13, 2023, we entered into the Amended Shareholder Agreement, which in part amended the Heads of Agreement.

Under the Heads of Agreement, as amended by the Amended Shareholder Agreement, FF Global (through its subsidiary FF Top) had the right to select four directors (at least two of whom must be independent directors) out of a total of seven directors to be included on the Board's slate for the Company's 2023 annual meeting of stockholders. The four directors selected by FF Global were Mr. Chad Chen, Ms. Li Han, Mr. Chui Tin Mok and Mr. Jie Sheng.

Pursuant to the Amended Shareholder Agreement, FF Top currently has the right to nominate for election to the Board four designees until the first date on which FF Top has ceased to beneficially own at least 88,890 shares of Common Stock for at least 365 consecutive days, with such amount subject to adjustment in connection with any stock split, reverse stock split or other similar corporate action after the date of the Amended Shareholder Agreement. Following the termination of FF Top's right to nominate four designees, FF Top will continue to have the right to nominate a number of designees not less than the number equal to the total number of directors on the Board, multiplied by the aggregate voting power of the shares of Common Stock and other of our securities generally entitled to vote in the election of directors of our company beneficially owned by FF Top and its affiliates, divided by the total voting power of the then-outstanding shares of Common Stock issued as of the record date for any meeting of our stockholders at which directors are to be elected, rounding up to the next whole director. The Amended Shareholder Agreement also requires us to take all Necessary Action (as defined in the Amended Shareholder Agreement) to cause to be appointed to any committee of the Board a number of FF Top designees that corresponds to the proportion that the number of directors FF Top has the right to designate to the Board bears to the total number of directors on the Board, to the extent such designees of FF Top are permitted to serve on such committees under the applicable rules and regulations of the SEC and applicable listing rules. The designees of FF Top are required to include two independent directors for so long as FF Top is entitled to nominate four designees, and we are at all times required to cause the Board to include a sufficient number of independent directors who are not designees of FF Top to comply with applicable listing standards, unless and until we become a "controlled company" under relevant listing exchange rules. FF Top has the /right to fill any vacancies created on the Board at any time by the death, disability, retirement, removal, failure of being elected or resignation of any designee of FF Top. Further, FF Top has the right at any time, and from time to time, to remove any designee of FF Top, and FF Top has the exclusive right to nominate a replacement nominee to fill any vacancy so created by such removal or resignation of such designee of FF Top. We will use our reasonable best efforts to take or cause to be taken, to the fullest extent permitted by law, all necessary action to fill such vacancies or effect such removals in accordance with the Amended Shareholder Agreement. The appointment or nomination for election of designees of FF Top (other than FF Top's designees for the Company's 2023 annual meeting of stockholders, the appointment of whom was governed by the Heads of Agreement, as amended by the Amended Shareholder Agreement) will be subject to the reasonable verification and/or approval by the Nominating and Corporate Governance Committee of the Board based on the criteria set forth in the Amended Shareholder Agreement. If any designee of FF Top fails to be elected at any meeting of our stockholders, then, upon FF Top's request in writing, we will promptly expand the size of the Board by a number of seats equal to the number of non-elected designees of FF Top, and FF Top will have the exclusive right to fill the vacancy or vacancies on the Board created by such expansion (provided the individual or individuals who will fill such vacancy or vacancies will not be the same designees of FF Top who failed to get elected, without prejudice to FF Top's right to re-designate the non-elected designees as designees of FF Top in any other circumstance), and such new designees of FF Top will be appointed to the Board by the Board promptly following their having been approved or deemed approved in accordance with the relevant criteria and procedures set forth in the Amended Shareholder Agreement. Immediately prior to (and effective as of) the first meeting of stockholders following such expansion of the Board, the Board will cause the size of the Board to be decreased back to seven.

As a result of the foregoing, FF Global has significant influence over the composition of the Board and, as a result, Mr. Jia and FF Global have strengthened their already significant influence over us.

Given that Mr. Jia was disciplined by us in connection with the Special Committee investigation, and in light of the regulatory sanctions he has faced in China (as described above under "– *Yueting Jia, our founder and Global Co-Chief Executive Officer, is closely associated with our image and brand, and his public image may color public and market perceptions of us. Negative information about Mr. Jia may adversely impact us. Disassociating from Mr. Jia could also adversely impact FF*")*,* the fact that the Board has determined that Mr. Jia is a Section 16 officer and as an "executive officer" under Rule 3b-7 of the Exchange Act, which both could imply that Mr. Jia has policy-making authority in our company, could adversely affect the outcome of the pending SEC and DOJ investigations of us in connection with the matters that were the subject of the Special Committee investigation. Moreover, as a result of Mr. Jia's regulatory sanctions in China, the Board's determination that Mr. Jia is both a Section 16 officer and an executive officer of our company could result in the delisting of our securities by Nasdaq, which would adversely impact our ongoing financing efforts, business and financial position and materially impair the market for and market prices of our Common Stock and warrants. If our securities are delisted by Nasdaq, we are unlikely to be able to raise sufficient additional funds in the near term, and as a result may be required to further delay our production and delivery plans for the FF 91, reduce headcount, liquidate our assets, file for bankruptcy, reorganize, merge with another entity, and/or cease operations.

Mr. Jia maintains that the litigation previously initiated by FF Global for purposes of changing our Board and management, which has since been dismissed without prejudice pursuant to the Heads of Agreement, was a collective decision made by FF Global and was not Mr. Jia's decision. See Note 12, *Commitments and Contingencies – Legal Proceedings,* in the Notes to the Consolidated Financial Statements. Our interests may not coincide with the interests of Mr. Jia or FF Global in all circumstances. For example, our Board may prioritize business or financial objectives or strategies that Mr. Jia or FF Global disagree with or that Mr. Jia or FF Global consider not to be in their interest. In such a case, Mr. Jia or FF Global could use their significant influence over potential investors, our management, business and operations to advance the interests of Mr. Jia or FF Global notwithstanding any adverse impact on our interests.

Disputes with stockholders are costly and distracting.

We have in the past been, and may in the future be, party to various disputes with our stockholders. For example, beginning in June 2022 we and FF Global were party to a dispute over various terms of the Shareholder Agreement (as then in effect), including relating to FF Global's right to remove its designees from the Board. As part of this dispute, on June 22, 2022, Matthias Aydt, our current Global Co-CEO and director and then a member of the board of managers of FF Global, after a discussion with a member of FF Global, relayed to Mr. Brian Krolicki, a former member of the Board, that FF Global would pay Mr. Krolicki up to $700,000, offset by the amount of any severance payments made by us, if Mr. Krolicki resigned from the Board. This offer was rejected by Mr. Krolicki.

While we entered into governance settlements with FF Top on September 23, 2022 and on January 13, 2023, which included general mutual releases of claims, there can be no assurance that disputes with FF Global or our other stockholders will not arise in the future. For instance, shortly following the execution of the Heads of Agreement, FF Global began making additional demands that were beyond the scope of the terms contemplated by the Heads of Agreement and pertained to, among other things, our management reporting lines and certain governance matters. On September 30, 2022, FF Global alleged that we were in material breach of the spirit of the Heads of Agreement. We believe we have complied with the applicable terms of the Heads of Agreement, and disputes any characterization to the contrary. Such dispute could result in litigation, may consume substantial amounts of Board and management time, make it difficult for the Board to operate in a constructive and collegial manner and are likely to be costly to us. In addition, the diversion of management and Board attention caused by such disputes may risk the successful completion of our ongoing financing efforts. If we are unable to raise sufficient additional funds in the near term, we may be required to further delay our production and delivery plans for the FF 91 Futurist and FX Super One, reduce headcount, liquidate our assets, file for bankruptcy, reorganize, merge with another entity, and/or cease operations.

We are subject to legal proceedings, claims, and disputes arising both in and outside the ordinary course of business.

We have been, continue to be, and may in the future be involved in legal proceedings and claims arising both in and outside the ordinary course of our business. We could also be subject to claims and litigation by investors based on the decline of the price of our Common Stock. For example, we have been involved in litigation with contractors and suppliers over past due payments and our subsidiaries in the People's Republic of China (the "PRC Subsidiaries") are involved in multiple proceedings or disputes involving lease contracts, third-party suppliers or vendors, or labor disputes. Additionally, we have in the past been, and may in the future be, party to various disputes with our stockholders, such as the dispute with FF Global, derivative actions and class actions. See Note 12, *Commitments and Contingencies*", in the Notes to the Consolidated Financial Statements contained in this Form 10-K for more information regarding the current legal proceedings we are involved in.

Such litigation and other legal proceedings or disputes are inherently uncertain, divert managements time and attention, and are costly. Any adverse judgments or settlements in some of these legal disputes, or future proceedings or disputes, may result in adverse monetary damages, penalties or injunctive relief against us, which could negatively impact our financial position, cash flows or results of operations. Additionally, if one or more of those legal matters were resolved against us in a reporting period for amounts above management's expectations, our business prospects, financial condition and operating results could be materially and adversely affected. Further, any claims or litigation, regardless of outcome or if fully indemnified or insured, could damage our reputation and make it more difficult to compete effectively or to obtain adequate insurance.

Furthermore, while we maintain insurance for certain potential liabilities, our insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions as well as retentions and caps on amounts recoverable. Even if we believe a claim is covered by insurance, insurers may dispute our entitlement to recovery for a variety of potential reasons, which may affect the timing and, if the insurers prevail, the amount of our recovery.

Our latest business strategy, which we refer to as the Bridge Strategy and/or Dual Brand Strategy, is subject to numerous risks and uncertainties.

We have developed a new business strategy that we refer to as the Bridge Strategy and/or Dual Brand Strategy as described in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations - Overview* contained in Part I of this form 10-K. This strategy, which focuses on a to-be developed FX brand, may fail for any number of reasons, including that:

- there may be insufficient demand in the United States for a China-based electric vehicle;
- the price range that we are initially targeting is a highly competitive segment of the electric vehicle market, and additional competitors are expected in the future;
- competitors in this space are better capitalized, substantially larger, have developed after-sales service and support infrastructures, have existing or upcoming models in the market, and have stronger name recognition;
- we currently lack the necessary funding to execute on the strategy, and it is unclear how much quarterly funding will be required to execute on the strategy in 2024 or 2025;
- we have not entered into definitive agreements with any potential suppliers of FX vehicles;
- existing tariff policies, including the tariffs on electric vehicles and lithium-ion batteries from China that were announced by the Biden administration in May 2024, and new tariffs could render the strategy unfeasible;
- the cost of procuring components and raw materials from countries other than China in order to manage the aforementioned tariffs could render the strategy unfeasible;
- there is little margin for error in cost modeling;
- the strategy could distract management from our other business strategies and operations, including our U.S. and China dual-home strategy, U.S. delivery of the FF 91 Futurist, and our strategy in the Middle East including the United Arab Emirates;
- regulatory and compliance costs, as well as obtaining necessary certifications, and building a new supply chain would be time-consuming and costly;
- we would need to obtain a certificate of occupancy for our Hanford manufacturing facility, and obtaining such a certificate of occupancy would be time consuming and costly;
- we may need to hire a significant number of employees at our Gardena and Hanford locations to execute on strategy; and
- the strategy could require a U.S.-wide after-service and support infrastructure, which would be costly to build.

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.

On March 18, 2026, the Company received a letter from the SEC stating that the SEC staff does not intend to recommend an enforcement action by the SEC against the Company. Company Founder and Global Co-Chief Executive Officer Yueting (YT) Jia, and Company Global President Jiawei (Jerry) Wang, confirmed that they received similar letters in their individual capacities. However, this is not equivalent to an exoneration, and it is still possible that certain action may result from any future investigation by the SEC. Such action could be 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. Any potential subsequent SEC investigation or enforcement actions can be expensive and disruptive, and we are obligated to indemnify each of the individuals for their costs associated with the investigation, 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. 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. Furthermore, on February 20, 2026, the Supreme Court of the United States struck down various tariffs unilaterally imposed by President Trump in a series of executive orders under the International Emergency Economic Powers Act as unconstitutional. Shortly thereafter, President Trump imposed a 15% tariff under the Trade Act of 1974, which can last only 150 days unless Congress approves an extension. How the tariff war between the U.S. and China will develop is highly uncertain, and difficult 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 and could present conflicts of interest that we may not be able to resolve.

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, YT Jia, founder, Co-Global Chief Executive Officer, also serves as an advisor to AIXC. Potential conflicts of interest may arise if the interests of the companies they manage and advise, as applicable, 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, if we are unable to resolve potential conflicts of interest, 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.

We may lose our controlling interest in AIXC as a result of issuances of securities by AIXC that dilute our existing ownership, which may adversely impact our crypto and Web3-related business.

In September 2025, the Company, through a strategic investment in AIXC as the lead investor in a PIPE transaction to establish a crypto and Web3-related business, obtained a controlling interest of AIXC. In the event AIXC issues additional shares of its common stock, or securities convertible into its common stock, our majority interest in AIXC may be diluted such that we no longer have a controlling interest in AIXC, which would result in the deconsolidation of AIXC from our consolidated financial statements and could materially impact our financial position, results of operations, and cash flows. In such event, we would no longer control AIXC’s strategic, operational, or financial decisions, and our ability to influence its business, including its crypto-related investment strategy and capital allocation, would be significantly reduced. Additionally, we may be required to recognize a gain or loss upon deconsolidation and subsequently account for our retained interest under the equity method or at fair value, which could introduce increased volatility to our earnings. Loss of control may also limit our ability to realize anticipated synergies and could adversely affect our growth strategy related to digital assets, Web3 initiatives, and diversification efforts. Furthermore, AIXC operates in a highly volatile and evolving regulatory environment, and without control, we may have limited ability to manage associated risks, which could adversely affect our financial condition and results of operations.

Risks Related to our Operations in China

We operate in China and plan to have significant operations there in the future (including Hong Kong) through the PRC Subsidiaries, and faces various legal and operational risks associated with doing business in China, which could result in a material change in the operations of the PRC Subsidiaries, cause the value of our securities to significantly decline or become worthless, and significantly limit or completely hinder our ability to accept foreign investments, and our ability to offer or continue to offer our shares of Common Stock and warrants to investors. These risks include:

Changes in the political and economic policies of the PRC government may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies.

As part of our dual-market strategy, substantial aspects of our business and operations may be based in China in the future, which would increase our sensitivity to the economic, operational and legal risks specific to China. For example, China's economy differs from the economies of most developed countries in many aspects, including, but not limited to, the degree of government involvement, control of capital investment, reinvestment control of foreign exchange, control of intellectual property, allocation of resources, growth rate and development level. Although the PRC government has implemented measures since the late 1970s emphasizing the utilization of market forces for economic reform, including the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, which are generally viewed as a positive development for foreign business investment, a substantial portion of productive assets in China is still owned by the PRC government. In addition, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises significant control over the PRC economic growth through allocating resources, controlling payments of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies.

While China's economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy, and the rate of growth has been slowing down. Some of the governmental measures may benefit the overall Chinese economy but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations. Higher inflation could adversely affect our results of operations and financial condition. Furthermore, certain operating costs and expenses, such as employee compensation and office operating expenses, may increase as a result of higher inflation. In addition, the PRC government has implemented in the past certain measures to control the pace of economic growth. These measures may cause decreased economic activity, which in turn could lead to a reduction in demand for our products and services and consequently have a material adverse effect on our businesses, financial condition and results of operations.

It is unclear whether and how our current or future business, prospects, financial condition or results of operations may be affected by changes in China's economic, political and social conditions and in its laws, regulations and policies. In addition, many of the economic reforms carried out by the Chinese government are unprecedented or experimental and are expected to be refined and improved over time. The ultimate effect of such refining and improving process may on our operations and business development is uncertain.

Uncertainties with respect to the Chinese legal system, regulations and enforcement policies could have a material adverse effect.

Our operations in China are governed by PRC laws and regulations. As the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules and enforcement of these laws, regulations and rules may involve uncertainties. In addition, the PRC government authorities may continue to promulgate new laws and regulations related to, among other things, foreign investment and manufacturing in China. We cannot assure you that our business operations would not be deemed to violate any existing or future PRC laws or regulations, which in turn could have a material adverse effect on our business and our ability to operate our business in China.

From time to time, the PRC Subsidiaries may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy. Furthermore, the PRC legal system is based in part on government policies and internal rules (some of which are not published in a timely manner or at all) that may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until sometime after the violation. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, and any failure to

respond to changes in the regulatory environment in China could materially and adversely affect our business, impede the PRC Subsidiaries' operations and reduce the value of your investment in us.

Recently, the General Office of the State Council and another PRC authority jointly issued the "Opinions on Severely Cracking Down on Illegal Securities Activities According to Law" (the "Opinions"), which was promulgated on July 6, 2021. The Opinions emphasized the need to strengthen the administration over illegal securities activities, the need to strengthen the supervision over overseas listings by PRC-based companies and the need to revise the special provisions of the State Council on overseas issuance and listing of shares by those companies. Effective measures, such as promoting the construction of relevant regulatory systems will be taken to deal with the risks and incidents of PRC-based companies, and cybersecurity, data security, privacy protection requirements and similar matters. On February 17, 2023, the China Securities Regulatory Commission (the "CSRC") promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic companies (the "Overseas Listing Trial Measures") and relevant five guidelines, which became effective on March 31, 2023. The Overseas Listing Trial Measures will comprehensively reform the existing regulatory regime for overseas securities offering and listing of PRC domestic companies by adopting a filing-based regulatory regime. See "*The approval of, or filing or other administrative procedures with, the CSRC or other PRC governmental authorities may be required in connection with certain of our financing activities, and, if required, we cannot predict if we will be able to obtain such approval or complete such filing or other administrative procedures*" for more details.

Furthermore, the PRC government may strengthen oversight and control over offerings conducted overseas and/or foreign investment in issuers with substantial operations in China. Such actions taken by the PRC government may intervene or influence the PRC Subsidiaries' operations at any time, which are beyond our control. Therefore, any such action may adversely affect our operations and significantly limit or hinder our ability to raise additional capital and reduce the value of our securities.

Uncertainties regarding the enforcement of laws and the fact that rules and regulations in China can change quickly with little advance notice, along with the risk that the Chinese government may intervene or influence the PRC Subsidiaries' operations at any time, or may exert more control over offerings conducted overseas and/or foreign investment in issuers with substantial operations in China could result in a material change in our operations or financial performance and/or could result in a material reduction in the value of our Common Stock and warrants or hinder our ability to raise necessary capital.

Fluctuations in exchange rates could result in foreign currency exchange losses and may reduce the value of, and amount in U.S. Dollars of dividends payable on, our Common Stock in foreign currency terms.

The value of the CNY against the U.S. Dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions and the foreign exchange policy adopted by the PRC government. In August 2015, the People's Bank of China (the "PBOC"), changed the way it calculates the mid-point price of the CNY against the U.S. Dollar, requiring the market-makers who submit for reference rates to consider the previous day's closing spot rate, foreign-exchange demand and supply as well as changes in major currency rates. It is difficult to predict how market forces or PRC or U.S. government policy, including any interest rate increases by the Federal Reserve, may impact the exchange rate between the CNY and the U.S. Dollar in the future. There remains significant international pressure on the PRC government to adopt a more flexible currency policy, including from the U.S. government, which has threatened to label China as a "currency manipulator," which could result in greater fluctuation of the CNY against the U.S. Dollar. However, the PRC government may still restrict access to foreign currencies for capital account or current account transactions in the future. Therefore, it is difficult to predict how market forces or government policies may impact the exchange rate between the CNY and the U.S. Dollar or other currencies in the future. In addition, the PBOC regularly intervenes in the foreign exchange market to limit fluctuations in CNY exchange rates and achieve policy goals. If the exchange rate between the CNY and U.S. Dollar fluctuates in an unanticipated manner, our results of operations and financial condition, and the value of, and dividends payable on, our shares in foreign currency terms may be adversely affected.

Changes in the laws and regulations of China or noncompliance with applicable laws and regulations may have a significant impact on our business, results of operations and financial condition.

Our operations in China are subject to the laws and regulations of China, which continue to evolve. For example, on January 9, 2021, China's MOFCOM issued the Rules on Blocking Improper Extraterritorial Application of Foreign Legislation and Other Measures (the "Blocking Rules"), which established a blocking regime in China to counter the impact of foreign sanctions on Chinese persons. The Blocking Rules have become effective upon issuance, but have only established a framework of implementation, and the rules' effects will remain unclear until the Chinese government provides clarity on the specific types of extraterritorial measures to which the rules will apply. At this time, we do not know the extent to which the

Blocking Rules will impact the operations of the PRC Subsidiaries. There is no assurance that the PRC Subsidiaries will be able to comply fully with applicable laws and regulations should there be any amendment to the existing regulatory regime or implementation of any new laws and regulations. In addition, the interpretations of many laws and regulations are not always uniform and enforcement of these laws and regulations involve uncertainties.

The continuance of the PRC Subsidiaries' operations depends upon compliance with, among other things, applicable Chinese environmental, health, safety, labor, social security, pension and other laws and regulations. Failure to comply with such laws and regulations could result in fines, penalties or lawsuits.

Furthermore, our business and operations in China entail the procurement of licenses and permits from the relevant authorities. Rapidly evolving laws and regulations and uncertainties regarding interpretations and enforcements thereof could impede the PRC Subsidiaries' ability to obtain or maintain the required permits, licenses and certificates required to conduct our businesses in China. Difficulties or failure in obtaining the required permits, licenses and certificates could result in the PRC Subsidiaries' inability to continue our business in China in a manner consistent with past practice. In such an event, our business, results of operations and financial condition may be adversely affected.

We are a holding company and, in the future, may rely on dividends and other distributions on equity paid by the PRC Subsidiaries to fund any cash and financing requirements that we may have, and the restrictions on the PRC Subsidiaries' ability to pay dividends or make other payments to us could restrict our ability to satisfy its liquidity requirements and have a material adverse effect on our ability to conduct its business.

We are a holding company and conducts all of our business through our operating subsidiaries. We may need to rely on dividends and other distributions paid by our operating subsidiaries, including the PRC Subsidiaries, to fund any cash and financing requirements we may have. Any limitation on the ability of the PRC Subsidiaries to make payments to us, including but not limited to foreign currencies control, could have a material and adverse effect on our business, prospects, financial condition and results of operation, including our ability to conduct business, or limit our ability to grow. Current PRC regulations permit the PRC Subsidiaries to pay dividends to us only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, the PRC Subsidiaries are required to set aside at least 10% of their accumulated profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of their registered capital. The PRC Subsidiaries may also allocate a portion of their after-tax profits based on PRC accounting standards to employee welfare and bonus funds at their discretion. These reserves are not distributable as cash dividends. Furthermore, if the PRC Subsidiaries incur debt on their own behalf, the instruments governing the debt may restrict their ability to pay dividends or make other payments to us. Any limitation on the ability of the PRC Subsidiaries to distribute dividends or to make payments to us may restrict its ability to satisfy its liquidity requirements.

In addition, the PRC Enterprise Income Tax Law (the "EIT Law"), and its implementation rules provide that a withholding tax rate of up to 10% will be applicable to dividends payable by Chinese companies to non-PRC-resident enterprises unless otherwise exempted or reduced according to treaties or arrangements between the PRC central government and governments of other countries or regions where the non-PRC-resident enterprises are incorporated.

The PRC government may continue to strengthen its capital controls, and more restrictions and substantial vetting process may be put forward by SAFE for cross-border transactions falling under both the current account and the capital account. Any limitation on the ability of the PRC Subsidiaries to pay dividends or make other kinds of payments to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

Under the EIT Law, we may be classified as a PRC "resident enterprise" for PRC enterprise income tax purposes. Such classification would likely result in unfavorable tax consequences to us and its non-PRC enterprise stockholders and have a material adverse effect on our results of operations and the value of your investment.

Under the EIT Law, as well as its implementing rules, an enterprise established outside the PRC with "de facto management bodies" within the PRC is considered a "resident enterprise" for PRC enterprise income tax purposes and is generally subject to a uniform 25% enterprise income tax rate on its worldwide income. Under the implementation rules to the EIT Law, a "de facto management body" is defined as a body that has material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and properties of an enterprise. In addition, a circular, known as SAT Circular 82, issued in April 2009 by the State Administration of Taxation of the PRC (the "SAT"), specifies that certain offshore incorporated enterprises controlled by PRC enterprises or PRC enterprise groups will be classified as PRC resident enterprises if the following are located or resident in the PRC: senior management personnel and departments that are responsible for daily production, operation and management; financial and personnel decision making bodies; key properties, accounting books, company seal, and minutes of board meetings and stockholders' meetings; and half or more of the senior management or directors having voting rights. Further to SAT Circular 82, the SAT issued a bulletin, known as SAT Bulletin 45, which took effect in September 2011, to provide more guidance on the implementation of SAT Circular 82 and clarify the reporting and filing obligations of such "Chinese-controlled offshore incorporated resident enterprises." SAT Bulletin 45 provides procedures and administrative details for the determination of resident status and administration on post-determination matters. Although both SAT Circular 82 and SAT Bulletin 45 only apply to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreign individuals, the determining criteria set forth in SAT Circular 82 and SAT Bulletin 45 may reflect the SAT's general position on how the "de facto management body" test should be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises, PRC enterprise groups or by PRC or foreign individuals.

We do not believe that we, as a holding company incorporated in Delaware, meet all of the conditions above, and thus we do not believe that we are a PRC resident enterprise. However, if the PRC tax authorities determine that we are a PRC resident enterprise for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. First, we will be subject to the uniform 25% enterprise income tax on our world-wide income, which could materially reduce our net income. In addition, we will also be subject to PRC enterprise income tax reporting obligations. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body."

Finally, since there remains uncertainties regarding the interpretation and implementation of the EIT Law and its implementation rules, it is uncertain whether, if we are regarded as a PRC resident enterprise, any dividends payable by us to our investors and gains on the sale of our Common Stock would become subject to PRC withholding tax, at a rate of 10% in the case of non-PRC enterprises (subject to the provisions of any applicable tax treaty). It is unclear whether our non-PRC enterprise stockholders would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in the Common Stock.

We and our stockholders face uncertainty with respect to indirect transfers of equity interests in China resident enterprises through transfer of non-Chinese-holding companies. Enhanced scrutiny by the Chinese tax authorities may have a negative impact on potential acquisitions and dispositions it may pursue in the future.

On February 3, 2015, the SAT issued the Bulletin on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises, known as Bulletin 7. Pursuant to this Bulletin 7, an "indirect transfer" of assets, including non-publicly traded equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. According to Bulletin 7, "PRC taxable assets" include assets attributed to an establishment in China, immovable properties located in China, and equity investments in PRC resident enterprises, in respect of which gains from their transfer by a direct holder, being a non-PRC resident enterprise, would be subject to PRC enterprise income taxes. When determining whether there is a "reasonable commercial purpose" of the transaction arrangement, features to be taken into consideration include, without limitation: whether the main value of the equity interest of the relevant offshore enterprise derives directly or indirectly from PRC taxable assets; whether the assets of the relevant offshore enterprise mainly consists of direct or indirect investment in China or if its income mainly derives from China; whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have real commercial nature which is evidenced by their actual function and risk exposure; the duration of existence of the stockholders, business model and organizational structure; the income tax payable abroad on the income from the transaction of indirect transfer of PRC taxable assets; the replicability of the transaction by direct transfer of PRC taxable assets; and the tax situation of such indirect transfer and applicable tax treaties or similar arrangements. In respect of an indirect offshore transfer of assets of a PRC establishment, the resulting gain is to be included with the enterprise income tax filing of the PRC establishment or place of business being transferred and would consequently be subject to PRC enterprise income tax at a rate of 25%. Where the underlying transfer relates to the immovable properties located in China or to equity investments in a PRC resident enterprise, which is not related to a PRC establishment or place of business of a non-resident enterprise, a PRC enterprise income tax of 10% would apply, subject to available preferential tax treatment under applicable tax treaties or similar arrangements, and the party who is obligated to make the transfer payments has the withholding obligation. Bulletin 7 does not apply to transactions of sale of shares by investors through a public stock exchange where such shares were acquired from a transaction through a public stock exchange. On October 17, 2017, the SAT promulgated the Announcement of the SAT on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source, known as SAT Circular 37, which became effective on December 1, 2017 and was most recently amended on June 15, 2018. SAT Circular 37, among other things, simplified procedures of withholding and payment of income tax levied on non-resident enterprises.

We face uncertainties as to the reporting and other implications of certain past and future transactions where PRC taxable assets are involved, such as offshore restructuring, sale of the shares in our offshore subsidiaries or investments. Our company may be subject to filing obligations or taxed if our company is transferor in such transactions and may be subject to withholding obligations if our company is transferee in such transactions under Bulletin 7 and SAT Circular 37. For transfer of shares in our company by investors that are non-PRC resident enterprises, the PRC Subsidiaries may be requested to assist in the filing under Bulletin 7 and SAT Circular 37. As a result, we may be required to expend valuable resources to comply with Bulletin 7 and SAT Circular 37 or to request the relevant transferors from whom we purchase taxable assets to comply with these publications, or to establish that our company should not be taxed under these publications, which may have a material adverse effect on our financial condition and results of operations.

PRC regulation of loans to and direct investments in PRC entities by offshore holding companies may delay or prevent us from making loans or additional capital contributions to the PRC Subsidiaries, which could materially and adversely affect its liquidity and its ability to fund and expand its business.

As an offshore holding company with PRC Subsidiaries, we may finance the operations of the PRC Subsidiaries by means of loans or capital contributions. As permitted under PRC laws and regulations, we may make loans to the PRC Subsidiaries subject to the approval from governmental authorities and limitation of amount, or we may make additional capital contributions to the PRC Subsidiaries. Furthermore, loans by us to the PRC Subsidiaries to finance its activities cannot exceed the statutory limits, which is either the difference between the registered capital and the total investment amount of such enterprise or a multiple of its net assets in the previous year. In addition, a foreign-invested enterprise ("FIE"), will use its capital pursuant to the principle of authenticity and self-use within its business scope. The capital of an FIE will not be used for the following purposes: (i) directly or indirectly used for payment beyond the business scope of the enterprises or the payment prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities or investments other than banks' principal-secured products unless otherwise provided by relevant laws and regulations; (iii) the granting of loans to non-

affiliated enterprises, except where it is expressly permitted in the business license; and (iv) paying the expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

In light of the various requirements imposed by PRC regulations on loans to, and direct investment in, the PRC Subsidiaries by offshore holding companies, and the fact that the PRC government may at its discretion restrict access to foreign currencies for current account and capital account transactions in the future, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans by us to the PRC Subsidiaries or with respect to future capital contributions by us to the PRC Subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to capitalize or otherwise fund the PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

The PRC government can take regulatory actions and make statements to regulate business operations in China with little advance notice, so our assertions and beliefs of the risks imposed by the Chinese legal and regulatory system cannot be certain.

The Chinese government has taken and continues to take regulatory actions and make statements to regulate business operations in China, sometimes with little advance notice. Our ability to operate and to expand our operations in China in the future may be harmed by changes in its laws and regulations, including those relating to foreign investment, cybersecurity and date protection, foreign currency exchange, taxation, environmental regulations, land use rights, property and other matters. The central or local governments of these jurisdictions may impose new, stricter regulations or interpretations of existing regulations that would require additional expenditures and efforts on our part to ensure our compliance with such regulations or interpretations. Accordingly, government actions in the future could have a significant effect on economic conditions in China, or particular regions thereof, and could require us to divest ourselves of any interest we then hold in Chinese properties.

As such, the PRC Subsidiaries could be subject to regulation by various political and regulatory entities, including various local and municipal agencies and government sub-divisions. The PRC Subsidiaries may incur increased costs necessary to comply with existing and newly adopted laws and regulations or penalties for any failure to comply. The PRC Subsidiaries' operations could be adversely affected, directly or indirectly, by existing or future laws and regulations relating to their business or industry. Given that the Chinese government may intervene or influence the PRC Subsidiaries' operations at any time, it could result in a material change in the PRC Subsidiaries' operations and a material reduction in the value of our Common Stock and warrants. Given recent statements by the Chinese government indicating an intent to exert more oversight and control over offerings that are conducted overseas, any such action could significantly limit or completely hinder our ability to offer or continue to offer our shares of Common Stock and warrants to investors and cause the value of such securities to significantly decline or be worthless.

Furthermore, it is uncertain when and whether we will be required to obtain permission from the PRC government to maintain its listing on U.S. exchanges in the future, and even when such permission is obtained, whether it will be denied or rescinded. Although we are currently not required to obtain permission from the PRC government and has not received any denial to list on the U.S. exchange, as the PRC laws and regulations are still evolving rapidly and their interpretation and implementation are subject to uncertainties, our operations could be adversely affected, directly or indirectly, by existing or future PRC laws and regulations relating to its business or industry.

The approval of, or filing or other administrative procedures with, the CSRC or other PRC governmental authorities may be required in connection with certain of our financing activities, and, if required, it cannot predict if it will be able to obtain such approval or complete such filing or other administrative procedures.

The PRC governmental authorities recently have strengthened oversight over offerings that are conducted overseas and/or foreign investment in overseas-listed China-based issuers. Such actions taken by the PRC governmental authorities may intervene with our operations or financing activities, which are beyond our control. For instance, on July 6, 2021, the relevant PRC governmental authorities promulgated the Opinions on Strictly Cracking Down on Illegal Securities Activities, which emphasized the need to strengthen the administration over illegal securities activities, the need to strengthen the supervision over overseas listings by PRC-based companies and the need to revise the special provisions of the State Council on overseas issuance and listing of shares by those limited by shares companies. On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies, or the Overseas Listing Trial Measures, and relevant five guidelines, which became effective on March 31, 2023. According to the Overseas Listing Trial Measures, companies in mainland China that seek to offer securities or list in overseas markets, either directly or indirectly, are required to fulfill the filing procedure with the CSRC. The Overseas Listing Trial Measures provide that if the issuer meets both of the following criteria, the overseas securities offering or listing conducted by such issuer will be deemed as an indirect overseas offering or listing by PRC domestic companies: (i) more than 50% of any of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by companies in mainland China; and (ii) the main parts of the issuer's business activities are conducted in mainland China, or its main place(s) of business are located in mainland China, or the majority of senior management staff in charge of its business operations and management are PRC citizens or have their usual place(s) of residence located in mainland China. Initial public offerings or listings in overseas markets will be filed with the CSRC within three working days after the relevant application is submitted overseas, and subsequent securities offerings of an issuer in the same overseas market where it has previously offered and listed securities will be filed with the CSRC within three working days after the offering is completed.

In addition, the Overseas Listing Trial Measures provide that an overseas listing or offering by a PRC domestic company is explicitly prohibited under any of the following circumstances: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security upon reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to conduct the securities offering and listing, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to conduct the securities offering and listing is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

As the Overseas Listing Trial Measures and the related guidelines are newly promulgated, there are uncertainties regarding their implementation and interpretation. We cannot predict the impact of these new rules on our future securities offerings or other forms of financing activities, if any, at this stage, or guarantee that we will be able to satisfy the new regulatory requirements in case they are applicable to us. In addition, we cannot guarantee that new rules or regulations promulgated in the future will not impose any additional requirement on us or otherwise tighten the regulations on PRC companies seeking overseas listing. If it is determined in the future that approval of, or filing or other administrative procedures with, the CSRC or other PRC governmental authorities are required for our future financing or listing activities, we cannot assure you we can obtain such approval or complete such filing or other required procedures in a timely manner. Any failure or delay in obtaining or completing such approval, filing or other required procedures, or a rescission of any such approval or filing or other procedures, would subject us to sanctions by the CSRC or other PRC governmental authorities. These PRC governmental authorities may impose fines and/or other penalties on our operations in China, limit our ability to pay dividends outside of China, limit our operating privileges in China, delay or restrict the repatriation of the proceeds from our offshore financing activities into China or take other actions that could materially and adversely affect our business, financial condition, results of operations, and prospects. Any uncertainties or negative publicity arising from these events could also adversely affect our business, financial condition, results of operations, and prospects.

The Mergers and Acquisitions Rules and certain other PRC regulations establish certain procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors adopted by six PRC regulatory agencies (the "M&A Rules") and related regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. For example, the M&A Rules require that MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that have or may have an impact on the national economic security, (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand, or (iv) or in circumstances where overseas companies are established or controlled by PRC enterprises or residents acquire affiliated domestic companies. Moreover, the PRC Anti-Monopoly Law requires that transactions which are deemed concentrations and involve parties with specified turnover thresholds must be cleared by the relevant anti-monopoly authority before they can be completed.

In addition, in 2011, the General Office of the State Council promulgated a Notice on Establishing the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, which officially established a security review system for mergers and acquisitions of domestic enterprises by foreign investors. Also, the Rules on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprises by Foreign Investors, issued by the MOFCOM and effective in September 2011 specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by the MOFCOM, and the Rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy, re-investment through multiple levels, leases, loans or control through contractual control arrangement or offshore transactions. Furthermore, NDRC and MOFCOM promulgated the Measures for the Security Review of Foreign Investments, effective January 18, 2021, which require foreign investors or relevant parties to file a prior report before making a foreign investment if such investment involves military related industry, national defense security or taking control of an enterprise in a key industry that concerns national security; and if a foreign investment will or may affect national security, the standing working office organized by NDRC and MOFCOM will conduct a security review to decide whether to approve such investment.

In the future, we may grow our business in China by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions, if required, could be time consuming, and any required approval processes, including obtaining approval or clearance from the MOFCOM or its local counterparts and other relevant PRC authorities, may delay or inhibit our ability to complete such transactions. It is unclear whether our business would be deemed to be in an industry that raises "national defense and security" or "national security" concerns. However, the MOFCOM or other government agencies may publish explanations in the future determining that our business is in an industry subject to the security review, in which case our future acquisitions in the PRC, including those by way of entering into contractual control arrangements with target entities, may be closely scrutinized or prohibited. Our ability to expand our business or maintain or expand our market share in China through future acquisitions would as such be materially and adversely affected.

We may be adversely affected by the complexity, uncertainties and changes in PRC regulations on internet-related business, automotive businesses and other business carried out by the PRC Subsidiaries.

The Chinese government extensively regulates the internet and automotive industries and other business carried out by the PRC Subsidiaries, such laws and regulations are relatively new and evolving, and their interpretation and enforcement involve significant uncertainties. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violation of applicable laws and regulations.

Several PRC regulatory authorities, such as the State Administration for Market Regulation, the NDRC, MOFCOM, and the MIIT of China, oversee different aspects of the electric vehicle business, and the PRC Subsidiaries will be required to obtain a wide range of government approvals, licenses, permits and registrations in connection with their operations in China. For example, according to the Administrative Rules on the Admission of New Energy Vehicle Manufacturers and Products, promulgated by the MIIT on January 6, 2017, and amended on July 24, 2020, the MIIT is responsible for the national-wide administration of new energy vehicles and their manufacturers. The manufacturers must apply to the MIIT for the entry approval to become a qualified manufacturer in China and must further apply to the MIIT for the entry approval for the new energy passenger vehicles before commencing the manufacturing and sale of the new energy passenger vehicles in China. Both

of the new energy passenger vehicles and their manufacturers will be listed in the Announcement of the Vehicle Manufacturers and Products issued by the MIIT from time to time, if they have obtained the entry approval from the MIIT. According to the Management Measures for Automobile Sales promulgated by the MOFCOM in July 2017, corporate basic information filings must be made by automobile dealers through the information system for the national automobile circulation operated by the MOFCOM within 90 days after the receipt of a business license. Furthermore, the electric vehicle industry is relatively immature in China, and the government has not adopted a clear regulatory framework to regulate the industry.

There are substantial uncertainties regarding the interpretation and application of the existing PRC laws, regulations and policies and possible new laws, regulations or policies relating to internet-related businesses as well as automotive businesses and companies. There is no assurance that we will be able to obtain all the permits or licenses related to its business in China, or will be able to maintain its existing licenses or obtain new ones. In the event that the PRC government considers that we were or are operating without the proper approvals, licenses or permits, promulgates new laws and regulations that require additional approvals or licenses, or imposes additional restrictions on the operation of any part of our business, the PRC government has the power, among other things, to levy fines, confiscate our income, revoke our business licenses, and require us to discontinue the relevant business or impose restrictions on the affected portion of our business. Any of these actions by the PRC government may have a material adverse effect on our business, prospects, financial condition and results of operations.

We face challenges from the evolving regulatory environment regarding cybersecurity, information security, privacy and data protection. Many of these laws and regulations are subject to change and uncertain interpretation, and any actual or alleged failure to comply with related laws and regulations regarding cybersecurity, information security, data privacy and protection could materially and adversely affect our business and results of operations.

In the regular course of our business, we obtain information about various aspects of our operations as well as regarding our employees and third parties. The integrity and protection of our employee and third-party data are critical to our business. Our employees and third parties expect that we will adequately protect their personal information. We are required by applicable laws to keep strictly confidential the personal information that we collect, and to take adequate security measures to safeguard such information.

PRC regulators, including the CAC, the MIIT, and the Ministry of Public Security, have been increasingly focused on regulation in data security and data protection. PRC regulatory requirements regarding cybersecurity are evolving. For instance, various regulatory bodies in China have enforced data privacy and protection laws and regulations with varying and evolving standards and interpretations.

On November 7, 2016, the Standing Committee of the PRC National People's Congress issued the Cyber Security Law of the PRC (the "Cyber Security Law"), which became effective on June 1, 2017.

Pursuant to the Cyber Security Law, network operators must not, without users' consent, collect and disclose their personal information, and may only collect users' personal information necessary to provide their services. Providers are also obliged to provide security maintenance for their products and services and must comply with provisions regarding the protection of personal information as stipulated under the relevant laws and regulations.

The PRC Criminal Law, as most recently amended in 2020, prohibits institutions, companies and their employees from selling or otherwise illegally disclosing a citizen's personal information obtained in performing duties or providing services or obtaining such information through theft or other illegal ways. The Civil Code of the PRC provides legal basis for privacy and personal information infringement claims under the Chinese civil laws.

On June 10, 2021, the Standing Committee of the National People's Congress of China (the "SCNPC"), promulgated the PRC Data Security Law, which took effect on September 1, 2021. The PRC Data Security Law imposes data security and privacy obligations on entities and individuals carrying out data activities, and introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, and the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, illegally acquired or used. The PRC Data Security Law also provides for a national security review procedure for data activities that may affect national security and imposes export restrictions on certain data and information.

On August 16, 2021, the CAC and certain other PRC regulatory authorities promulgated the Several Provisions on the Management of Automobile Data Security (Trial Implementation), which came into effect on October 1, 2021 and clearly stipulates that:(i) to carry out personal information processing activities, automobile data processors must notify individuals of relevant information in a prominent manner, obtain personal consent or comply with laws and administrative regulations in other circumstances; (ii) for the processing of sensitive personal information, the automobile data processor must obtain

separate consent from individuals, and meet specific requirements; and (iii) automobile data processors must collect biometric information only with sufficient necessity and for the purpose to enhance driving safety. In addition, these provisions also define the term of "important data" thereunder and establish corresponding protection and regulation mechanisms on the important data.

On August 20, 2021, the SCNPC promulgated the PRC Personal Information Protection Law, which took effect on November 1, 2021. This legislation marks China's first comprehensive legal attempt to define personal information and regulate the storing, transferring, and processing of personal information. It restricts the cross-border transfer of personal information and has major implications for companies that rely on data for their operations in China.

In December 2021, the CAC and 12 other related authorities promulgated the Cybersecurity Review Measures, which became effective on February 15, 2022. The Cybersecurity Review Measures stipulates that:

- the CSRC is included as one of the regulatory authorities for purposes of jointly establishing the state cybersecurity review working mechanism;
- the purchase of network products and services by a "critical information infrastructure operator" and the data processing activities of a "network platform operator" that affect or may affect national security will be subject to the cybersecurity review;
- if a network platform operator who possesses personal information of more than one million users intends to go public in a foreign country, it must apply for a cybersecurity review with the CAC; and
- the relevant PRC governmental authorities may initiate cybersecurity review if they determine certain network products, services, or data processing activities affect or may affect national security.

Furthermore, on November 14, 2021, the CAC published a discussion draft of Regulations on the Administration of Cyber Data Security for public comment, which provides that data processors conducting the following activities must apply for cybersecurity review: (i) merger, reorganization or division of internet platform operators that have acquired a large number of data resources related to national security, economic development or public interests affects or may affect national security; (ii) listing abroad of data processors processing over one million users' personal information; (iii) listing in Hong Kong which affects or may affect national security; or (iv) other data processing activities that affect or may affect national security. The draft also provides that operators of large internet platforms that set up headquarters, operation centers or R&D centers overseas will report to the national cyberspace administration and competent authorities. In addition, the draft also requires that data processors processing important data or going public overseas will conduct an annual data security self-assessment or entrust a data security service institution to do so, and submit the data security assessment report of the previous year to the local branch of the Cyberspace Administration of China before January 31 each year. As of the date of this Form 10-K, the above-mentioned drafts have not been formally adopted, and substantial uncertainties exist with respect to their enactment timetable, final content, interpretation and implementation. On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross-border Data Transmission, which took effect on September 1, 2022. These measures require the data processor providing data overseas and falling under any of the following circumstances apply for the security assessment of cross-border data transmission by the national cybersecurity authority through its local counterpart: (i) the data processor provides important data overseas; (ii) critical information infrastructure operators and data processors processing personal information of more than one million individuals provide personal information overseas; (iii) data processors which have provided personal information of 100,000 individuals or sensitive personal information of 10,000 individuals overseas since January 1 of the previous year provides personal information overseas; and (iv) other situations required to declare security assessment of cross-border data transmission as stipulated by the national cybersecurity authority.

The PRC Subsidiaries may become subject to enhanced cybersecurity review. Certain internet platforms in China have been reportedly subject to heightened regulatory scrutiny in relation to cybersecurity matters. If the PRC Subsidiaries are deemed to be a critical information infrastructure operator or a network platform operator that is engaged in data processing that affects or may affect national security, they could be subject to PRC cybersecurity review. As of the date of this Form 10-K, we have not received any notice from any PRC governmental authority identifying any of the PRC Subsidiaries as a "critical information infrastructure operator" or "network platform operator" that is engaged in data processing which affects or may affect national security as mentioned above, or requiring us to go through the cybersecurity review or initiating a cybersecurity review against us in such respects.

As advised by the PRC counsel, the above mentioned laws, regulations or the relevant drafts are relatively new and the PRC laws and regulations relating to cybersecurity, information security, data privacy and protection are evolving rapidly, there remains significant uncertainty in the enactment, interpretation and enforcement of such PRC laws, regulations or the relevant

drafts, and the PRC Subsidiaries could become subject to enhanced cybersecurity review or non-compliance investigations launched by PRC regulators in the future. Any failure or delay in the completion of the cybersecurity review procedures or any other non-compliance investigations in accordance with the related laws and regulations may result in fines or other penalties, including suspension of business, website closure, and revocation of prerequisite licenses, as well as reputational damage or legal proceedings or actions to the PRC Subsidiaries, which may have material adverse effects on our business, financial condition or results of operations. As of the date of this Annual Report on Form 10-K, the PRC Subsidiaries have not been involved in any investigations on cybersecurity review initiated by the CAC or related governmental regulatory authorities, and they have not received any inquiry, notice, warning, or sanction in such respect. However, as uncertainties remain regarding the interpretation and implementation of these laws and regulations, we cannot assure you that the PRC Subsidiaries will comply with such regulations in all respects and they may be ordered to rectify or terminate any actions that are deemed illegal by regulatory authorities.

In the event that the independent registered public accounting firm operating in China that we use as an auditor for our operations in China is not permitted to be subject to inspection by PCAOB, then investors may be deprived of the benefits of such inspection.

Under the Holding Foreign Companies Accountable Act (the "HFCA"), if the SEC determines that a company has filed audit reports by a registered public accounting firm that has not been subject to inspection by the PCAOB for two consecutive years, the SEC shall prohibit such ordinary shares from being traded on a national securities exchange or in the over-the-counter trading market in the U.S. The PCAOB provides a framework to use when determining, as contemplated under the HFCA, whether the PCAOB is unable to inspect or investigate completely registered public accounting firms located in a foreign jurisdiction because of a position taken by one or more authorities in that jurisdiction. Additionally, the SEC has disclosure requirements that apply to registrants that the SEC identifies as having filed an Annual Report with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction and that the PCAOB is unable to inspect or investigate completely because of a position taken by an authority in foreign jurisdictions.

Our current auditor, the independent registered public accounting firm that issued the audit report included this Form 10-K, is registered with the PCAOB, and is subject to laws in the U.S. pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. Accordingly, we have not been identified as a "Commission-Identified Issuer" by the PCAOB under the current framework of the HFCA. However, prior to 2022, the auditors of the PRC Subsidiaries were not subject to inspection by the PCAOB and any future determination by the PCAOB that the PRC Subsidiaries' auditors are not subject to inspection could materially and adversely affect us.

Our ability to retain an auditor subject to PCAOB inspection and investigation may depend on the relevant positions of U.S. and Chinese regulators. If the PCAOB is unable to inspect or investigate completely our auditor in China because of a position taken by the Chinese authorities, then such lack of inspection could cause trading in our securities to be prohibited under the HFCA, and ultimately result in a determination by the SEC to delist our securities. Such a prohibition would substantially impair an investor's ability to sell or purchase the Common Stock and negatively impact the price of the Common Stock. Accordingly, the HFCA calls for additional and more stringent criteria to be applied to emerging market companies upon assessing the qualification of their auditors, especially non-U.S. auditors. In addition, PCAOB inspections help improve future audit quality and effectiveness. Without the benefit of PCAOB inspections, existing or potential investors could lose confidence in our reported financial information and the quality of our financial statements with respect to the PRC Subsidiaries.

U.S. regulatory bodies may be limited in their ability to conduct investigations or inspections of our operations in China.

The SEC, the DOJ and other U.S. authorities may also have difficulties in bringing and enforcing actions against the PRC Subsidiaries or the directors or executive officers of the PRC Subsidiaries. The SEC has stated that there are significant legal and other obstacles to obtaining information needed for investigations or litigation in China. China has adopted a revised securities law that became effective on March 1, 2020, Article 177 of which provides, among other things, that no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC. Furthermore, on February 24, 2023, the CSRC and several other Chinese authorities promulgated the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies, which provide that where an overseas securities regulator and a competent overseas authority requests to inspect, investigate or collect evidence from a PRC domestic company concerning overseas offering and listing, or to inspect, investigate, or collect evidence from the PRC domestic securities companies and securities service providers that undertake relevant businesses for such PRC domestic companies, such inspection, investigation and evidence collection will be conducted under a cross-border regulatory cooperation mechanism, and the CSRC or other competent Chinese authorities will provide

necessary assistance pursuant to bilateral and multilateral cooperation mechanisms. PRC domestic companies, securities companies and securities service providers must first obtain approval from the CSRC or other competent Chinese authorities before cooperating with the inspection and investigation by the overseas securities regulator or competent overseas authority, or providing documents and materials requested in such inspection and investigation. Accordingly, without governmental approval in China, no entity or individual in China may provide documents and information relating to securities business activities to overseas regulators when it is under direct investigation or evidence discovery conducted by overseas regulators, which could present significant legal and other obstacles to obtaining information needed for investigations and litigation conducted outside of China.

There may be difficulties in effecting service of legal process, conducting investigations, collecting evidence, enforcing foreign judgments or bringing original actions in China based on United States or other foreign laws against us and our management.

We currently have operations, and plan to have significant operations and assets in the future, in China. Moreover, one of our current directors is a national and resident of the PRC. As a result, it may not be possible to effect service of process within the United States or elsewhere outside of China with regard to such persons or assets relating to our operations in China, including actions arising under applicable U.S. federal and state securities laws. In addition, there are legal and other obstacles in China to providing information needed for regulatory investigations or litigation initiated by regulators outside China. Overseas regulators may have difficulties in conducting investigations or collecting evidence within China. It may also be difficult for investors to bring a lawsuit against us or our directors or executive officers based on U.S. federal securities laws in a Chinese court. Moreover, China does not have treaties with the United States providing for the reciprocal recognition and enforcement of judgments of courts. Therefore, even if a judgment were obtained against us or our management for matters arising under U.S. federal or state securities laws or other applicable U.S. federal or state law, it may be difficult to enforce such a judgment with respect to our operations or assets in China.

A significant portion of our financing is expected to come from investors in China, and such investment is subject to delay due to due diligence review, including know your customer, anti-money laundering and other review.

We conduct due diligence, including know your customer, anti-money laundering and other review, on all potential financing sources. This process has been time consuming, particularly in connection with review of investors in China, and may result in our not being able to consummate any financing from these or other financing sources on a timely basis or at all. If we are unable to raise sufficient additional funds in the near term, we may be required to further delay our production and delivery plans for the FF 91 Futurist, reduce headcount, liquidate our assets, file for bankruptcy, reorganize, merge with another entity, and/or cease operations. For more information, see "*Risks Related to our Business and Industry – We do not have sufficient liquidity to pay our outstanding obligations and to operate our business and it will likely file for bankruptcy protection if we are unable to access additional capital."*

Risks Related to the Restatement

We have identified material weaknesses in our internal control over financial reporting. Our inability or failure to remediate these material weaknesses, or the identification of additional material weaknesses or other failure to maintain effective internal control over financial reporting, has resulted, and could further result, in material misstatements in our consolidated financial statements and our ability to accurately or timely report our financial condition or results of operations, which may adversely affect our business and share price.

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). A material weakness is defined as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. As a result of these material weaknesses, our management concluded that our internal control over financial reporting was not effective as of December 31, 2022, 2023 or 2024. We have engaged in remediation efforts designed to address these material weaknesses. As we evaluate and work to improve our internal control over financial reporting, we may determine that additional measures or modifications to the remediation plan are necessary. We are working to remediate the material weaknesses, but full remediation could go beyond December 31, 2025. At this time, we cannot predict the total costs expected to be incurred; however, the remediation measures have been and will continue to be time consuming, costly, and a significant demand on our financial and operational resources.

While we believe these efforts will remediate the material weaknesses, it will not be considered remediated until we complete the design and implementation of the enhanced controls, the controls operate for a sufficient period of time, and we

have concluded, through testing, that these controls are effective. We may be unable to complete our evaluation, testing or any required remediation in a timely fashion, or at all. The measures we have taken to date and may take in the future may be insufficient to remediate the control deficiencies that led to our material weaknesses in internal control over financial reporting or that they will prevent or avoid potential future material weaknesses. The effectiveness of our internal control over financial reporting is subject to various inherent limitations, including cost, judgments and assumptions, human error and the risk of fraud. The material weaknesses, or a failure to remediate them, may adversely affect our business, our reputation, our results of operations and the market price of our Common Stock. Our investors, customers and other business partners may lose confidence in our business or our financial reports, and our access to capital markets may be adversely affected.

In addition, our ability to record, process, and report financial information accurately, and to prepare financial statements within the time periods specified by the rules and regulations of the SEC and other regulatory authorities, could be adversely affected, which may result in violations of applicable securities laws, stock exchange listing requirements and the covenants under our debt and equity agreements. Any such delays or deficiencies could penalize us, including by limiting our ability to obtain financing, either in the public capital markets or from private sources and hurt our reputation and could thereby impede our ability to implement our growth strategy. We could also be exposed to lawsuits, investigations, or other legal actions.

The control deficiencies resulting in the material weaknesses, in the aggregate, has resulted, and may in the future result, in misstatements of accounts or disclosures that would result in a material misstatement of the annual or interim consolidated financial statements. For example, in July 2023, we identified errors in our Annual Report on Form 10-K for the year ended December 31, 2022 and Quarterly Report on Form 10-Q for the periods ended March 31, 2023 and September 30, 2022, determined these financial statements should no longer be relied upon, and subsequently restated them.

In addition, we cannot be certain that we will not identify additional control deficiencies or material weaknesses. If we identify additional control deficiencies or material weaknesses, these may lead to adverse effects on our business, our reputation, our results of operations, and the market price of our Common Stock. Further, if our remedial measures are insufficient to address the material weaknesses, or if additional material weaknesses or significant deficiencies in our internal control are discovered or occur in the future, our consolidated financial statements may contain material misstatements and we could be required to restate additional financial results.

Further, we have recently experienced substantial turnover in key management personnel, including accounting, legal, compliance, human resources and finance personnel, and further changes may occur in the future. Any turnover of personnel, particularly accounting, finance and legal personnel, may also negatively impact our internal controls over financial reporting and other disclosures and our ability to prepare and make timely and accurate public disclosures.

We face risks related to the restatement of our previously issued consolidated financial statements.

We reached a determination to restate certain financial information and related footnote disclosures in our previously issued consolidated financial statements for the 2022 Form 10-K for the period ended December 31, 2022 and Quarterly Reports on Form 10-Q for the periods ended March 31, 2023 and September 30, 2022. As a result, we face a number of additional risks and uncertainties, which may affect investor confidence in the accuracy of our financial disclosures and may raise reputational issues for our business. We expect to continue to face many of the risks and challenges related to the restatement, including the following:

- we may face potential for litigation or other disputes, which may include, among others, claims invoking the federal and state securities laws, contractual claims or other claims arising from the restatement; and
- the processes undertaken to effect the restatement may not have been adequate to identify and correct all errors in our historical financial statements and, as a result, we may discover additional errors and our financial statements remain subject to the risk of future restatement.

We cannot ensure that all of the risks and challenges described above will be eliminated or that general reputational harm will not persist. If one or more of the foregoing risks or challenges persist, our business, operations and financial condition are likely to be materially and adversely affected.

Risks Related to our Common Stock

If the closing price of our Common Stock is $0.10 per share or less for ten consecutive trading days, we would be immediately suspended from Nasdaq and the liquidity of our Common Stock would be materially harmed.

Pursuant to Nasdaq Listing Rule 5810(c)(3)(A)(iii), if the Company's Class A common stock has a closing bid price of $0.10 or less for ten consecutive trading days before the Compliance Date, Nasdaq can issue a Staff Determination Letter, which would subject our Class A Common Stock to immediate suspension and delisting. A delisting could substantially decrease trading in our Common Stock, adversely affect the market liquidity of our Common Stock as a result of the loss of market efficiencies associated with Nasdaq and the loss of federal preemption of state securities laws, materially and adversely affect our ability to obtain financing on acceptable terms, if at all, and may result in the potential loss of confidence by investors, suppliers, customers and employees and fewer business development opportunities.

If we seek to implement a reverse stock split, the announcement or implementation of such a reverse stock split could negatively affect the price of our Common Stock.

Nasdaq has stated that a series of reverse stock splits may undermine investor confidence in securities listed on Nasdaq and they may determine that it is not in the public interest to maintain our listing, even if we regain compliance with the requirement to maintain a minimum closing bid price of $1.00 per share (the "Minimum Bid Price Requirement"). While Nasdaq rules do not impose a specific limit on the number of times a listed company may effect a reverse stock split to maintain or regain compliance with the Minimum Bid Price Requirement, Nasdaq Listing Rule 5810(c)(3)(A)(iv) states that if a company effects a reverse stock split to regain compliance with the Minimum Bid Price Requirement and its stock price subsequently falls below the Minimum Bid Price Requirement during the 12-month period following such reverse stock split, it will not be eligible for any cure period to regain compliance ("Compliance Period") with the Minimum Bid Price Requirement and Nasdaq will begin delisting procedures immediately.

Nasdaq Listing Rule 5810(c)(3)(A)(iv) further states that if a listed company that fails to meet the Minimum Bid Price Requirement after effecting one or more reverse stock splits over the prior two-year period with a cumulative ratio of 250 shares or more to one, then we are not eligible for a Compliance Period. We effected a 1-for-40 reverse stock split of our Common Stock on August 16, 2024, and may need to implement additional reverse splits in the near future in order for our share price to regain compliance with the Minimum Bid Price Requirement. Accordingly, if we implement a reverse stock split, or multiple reverse stock splits, in the future to regain compliance with the Minimum Bid Price Requirement, and we subsequently fall out of compliance with such requirement, we may not be eligible for a Compliance Period and, as a result, our shares may be delisted from Nasdaq.

We may fail to regain compliance with the Minimum Bid Price requirement during the Compliance Period or maintain compliance with the other Nasdaq listing requirements. In particular, the rights granted to FF Global under the Amended Shareholder Agreement or other similar rights granted to other investors may cause us to fall out of compliance with certain of Nasdaq's Listing Rules, including Nasdaq Rule 5640, which disallows the voting rights of existing stockholders to be disparately reduced through any corporate action or issuance. Any non-compliance may be costly, divert management's time and attention, and could have a material adverse effect on our business, reputation, financing, and results of operations. A delisting could substantially decrease trading in our Common Stock, adversely affect the market liquidity of our Common Stock as a result of the loss of market efficiencies associated with Nasdaq and the loss of federal preemption of state securities laws, materially and adversely affect our ability to obtain financing on acceptable terms, if at all, and may result in the potential loss of confidence by investors, suppliers, customers and employees and fewer business development opportunities.

We currently lack the require share capital to comply with our existing obligations and will need to substantially increase our share capital to execute on our business strategy in 2026 and beyond. The issuance of additional shares of Common Stock, including upon full conversion of the principal amount of all outstanding convertible notes, exercise of all outstanding warrants, the implementation of the full ratchet anti-dilution price protection in certain convertible notes and warrants, the issuance of shares pursuant to the SEPA, the issuance of shares pursuant to the ATM, and/or in additional future financings required in furtherance of executing on our business strategy, and/or in additional future financings required in furtherance of executing on our business strategy, and/or in additional future financings required in furtherance of executing on our business strategy, would substantially dilute the ownership interest of existing stockholders.

The shares of Common Stock issuable upon full conversion and exercise of our outstanding convertible notes and warrants, including our incremental warrants to purchase additional convertible notes, will result in significant additional dilution to our existing stockholders. At various special meetings of stockholders, our stockholders approved (among other

proposals), as is required by the applicable Nasdaq rules and regulations, transactions involving issuance of our outstanding convertible notes and warrants (including our incremental warrants to purchase additional convertible notes), including the issuance of any shares in excess of 19.99% of the issued and outstanding shares of the Common Stock upon conversion of the such convertible notes and/or exercise of such warrants.

We currently lack sufficient share capital to meet our existing obligations. We anticipate the need to raise a significant amount of capital in the future in order to execute our business strategy and we will be required to seek approval of our stockholders to substantially increase the amount of authorized capital stock under our Certificate of Incorporation. Although the objective of any such increase in authorized capital stock will be to maintain our flexibility to raise money in the capital markets, including in the event of a reduction in the value of our shares, future issuances of Common Stock will dilute the voting power and ownership of our existing stockholders, and, depending on the amount of consideration received in connection with the issuance, could also substantially reduce our stockholders' equity on a per-share basis.

To the extent our outstanding convertible notes are converted and our outstanding warrants are exercised and the convertible notes issuable upon exercise of our incremental warrants are so issued and converted, such conversions and exercises would have a significant dilutive effect on the ownership interest of our existing stockholders. In addition, certain of our outstanding convertible notes and warrants contain customary full ratchet anti-dilution price protection, which would have a significant dilutive effect on the ownership interest of our existing stockholders if triggered.

Additionally, any issuance of shares of Common Stock under the ATM Program or the SEPA may cause substantial dilution to our existing stockholders. The number of shares ultimately offered for sale pursuant to the ATM Program and/or the SEPA is dependent upon the number of shares we elect to sell under the ATM Program and/or SEPA. Depending upon market liquidity at the time, sales of shares of our Common Stock under the ATM Program and/or SEPA may cause the trading price of our Common Stock to decline. The sale of a substantial number of shares of our Common Stock pursuant to the ATM Program and/or SEPA, or anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish to effect sales. However, we have the right to control the timing and amount of any sales of our shares to pursuant to the ATM Program and/or SEPA, and each of the ATM Program and the SEPA may be terminated by us at our discretion without penalty.

We are currently unable to utilize our "at-the-market" equity program.

Our operations have consumed substantial amounts of cash since our inception. Historically, we have primarily financed our operations through the sale of Common Stock, warrants and convertible notes. For example, on June 16, 2023, we filed a shelf Registration Statement that was declared effective by the SEC on June 28, 2023. On September 26, 2023, we also 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 our 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"). The ATM Program was the primary source of liquidity for us from September to December 2023.

Under applicable SEC rules and regulations, because of the late filing of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, our period of ineligibility to access the ATM Program under applicable SEC rules was extended. We will not regain eligibility to utilize the ATM Program until no earlier than December 1, 2026, which is one year after the filing date of that Form 10-Q, at the earliest. Should the Company fail to timely file any reports required under the Securities Act, the ineligibility period to use the ATM Program will further extend.

Although alternative public and private transaction structures may be available, these may require additional time and cost, may impose operational restrictions on us, and may not be available on attractive terms. Our inability to continue to raise capital when needed would harm our business, financial condition and results of operations, and would likely cause the market price for our Common Stock to decline, and we would likely have to file for bankruptcy protection and our assets would likely be liquidated. Our equity holders would likely not receive any recovery at all in a bankruptcy scenario.

We do not currently intend to pay dividends on our Common Stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the market price for our Common Stock.

We have no direct operations and no significant assets other than the ownership of the stock of our subsidiaries. As a result, we will depend on our subsidiaries for distributions, loans and other payments to generate the funds necessary to meet our financial obligations, including our expenses as a publicly traded company, and to pay any dividends with respect to our

Common Stock. Applicable state law and contractual restrictions, including in agreements governing our current or future indebtedness, as well as our financial condition and operating requirements and limitations on the ability of the PRC Subsidiaries' ability to pay dividends or make payment to us, may limit our ability to obtain cash from our subsidiaries. Thus, we do not expect to pay cash dividends on our Common Stock. Any future dividend payments are within the absolute discretion of our Board and will depend on, among other things, our results of operations, working capital requirements, capital expenditure requirements, financial condition, level of indebtedness, contractual restrictions with respect to payment of dividends, business opportunities, anticipated cash needs, provisions of applicable law and other factors that our Board may deem relevant.

We may be required to take write-downs or write-offs, or may be subject to restructuring, impairment or other charges that could have a significant negative effect on our business, prospects, financial condition, results of operations and the trading price of our securities, which could cause you to lose some or all of your investment.

Factors outside of our control may, at any time, arise. As a result of these factors, we may be forced to later write-down or write-off assets, restructure our operations, or incur impairment or other charges that could result in our reporting losses. Even though these charges may be non-cash items and therefore not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about us or our securities. In addition, charges of this nature may cause us to be unable to obtain future financing on favorable terms or at all.

The market price of our securities has been and may continue to be highly volatile, and you could lose all or part of your investment.

The market price of our securities has been and may continue to be highly volatile. For example, the market price of our Common Stock ranged from a high price of $3.82 per share and a low price of $0.83 per share for the period from January 1, 2025, through December 31, 2025.

Any of the factors listed below could have a material adverse effect on the market price of our securities and, as a result, they may trade at prices significantly below the price paid by you. In such circumstances, the trading price of our securities may not recover and may experience a further decline. Factors affecting the trading price of our securities may include:

- our failure to raise sufficient financing;
- substantial potential dilution relating to existing and future convertible debt issuances;
- actual or anticipated fluctuations in our financial results or the financial results of companies perceived to be similar to it;
- changes in the market's expectations about our operating results;
- success of competitors;
- our ability to meet our three-phase delivery plan for the FF 91 Futurist;
- our ability to execute on our FX strategy;
- our ability to execute on our U.A.E. strategy;
- our operating results failing to meet the expectation of securities analysts or investors in a particular period;
- our ability to attract and retain our directors, senior management or key operating personnel, and the addition or departure of key personnel or directors;
- changes in financial estimates and recommendations by securities analysts concerning us or the transportation industry in general;
- operating and share price performance of other companies that investors deem comparable to us;
- our ability to market new and enhanced products and technologies on a timely basis;
- changes in laws and regulations affecting our business;
- our ability to meet compliance requirements;
- commencement of, or involvement in, threatened or actual litigation and government investigations;
- negative publicity;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- the trading volume of our Common Stock;
- actions taken by our directors, executive officers or significant stockholders such as sales of Common Stock, or the perception that such actions could occur;
- the implementation or unwinding of the Special Committee's recommendations and our related remedial actions; and

- general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations and acts of war or terrorism.

Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock markets in general have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for electric vehicle manufacturers' stocks or the stocks of other companies which investors perceive to be similar to ours could depress our share price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

Our ability to use net operating loss carryforwards and other tax attributes may be limited in connection with the Business Combination or other ownership changes.

Legacy FF has net operating loss carryforwards for U.S. federal and state, as well as non-U.S., income tax purposes that are potentially available to offset future taxable income, subject to certain limitations (including the limitations described below). If not utilized, U.S. federal net operating loss carryforward amounts generated prior to January 1, 2018, will begin to expire 20 years after the tax year in which such losses originated. Non-U.S. and state net operating loss carryforward amounts may also be subject to expiration. Realization of these net operating loss carryforwards depends on our future taxable income, and there is a risk that our existing carryforwards could expire unused and be unavailable to offset future income tax liabilities, which could materially and adversely affect our operating results.

Under Section 382 of the Code, if a corporation undergoes an "ownership change" (generally defined as a greater than 50% change (by value) in the ownership of our equity by certain stockholders over a three-year period), the corporation's ability to use our pre-change net operating loss carryforwards and certain other pre-change tax attributes to offset our post-change income may be limited. The applicable rules generally operate by focusing on changes in ownership among stockholders considered by the rules as owning, directly or indirectly, 5% or more of the stock of a company, as well as changes in ownership arising from new issuances of stock by us. Legacy FF may have experienced ownership changes in the past and we may have experienced an ownership change as a result of the Business Combination. We may also experience ownership changes in the future as a result of changes in the ownership of our stock, which may be outside our control. Accordingly, our ability to utilize our net operating loss carryforwards could be limited by such ownership changes, which could result in increased tax liability, potentially decreasing the value of our Common Stock.

There are additional limitations found under Sections 269, 383, and 384 of the Code that may also limit the use of net operating loss carryforwards that may apply and result in increased tax liability, potentially decreasing the value of our Common Stock. In addition, a Separate Return Limitation Year ("SRLY"), generally encompasses all separate return years of a U.S. federal consolidated group member (or predecessor in a Section 381 or other transaction), including tax years in which it joins a consolidated return of another group. According to Treasury Regulation Section 1.1502-21, net operating losses of a member that arise in a SRLY may be applied against consolidated taxable income only to the extent of the loss member's cumulative contribution to the consolidated taxable income. As a result, this SRLY limitation may also increase our tax liability (by reducing the carryforward of certain net operating losses that otherwise might be used to offset the amount of taxable gain), potentially decreasing the value of our Common Stock.

Our tax obligations and related filings have become significantly more complex and subject to greater risk of audit or examination by taxing authorities, and outcomes resulting from such audits or examinations could adversely impact our business, prospects, financial condition and results of operations, including our after-tax profitability and financial results.

Our operations are subject to significant income, withholding and other tax obligations in the United States and may become subject to taxes in numerous additional state, local and non-U.S. jurisdictions with respect to our income, operations and subsidiaries related to those jurisdictions. In addition, we have international supplier and customer relationships and may expand operations to multiple jurisdictions, including jurisdictions in which the tax laws, their interpretation or their administration may not be favorable. Additionally, future changes in tax law or regulations in any jurisdiction where we operate or will operate could result in changes to the taxation of our income and operations, which could cause our after-tax profitability to be lower than anticipated.

Our potential future after-tax profitability could be subject to volatility or affected by numerous factors, including (a) the availability of tax deductions, credits, exemptions, refunds (including refunds of value added taxes) and other benefits to reduce our tax liabilities, (b) changes in the valuation of our deferred tax assets and liabilities, (c) expected timing and amount of the

release of any tax valuation allowances, (d) tax treatment of stock-based compensation, (e) changes in the relative amount of our earnings subject to tax in the various jurisdictions in which we operate or have subsidiaries, (f) the potential expansion of our business into or otherwise becoming subject to tax in additional jurisdictions, (g) changes to our existing intercompany structure (and any costs related thereto) and business operations, (h) the extent of our intercompany transactions and the extent to which taxing authorities in the relevant jurisdictions respect those intercompany transactions and (i) our ability to structure our operations in an efficient and competitive manner. Due to the complexity of multinational tax obligations and filings, we may have a heightened risk related to audits or examinations by U.S. federal, state, local and non-U.S. taxing authorities. Outcomes from these audits or examinations could have an adverse effect on our business, prospects, financial condition and results of operations, including our after-tax profitability and financial condition.

Our potential future after-tax profitability may also be adversely impacted by changes in the relevant tax laws and tax rates, treaties, regulations, administrative practices and principles, judicial decisions and interpretations thereof, in each case, possibly with retroactive effect. Additionally, the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS recently entered into force among the jurisdictions that have ratified it, although the United States has not yet entered into this convention. These recent changes could negatively impact our taxation, especially if we expand our relationships and operations internationally.

Our failure to timely and effectively implement controls and procedures required by Section 404(a) of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") could have a material adverse effect on our business.

The standards required for a public company under Section 404(a) of the Sarbanes-Oxley Act are significantly more stringent than those required of Legacy FF as a privately held company. Management may not be able to effectively and timely implement controls and procedures that adequately respond to the increased regulatory compliance and reporting requirements that are now applicable after the consummation of the Business Combination. As described in "*Risk Factors – Risks Related to the Restatement – We have identified material weaknesses in our internal control over financial reporting. Our inability or failure to remediate these material weaknesses, or the identification of additional material weaknesses in the future or other failure to maintain effective internal control over financial reporting, has resulted, and could further result, in material misstatements in our consolidated financial statements and our ability to accurately or timely report its financial condition or results of operations, which may adversely affect our business and share price.*" Management has identified material weaknesses in our internal control over financial reporting. If we do not remediate these material weaknesses, or if other material weaknesses are identified, or if we are unable to implement the additional requirements of Section 404(a) in a timely manner or with adequate compliance, we may be unable to assess whether our internal controls over financial reporting are effective, which may subject us to adverse regulatory consequences and could harm investor confidence and the market price of our securities.

We may issue additional shares of Common Stock or preferred shares, which would dilute the interest of our stockholders.

We have, and may in the future, issue a substantial number of additional shares of Common Stock or preferred stock. The issuance of additional shares of Common Stock or preferred stock:

- may significantly dilute the equity interest of investors;
- may subordinate the rights of holders of Common Stock if preferred stock is issued with rights senior to those afforded our Common Stock;
- could cause a change of control if a substantial number of shares of our Common Stock are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors; and
- may adversely affect prevailing market prices for our Common Stock.

Sales of a substantial number of shares of our Common Stock in the public market, including the resale of the shares of Common Stock held by stockholders pursuant to Rule 144, could occur at any time. These sales, or the perception in the market that the holders of a large number of shares of Common Stock intend to sell shares, could reduce the market price of our Common Stock.

In addition, as of December 31, 2025, the Common Stock was also subject to potential dilution from: (i) conversion of notes and exercise of warrants for which 3,136,051 shares have been registered; (ii) conversion of notes which have satisfied the holding period subject to Rule 144 eligibility; (iii) the exercise of up to 98,551warrants; (iv) the exercise of up to 134,986 stock options; (v) the vesting of 115,327 unvested RSUs; (vi) the issuance of up to 104,167 earnout shares pursuant to the triggering events in the merger agreement; (vii) the issuance of up to 96,334 remaining registered shares of Common Stock that

we may elect, in its sole discretion, to issue and sell to YA II PN Ltd. ("Yorkville") pursuant to the SEPA (as defined in Note 2, *Liquidity and Capital Resources and Going Concern,* to the Notes to Consolidated Financial Statements) (we currently do not have enough authorized and uncommitted shares to access the SEPA); and (viii) issuance of shares in connection with the ATM Program. Additionally, the Common Stock is subject to potential dilution upon the full conversion and exercise of the SPA Notes, Unsecured SPA Notes and SPA Warrants. The Common Stock is also subject to potential dilution due to issuance of Common Stock in connection with future equity and/or convertible debt financings. Sales of substantial numbers of such shares in the public market, including the resale of the shares of Common Stock held by our stockholders, could adversely affect the market price of our Common Stock.

It is not possible to predict the actual number of shares we will sell under the SEPA, or the actual gross proceeds resulting from those sales.

On November 11, 2022, we entered into the SEPA with Yorkville, pursuant to which Yorkville has committed to purchase up to $200.00 million (which can be increased up to $350.00 million in the aggregate under our option) in shares of our Common Stock, subject to certain limitations and conditions set forth in the SEPA. The shares of our Common Stock that may be issued under the SEPA may be sold by us to Yorkville at our discretion from time to time over a 36-month period. As of December 31, 2025, we had the right to issue and sell up to an additional $192.50 million, or $342.50 million if we exercise our option under the SEPA.

We generally have the right to control the timing and amount of any sales of our shares of Common Stock to Yorkville under the SEPA. Sales of our Common Stock, if any, to Yorkville under the SEPA will depend upon market conditions and other factors to be determined by us. We may ultimately decide to sell to Yorkville all, some or no additional amount of the shares of our Common Stock that may be available for us to sell to Yorkville pursuant to the SEPA.

Because the purchase price per share to be paid by Yorkville for the shares of Common Stock that we may elect to sell to them under the SEPA, if any, will fluctuate based on the market prices of our Common Stock for each purchase made pursuant to the SEPA, if any, it is not possible for us to predict, as of the date of this annual report and prior to any such sales, the number of shares of Common Stock that we will sell to Yorkville under the SEPA, the purchase price per share that Yorkville will pay for shares purchased from us under the SEPA, or the aggregate gross proceeds that we will receive from those purchases by Yorkville under the SEPA, if any.

Any issuance and sale by us under the SEPA of a substantial amount of shares of Common Stock could cause substantial dilution to our stockholders. The number of shares of our Common Stock ultimately offered for sale by Yorkville is dependent upon the number of shares of Common Stock, if any, we ultimately sell to Yorkville under the SEPA.

We have granted preferential director nomination rights to certain investors that may cause us to fall out of compliance with Nasdaq listing rules.

We have been raising additional capital via debt or equity financings and expect to continue doing so in order to continue our operations. See "*– Risks Related to our Business and Industry – We do not have sufficient liquidity to pay our outstanding obligations and to operate our business and will likely file for bankruptcy protection if we are unable to access additional capital.*" As discussed above, the sale of additional equity or convertible debt securities could result in further dilution of the equity interests of our existing stockholders. Additionally, we have entered into arrangements with certain stockholders that give them additional representation on the Board. Pursuant to the Amended Shareholder Agreement, FF Top has the right to nominate for election to the Board four designees until the first date on which FF Top has ceased to beneficially own at least 88,890 shares of Common Stock for at least 365 consecutive days, with such amount subject to adjustment in connection with any stock split, reverse stock split or other similar corporate action after the date of the Amended Shareholder Agreement. Following the termination of FF Top's right to nominate four designees, FF Top will continue to have the right to nominate a number of designees not less than the number equal to the total number of directors on the Board, multiplied by the aggregate voting power of the shares of Common Stock and other securities generally entitled to vote in the election of directors beneficially owned by FF Top and its affiliates, divided by the total voting power of the then-outstanding shares of Common Stock issued as of the record date for any meeting of stockholders at which directors are to be elected, rounding up to the next whole director. Such right granted to FF Top or other similar rights granted to other investors in the future may cause us to fall out of compliance with certain of Nasdaq's listing rules, in particular Nasdaq Rule 5640, which disallows the voting rights of existing stockholders to be disparately reduced through any corporate action or issuance, and cause our Common Stock to be delisted from Nasdaq.

Our Third Amended and Restated Certificate of Incorporation, as amended provides, subject to limited exceptions, that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for certain stockholder litigation matters,

which could limit your ability to obtain a chosen judicial forum for disputes with us or our directors, officers, employees or stockholders.

Our Third Amended and Restated Certificate of Incorporation requires to the fullest extent permitted by law, that derivative actions brought in our name, actions against directors, officers and employees for breach of fiduciary duty and other similar actions may be brought in the Court of Chancery in the State of Delaware or, if that court lacks subject matter jurisdiction, another federal or state court situated in the State of Delaware. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and consented to the forum provisions in our certificate of incorporation. In addition, our third Amended and Restated Certificate of Incorporation provides that the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause of action under the Securities Act and the Exchange Act.

In March 2020, the Delaware Supreme Court issued a decision in *Salzburg et al. v. Sciabacucchi*, which found that an exclusive forum provision providing for claims under the Securities Act to be brought in federal court is facially valid under Delaware law. It is unclear whether this decision will be appealed, or what the final outcome of this case will be. We intend to enforce this provision, but we do not know whether courts in other jurisdictions will agree with this decision or enforce it.

This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision contained in our Amended and Restated Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

Charter documents and Delaware law could prevent a takeover that stockholders consider favorable and could also reduce the market price of the Common Stock.

Our Third Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws contain provisions that could delay or prevent a change in control. These provisions could also make it more difficult for stockholders to elect directors and take other corporate actions. These provisions include:

- authorizing the Board to issue preferred stock with voting or other rights or preferences that could discourage a takeover attempt or delay changes in control;
- prohibiting cumulative voting in the election of directors;
- limiting the adoption, amendment or repeal of our Amended and Restated Bylaws or the repeal of the provisions of our certificate of incorporation regarding the election and removal of directors without the required approval of at least two-thirds of the shares entitled to vote at an election of directors;
- prohibiting stockholder action by written consent; and
- limiting the persons who may call special meetings of stockholders.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board, which is responsible for appointing the members of our management. In addition, the provisions of Section 203 of the Delaware General Corporate Law ("DGCL") govern us. These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging with or combining with us for a certain period of time without the consent of our Board. These and other provisions in our Third Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws and under Delaware law could discourage potential takeover attempts, reduce the price investors might be willing to pay in the future for our Common Stock and result in the market price of our Common Stock being lower than it would be without these provisions.

Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

Our Third Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws provide that we will indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law.

In addition, as permitted by Section 145 of the DGCL, our Amended and Restated Bylaws and our indemnification agreements that we entered into with our directors and officers provide that:

- We will indemnify our directors and officers for serving in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify

such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful;

- We may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law;
- We will be required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers will undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification;
- The rights conferred in our Amended and Restated Bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons; and
- We may not retroactively amend the provisions of our Amended and Restated Bylaws to reduce our indemnification obligations to directors, officers, employees and agents.

Our dual-class structure may depress the trading price of our Common Stock.

We cannot predict whether our dual-class structure will result in a lower or more volatile market price of our Common Stock or in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple class share structures in certain of their indexes. S&P Dow Jones and FTSE Russell have announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices, including the S&P 500, pursuant to which companies with multiple classes of shares of common stock are excluded. In addition, several stockholder advisory firms have announced their opposition to the use of multiple-class structures. As a result, the dual-class structure of our Common Stock may cause stockholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices or any actions or publications by stockholder advisory firms critical of our corporate governance practices or capital structure could adversely affect the value and trading market for our Common Stock.

If securities or industry analysts do not publish research or reports about our business or publish negative reports about our business, our share price and trading volume could decline.

The trading market for our Common Stock may be affected by the research and reports that securities or industry analysts publish about us or our business or the lack of such research and reports. If one or more of analysts downgrades our shares or change their opinion of our shares, our share price would likely decline. If one or more of these analysts cease coverage of us or fails to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

We have incurred and will continue to incur increased expenses and administrative burdens as a public company, which could have an adverse effect on our business, financial condition and results of operations.

Following the consummation of the Business Combination, we have incurred and will continue to incur increased legal, accounting, administrative and other costs and expenses as a public company that Legacy FF did not incur as a private company. The Sarbanes-Oxley Act, including the requirements of Section 404, to the extent applicable to us, as well as rules and regulations subsequently implemented by the SEC, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations promulgated and to be promulgated thereunder, the PCAOB and the securities exchanges, impose additional reporting and other obligations on public companies. Compliance with public company requirements will increase costs and make certain activities more time-consuming. Under a number of those requirements, we have to carry out activities Legacy FF has not done previously. For example, we have created committees of the Board and adopted internal controls and disclosure controls and procedures. In addition, expenses associated with SEC reporting requirements are incurred on a continuous basis. Furthermore, if any issues in complying with those requirements are identified (for example, if we identify additional material weaknesses or significant deficiency in internal control over financial reporting), we would incur additional costs rectifying those issues, and the existence of those issues could adversely affect our reputation or investor perceptions of it. It may also be more expensive to obtain director and officer liability insurance. Risks associated with our status as a public company may make it more difficult to attract and retain qualified persons to serve on our Board or as executive officers. The additional reporting and other obligations imposed by these rules and regulations will increase legal and financial compliance costs and the costs of related legal, accounting and administrative activities. These increased costs will require us to divert a significant amount of money that could otherwise be used to expand the business and achieve strategic objectives. Advocacy efforts by stockholders and third parties may also prompt additional changes in governance and reporting

requirements, which could further increase costs.

Furthermore, the need to establish the corporate infrastructure demanded of a public company may divert management's attention from implementing our growth strategy, which could prevent us from improving our business, results of operations and financial condition. We have made, and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems to meet our reporting obligations as a publicly traded company. However, the measures we take may not be sufficient to satisfy our obligations as a publicly traded company.

For as long as we remain an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies." See "– *The JOBS Act permits "emerging growth companies" like ours to take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies. The reduced reporting requirements applicable to us may make our Common Stock less attractive to investors*" for more information. There is no guarantee that the exemptions available to us under the JOBS Act will result in significant savings. To the extent we choose not to use exemptions from various reporting requirements under the JOBS Act, we will incur additional compliance costs, which may impact earnings.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 1C. Cybersecurity

The Company recognizes the increasing complexity and significance of cybersecurity risks in safeguarding its technology, operations, proprietary systems, and data. The Company's operations rely on interconnected digital infrastructure, cloud-based systems, and proprietary software platforms, making cybersecurity an essential component of its risk management framework.
The Company has implemented a cybersecurity program designed to identify, assess, mitigate, and respond to cybersecurity risks. This program is informed by recognized industry practices, including the National Institute of Standards and Technology ("NIST") Cybersecurity Framework ("CSF"). The following disclosure outlines the Company's cybersecurity risk management strategy and governance, including the Board's oversight and management's role.

1. Cybersecurity Risk Management (Risk Management and Strategy)

The Company employs a structured cybersecurity risk management program to assess, identify, and manage cybersecurity risks across its information technology environment, including corporate systems and cloud-based platforms. Key elements of the program includes:

- Risk assessments and periodic evaluation of cybersecurity risks across systems and environments.
- Threat detection and monitoring, including alert triage and investigation, to identify suspicious activity and potential incidents.
- Vulnerability management, including scanning, prioritization, and remediation activities.
- Access controls and security protections, including multi-factor authentication, encryption protocols, and endpoint security measures where appropriate.
- Third-party risk management, including evaluation of vendors and service providers that may access Company data or systems

Cybersecurity risks are evaluated in coordination with management and are considered within the Company's broader operational and enterprise risk considerations.

2. Governance and Oversight (Board Oversight and Management's Role)

Cybersecurity oversight is a shared responsibility between the Company's Board of Directors and management. The Vice President, Intelligent Platform App provides cybersecurity updates to the full Board on a biannual basis, including information regarding the Company's cybersecurity posture, risk environment, incident trends, and mitigation efforts.

In addition to scheduled updates, management's incident response procedures require that potential material cybersecurity incidents are escalated to senior leadership and the Board promptly, as appropriate

The Company enforces a top-down approach to cybersecurity governance, ensuring accountability and continuous risk monitoring at all levels of the organization.

3. Management's Role in Cybersecurity

Management is responsible for the day-to-day execution of the Company's cybersecurity program. The Vice President, Intelligent Platform App oversees cybersecurity initiatives and supervises cybersecurity personnel and processes.

The Network and Information Security Engineer monitors threats, investigates alerts, and reports identified incidents to the IT Vice President through established escalation procedures.

The Company's cybersecurity incident response governance is supported by an Incident Response Policy that defines roles and responsibilities, incident classification, documentation expectations, evidence preservation requirements, and communication protocols.

4. Cybersecurity Strategy and Resilience

The Company maintains cybersecurity resilience measures designed to support business continuity and protect critical assets. These measures include monitoring and response capabilities, as well as processes for containment, remediation, and recovery when incidents occur.

5. Material Cybersecurity Incidents

During fiscal year 2025, the Company did not experience any material cybersecurity incidents. No cybersecurity incidents required disclosure under Form 8-K Item 1.05 during 2025.

6. Impact of Cyber Incidents

Cybersecurity incidents, if material, could adversely affect the Company's financial condition, results of operations, operational stability, and reputation. Potential impacts may include remediation costs, operational disruptions, litigation or regulatory exposure, and reputational harm. The Company evaluates cybersecurity risks as part of its ongoing risk assessment processes.

7. Board Expertise in Cybersecurity

The Board's cybersecurity oversight is informed through management briefings and periodic updates. The Company may enhance Board education on cybersecurity trends and governance practices as appropriate.

8. Use of Third-Party Services (Third-Party Risk)

The Company uses third-party service providers to support certain technology and security functions. The Company evaluates third-party cybersecurity risks through vendor due diligence processes, including review of security documentation and reports where applicable, and monitors third-party risks on an ongoing basis.

9. Regulatory and Legal Compliance Risks

The Company is subject to cybersecurity and data privacy requirements, including applicable data privacy laws and SEC disclosure requirements. Failure to comply with applicable requirements could result in financial penalties, legal liabilities, and reputational harm. The Company performs compliance-focused activities as part of its cybersecurity program.

10. Incident Response Plan

The Company maintains an incident response policy framework intended to support timely identification, containment, investigation, remediation, and recovery. Incident response procedures include incident severity classification, escalation, documentation, evidence preservation, and communications protocols.

11. Cyber Insurance

The Company does not maintain standalone cybersecurity insurance coverage. The Company evaluates risk mitigation and risk transfer options as part of its broader risk management considerations.

12. Historical Cyber Incidents

The Company did not record any material cybersecurity incidents during fiscal year 2025.

13. Technology and Infrastructure Risks

The Company's cybersecurity program includes measures intended to protect systems and data, including monitoring, endpoint protections, access controls, and vulnerability management. As cybersecurity threats continue to evolve, the Company may adjust its cybersecurity tools, processes, and controls over time.

14. Data Security and Privacy Policies

The Company maintains policies and controls intended to protect sensitive data, including access controls and other security measures designed to safeguard data confidentiality and integrity.

15. Ongoing Cybersecurity Efforts

The Company continues to invest in cybersecurity capabilities, including monitoring, vulnerability management, employee awareness training, and improvements to policies and procedures, to address evolving cybersecurity threats.

Item 2. Properties

The Company leases all of its facilities. The following table sets forth the location, approximate size, primary use and lease term of the Company's major facilities as of December 31, 2025:

Location	Approximate Size (Building) in Square Feet	Primary Use	Lease Expiration Date
Gardena, California	71,580	Global headquarters, research and development, office	March 31, 2026
Gardena, California	10,359	Office	March 31, 2026
Hanford, California	1,070,000	Manufacturing	October 19, 2028
Al Hamra Industrial Free Zone, U.A.E.	107,639	Warehouse	August 26, 2030
Beijing, China	2,942	Administrative services, research and development, strategic planning	December 14, 2026
Zhuhai, China	89	Administrative services, research and development, strategic planning	December 31, 2026

The Company continues to build out its Hanford, California manufacturing and production facility (the FFie Factory California). The FFie Factory California manufacturing and production facility encompasses approximately 1.1 million square feet and is expected to have the capacity to support the production of up to 10,000 vehicles per year upon completion.

In February 2026, the Company executed a new lease agreement with a six-year term in El Segundo, California which will replace the Gardena lease and leased an office space in New York on a short term basis.

Item 3. 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 Consolidated Financial Statements contained within this Form 10-K for further discussion of its legal proceedings.

Item 4. Mine Safety Disclosures

Not applicable.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

The Company's shares of Class A Common Stock and Public Warrants are currently listed on Nasdaq under the symbols "FFAI" and "FFAIW," respectively. Prior to the consummation of the Business Combination, its units, Common Stock and warrants were listed on Nasdaq under the symbols "PSACU," "PSAC," and "PSACW," respectively. Prior to the ticker change to "FFAI" on March 10, 2025, the Company's Common Stock and warrants were listed on Nasdaq under the symbols "FFIE," and "FFIEW". There is no established public trading market in the Class B Common Stock. As of March 24, 2026, there were 443 holders of record of the Company's Class A Common Stock, and one holder of record of its Class B Common Stock, three holders of record of its Public Warrants.

Dividend Policy

The Company has not paid any cash dividends on its Class A Common Stock or the warrants to date. The Board may from time to time consider whether or not to institute a dividend policy. It is the Company's present intention to retain any earnings for use in its business operations and accordingly, the Company does not anticipate the Board declaring any dividends for the foreseeable future. The payment of cash dividends in the future will be dependent upon the Company's revenues and earnings, if any, capital requirements and general financial condition. The payment of any cash dividends will be within the discretion of the Board. Further, the Company's ability to declare dividends will also be limited by restrictive covenants contained in its debt agreements.

Unregister Securities

Unregistered Equity Issuance – SPA Portfolio Notes

During the year ended December 31, 2025, the Company issued convertible promissory notes, related warrants, and incremental warrants pursuant to various Securities Purchase Agreements (the "SPA Portfolio Notes"). 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 that did not involve any general solicitation or advertising.

As of December 31, 2025, the Company had received approximately $3.8 million in proceeds in advance of the fourth closing of the 2025 March Unsecured SPA Notes. As of the issuance date of this report, the fourth closing had not yet occurred and the related notes had not been formally issued. However, the Company had received the associated proceeds prior to December 31, 2025 and reflected the related obligation as debt outstanding as of that date.

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, however, 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.

As of the date of this report, 926,277 shares of Class A Common Stock issued to SPA Portfolio Noteholders remain unregistered and constitute restricted securities.

Unregistered Equity Issuance – COSTAMP S.R.L Settlement

On December 15, 2025, Faraday Future entered into a settlement agreement with COSTAMP S.R.L. ("Costamp") to resolve an outstanding arbitration award related to several purchase orders and invoices. Under the terms of the agreement, Faraday Future agreed to pay a total of $1.6 million, consisting of $0.6 million in cash and the remainder to be satisfied through the issuance of the Company's Class A Common Stock. In connection with the settlement, the Company also entered into a Share Issuance Agreement with Costamp on the same date, pursuant to which the Company agreed to settle $1.1 million of the obligation through the issuance of shares of Class A Common Stock. In January 2026, the Company issued 954,545 shares of Class A Common Stock to Costamp in satisfaction of this portion of the settlement. Shares issued to *COSTAMP S.R.L* remain unregistered as of the date of this report.

Securities Authorized for Issuance Under Equity Incentive Plan

The following table sets forth information as of December 31, 2025, regarding the number of shares of the Company's Class A Common Stock that may be issued under the Company's equity compensation plans. The share numbers and the exercise price of stock options reported in this section have been adjusted to reflect the reverse stock splits effected on August 25, 2023, February 29, 2024 and August 16, 2024. The Company maintains three equity compensation plans: the Faraday Future Intelligence Electric Inc. 2021 Stock Incentive Plan (the "2021 Plan"), the Smart King Ltd. Equity Incentive Plan (the "Smart King EIP"), and the Smart King Ltd. Special Talent Incentive Plan (the "Smart King STIP"). The 2021 Plan was approved by tour security holders. The Smart King EIP and Smart King STIP plans existed prior to the Company going public and therefore were not approved by the Company's security holders.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity Compensation Plans Approved By Security Holders:			
Faraday Future Intelligent Electric Inc. 2021 Incentive Plan	447,748[1]	$21,280.25[2]	260,075[3]
Equity Compensation Plans Not Approved by Security Holders:			
Smart King Ltd. Equity Incentive Plan	1,769	$26,342.58[4]	—[5]
Smart King Ltd. Special Talent Incentive Plan	431	$46,596.66[4]	—[5]
	449,948	$21,299.52[6]	260,075

(1) Of the shares reported in the table, 447,364 shares were subject to awards of restricted stock units, 384 shares were subject to outstanding stock options under the 2021 Plan.
(2) Represents the weighted-average exercise price of options granted under the 2021 Plan.
(3) All of the securities reported in this column were then available for issuance under the 2021 Plan. Shares available for issuance under the 2021 Plan generally may be used for any type of award authorized under that plan including stock options, stock appreciation rights, restricted stock
(4) The weighted-average exercise price is calculated without taking into account outstanding awards of stock units
(5) There are no remaining shares available for issuance under the Smart King EIP and the Smart King STIP.
(6) The weighted-average exercise price is calculated based on the exercise price of Equity Compensation Plans Approved By Security Holders and Equity Compensation Plans Not Approved By Security Holders and taking into account options under the 2021 Plan.

Item 6. Reserved

No additional content or disclosures are required under this item.

Item 7. 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 Consolidated Financial Statements and Notes thereto included elsewhere in this Form 10-K. Some of the information contained in this discussion and analysis or set forth elsewhere in this Form 10-K, including information with respect to our plans and strategy for our business, include 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 section titled "Risk Factors" in Item 1A above 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 Form 10-K 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. 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 Form 10-K are based on our current expectations and beliefs concerning future developments and their potential effects on us. Future developments affecting the Company 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 Item 1A above. 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” in Item 1A above 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 Form 10-K, 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 aiFactory 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 developed technologies and products focused on intelligent electric vehicles and connected mobility systems. We believe these capabilities support our strategy to develop intelligent electric vehicles and related mobility technologies. Our long-term strategy is centered on building an integrated Embodied Artificial Intelligence (“EAI”) ecosystem that includes intelligent electric vehicles and robotics.

Our 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 escalating U.S.-China trade tensions and potential restrictions on critical materials resulted in the Company recording an asset impairment of $128.9 million during the year ended December 31, 2025. We expect our broader product portfolio to better align product strategy with anticipated demand, improve capital efficiency, and support the next phase of our commercialization efforts.

The Company has also begun implementing an embodied AI robotics strategy intended to complement its intelligent mobility ecosystem. This initiative is focused on the development and potential commercialization of robotics products that may leverage the Company’s AI, sensor, and software capabilities developed for its vehicles. Initial robotics concepts have been introduced, and early-stage commercialization activities are underway. Management views embodied AI robotics as a

potential extension of the Company's EAI ecosystem, connecting intelligent vehicles, an EAI brain and open-source, open-platform framework, and a decentralized AI data factory to support long-term technology commercialization efforts.

During the year ended December 31, 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 evaluating emerging technology initiatives, including blockchain infrastructure and digital asset platform development that may complement the Company's broader ecosystem strategy.

Company 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 U.A.E., complementing our U.S. and China market approach.
- Dual-flywheel Strategy:
    1. Product and Ecosystem Bridge – Focused on connecting the Company's intelligent mobility operations with emerging digital asset and Web3 initiatives. This strategy builds on the original FF Bridge Strategy launched in May 2024, which leverages the Company's "Light 4, Swift 4, Focused 5, Empowering 5" model to combine global supply chain strengths with innovation in the United States. Management believes this approach supports FX, the Company's mass-market brand, and may expand potential opportunities in the U.S. AIEV market.
    2. Digital Asset and Web3 Bridge – Focused on integrating real-world business operations with on-chain assets and related blockchain-based initiatives. In August 2025, the Company launched its Dual-Bridge Ecosystem Strategy to support AI mobility and Web3 integration. The Company is evaluating initiatives such as the EAI Vehicle Chain, which is intended to support tokenized vehicle sales, crypto-based deposits, and Web3-native user engagement, while using blockchain technology to promote a more decentralized and transparent mobility ecosystem.
- Stockholder Initiative: We have implemented an initiative intended to reinforce management's commitment to transparency, accountability, and long-term value creation, including share purchases by the Company's leadership.

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 driving-ready system. These capabilities also support the Company's evolving ecosystem strategy, which includes embodied AI robotics initiatives and the exploration of blockchain infrastructure and digital asset platform technologies through AIXC.
- Intellectual Property: Since inception, we have developed a portfolio of intellectual property, established a global team of automotive and technology experts. As of December 31, 2025, FF has been granted approximately 656 patents globally.

AIEV Product & Pipeline

- *FF 91:* We believe the FF 91 Futurist (the "FF 91," "FF 91 Futurist," or "FF 91 2.0 Futurist Alliance") is one of the first ultra-luxury electric vehicles designed to offer a highly personalized, fully connected user experience for drivers and passengers. We began production of the FF 91 2.0 Futurist Alliance and commenced deliveries in 2023. As part of our delivery plan, we are continuing limited FF 91 deliveries to select users while reallocating resources, manufacturing capacity, and engineering efforts toward the planned FF 92 upgrade and the FX Super One. Our strategy emphasizes continued FF 91 deliveries together with development of the FF 92, while the FX brand leverages the Super One to enter the U.S. multi-purpose vehicle 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:* In addition to the FF 91, FF 92, and FX Super One, our planned B2C passenger vehicle lineup includes the FX 4 and FX 6. The FX 4 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 4 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 in higher-volume segments of the global EV market. Both the FX 4 and FX 6 are currently in the early stages of research and development.

The Company is evaluating digital asset and blockchain-related initiatives as part of its broader Eco Artificial Intelligence ("EAI") ecosystem strategy. These initiatives remain in the early development stage and are intended to support potential platform capabilities associated with the Company's ecosystem development.

Digital Asset Platform Initiatives

- The Company is evaluating digital asset and blockchain-based platform capabilities through its controlling interest in AIXC, which was obtained in September 2025, and related ecosystem initiatives. These efforts are intended to support potential Web3 applications, decentralized infrastructure, and digital asset–related services that may complement the Company's broader intelligent mobility ecosystem.
- The Company is exploring blockchain infrastructure and digital asset platform technologies that could enable secure data management, digital identity, and decentralized applications associated with connected vehicles and user engagement platforms. These initiatives remain in the early development stage and have not yet generated material revenues.

Embodied AI Robotics Initiatives

- The Company has also begun exploring embodied AI robotics applications that leverage its artificial intelligence, sensor, and software platform capabilities developed for its intelligent electric vehicles. These efforts are focused on extending the Company's AI perception, control systems, and autonomous computing architecture into robotics applications.

Manufacturing & Distribution

- *FF Series Manufacturing:* The FF 91 Series is currently being manufactured in FF aiFactory California.
- *FX Series Manufacturing:* Certain FX Series models are expected to be manufactured at FF aiFactory California, and, contingent on adequate funding and local regulatory and operational preparations, FX Super One production is targeted at our Ras Al 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 Al 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

The following summarizes certain developments occurring from January 1, 2025 through the filing date of this report that relate to the Company's operations, financing activities, and corporate initiatives.

AIEV - 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.
- 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.
- In April 2025, the Company entered into a B2B vehicle reservation agreement with JC Auto, a New York City–based dealership operating as 129 Auto Sales Corp., for up to 1,000 FX Super One vehicles, including a $100,000 non-refundable deposit and priority delivery of up to 300 vehicles subject to future production, pricing and delivery schedules.
- 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 up to 300 FX Super One vehicles, supported by a $30,000 non-refundable deposit and priority delivery; subject to future production, pricing and delivery schedules.
- In May 2025, the Company disclosed it had secured non-binding fleet reservation deposits 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 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 U.A.E. 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 July 2025, the Company publicly unveiled the FX Super One at a launch event in Los Angeles, introducing its F.A.C.E. LED display technology and Super EAI ecosystem. The Company reported receiving more than 10,000 reservation deposits and expressions of customer interest for the vehicle as it advances toward future production readiness.
- In August 2025, the Company stated 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 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 continuing to evaluate digital platform initiatives associated with its broader Eco Artificial Intelligence (“EAI”) ecosystem strategy.
- In November 2025, the Company disclosed 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 reservation deposits and non-binding indications of interest 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, as the Company continues development of the FX Super One program.
- 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 December 2025, the Company reported operational progress related to the FX Super One program, including the arrival of initial vehicle components at its Hanford, California manufacturing facility and preparations for the first pre-production vehicle roll-off event scheduled for December 21, 2025. The Company also disclosed that its Board of Directors conditionally approved a five-year production plan targeting cumulative production and sales of approximately 400,000 to 500,000 vehicles, subject to securing additional financing and strategic partner agreements.

- In February 2026, GlobeX AI Hong Kong Holding Limited, a special purpose entity controlled by the Company, entered into a Strategic Cooperation Agreement and an engineering services agreement with Hebei Huanzhou Automobile Sales Co., Ltd. in connection with the development, component procurement and engineering support for a battery electric version of the FX Super One for the U.S. market.

Robotics - Strategic Operations and Product Development

- In February 2026, the Company established FF AI-Robotics Inc. and launched three robotics product lines, FF Futurist, FF Master and FX Aegis, and disclosed that sales and pre-orders had opened, more than 1,200 non-binding and non-refundable B2B deposits had been received, and initial deliveries were planned for late February 2026. The Company also stated that the Mobile Manipulator Robot Series was planned to be launched in the second quarter, that robotics production preparation was underway, and that FF AI-Robotics entered into a non-binding letter of intent with AIXC to evaluate Web3 collaboration opportunities.
- In February 2026, the Company furnished a corrected press release announcing the establishment of FF AI-Robotics Inc. and the launch of its first three robotics product lines: FF Futurist, FF Master, and FX Aegis. The release stated that sales and pre-order collection had begun, the first deliveries were planned for the end of February, the Mobile Manipulator Robot Series was planned for the second quarter, and the Company had received more than 1,200 non-binding and non-refundable B2B deposits. The release also stated that the robotics business had entered production preparation and that FF AI-Robotics entered into a non-binding letter of intent with AIXC to evaluate Web3 collaboration opportunities.
- In February 2026, the Company delivered its first batch of robots to Golden Hills, a premium Airbnb property operator in Florida and Nevada, pursuant to a sales agreement. This milestone marked the official launch of FF's first AI-robot delivery cycle in 2026.

AIXC - Strategic Operations and Product Development

- In August 2025, the Company disclosed the development of the C10 Index and related Crypto + EAI application framework, with real-time index tracking expected to be available on FF.com and the FF App.
- In September 2025, the Company reported progress on developing the C10 Crypto Treasury Index, an internal initiative under evaluation that may involve digital asset index tracking and related platform capabilities within the Company's broader ecosystem strategy.
- In September 2025, the Company disclosed plans to establish a separate entity to pursue digital asset–related initiatives as part of its broader ecosystem strategy. This initiative is intended to evaluate potential applications of blockchain infrastructure and digital asset technologies that could complement the Company's intelligent mobility ecosystem.
- In September 2025, the Company completed a strategic $30 million investment in AIXC as the lead investor in a $41 million PIPE transaction related to digital asset platform initiatives, through which the Company obtained controlling interest of AIXC. Following stockholder approval, AIXC may pursue initiatives related to digital asset infrastructure and platform development aligned with the Company's broader ecosystem strategy.

The following summarizes certain significant financing activities during the period. Additional details regarding the Company's debt and financing arrangements are included in Notes 8 and 9 to the consolidated financial statements.

AIEV - Capital Raising & Financing Agreements

- In December 2025, the Company entered into warrant termination agreements with certain holders of outstanding warrants previously issued in connection with several securities purchase agreements, including financings completed in May 2023, September 2024, December 2024, March 2025, and July 2025. Pursuant to these agreements, the Company and the applicable warrant holders agreed to terminate specified warrants to purchase shares of the Company's Class A common stock. Upon execution of the agreements, the terminated warrants and all related rights were cancelled and ceased to have any further force or effect. The agreements were entered into as part of the Company's ongoing efforts to simplify its capital structure and manage potential future dilution.
- In February 2026, the Company entered into a Securities Purchase Agreement with an accredited investor to sell $10.0 million of Class A common stock at a per-share price equal to 100% of the closing price immediately prior to closing. The subscription amount was to be provided to the investor by AIxCrypto Holdings Inc. ("AIXC"), and the agreement included a true-up share issuance feature if the Company issued common stock or equivalent securities before the earlier of six months after closing or effectiveness of the related registration statement at a lower price, subject to specified exceptions.
- In March 2026, the Company entered into two supplemental agreements with Chongqing LeTV Microloan Co., Ltd.

to settle certain previously assigned debt obligations for an aggregate settlement amount of RMB 25.4 million (approximately $3.5 million), payable in installments through December 31, 2028.

AIXC - Capital Raising & Financing Agreements

- In August 2025, the Company disclosed plans to pursue financing dedicated to digital asset initiatives, including potential purchases of crypto assets, subject to the Company obtaining sufficient financing.
- In August 2025, the Company entered into a strategic partnership with HabitTrade, a digital-asset infrastructure firm, to support development of blockchain components as part of the Company's broader ecosystem initiatives.
- In August 2025, the Company disclosed it is exploring a C10 ETF concept tied to the newly disclosed index.
- In September 2025, the Company outlined a proposed structure intended to establish an independent capital platform to support blockchain and digital asset initiatives while maintaining Faraday Future's controlling interest in the platform.
- In September 2025, Faraday Future invested approximately $30 million in AIXC at an effective price of $2.246 per share, resulting in beneficial ownership of approximately 55% of AIXC's common stock. Global Co-CEO YT Jia also invested approximately $4 million under a voluntary two-year lock-up agreement.

The following summarizes certain stock exchange compliance matters, corporate actions, and governance developments during the period.

AIEV - Stock Exchange Compliance & Stockholder and Corporate Actions

- In March 2025, we changed our Nasdaq ticker symbol to "FFAI".
- In May 2025, the Company disclosed 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 completed purchases totaling $560,000 during the quarter ended September 30, 2025, and Mr. Wang purchased 10,600 shares before his plan was cancelled by the broker.
- 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 indicating that SEC staff is considering recommending enforcement action relating to alleged statements made in connection with the Company's 2021 PIPE and SPAC transactions.
- In August 2025, the Company issued one share of Series A Preferred Stock to its Chief Executive Officer, Matthias Aydt. The Series A Preferred Stock carries special voting rights and provides voting power of 3,000,000,000 votes per share as set forth in the Series A Certificate of Designation.
- 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.
- 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 Rule 10b5-1 trading plans adopted in June 2025.
- In September 2025, the Company disclosed that it successfully completed Nasdaq's one-year compliance monitoring period and regained full compliance.
- In September 2025, all core proposals, other than a pending name change, were approved at the Company's special meeting of stockholders.
- In November 2025, the Company issued a correction to a previously furnished earnings release to clarify that certain preliminary financial information included in the release differed from the final financial results presented in the Company's Form 10-Q for the quarter ended September 30, 2025. The Company indicated that additional adjustments were identified during the completion of its quarter-end close and review process and that the financial information presented in the Form 10-Q represents the Company's final results for the period.
- In December 2025, the Company filed a Certificate of Designation creating one share of Series A Preferred Stock and issued that share to Matthias Aydt for $100 pursuant to a purchase agreement. The share carried 7,000,000,000 votes, but only with respect to the Share Authorization Proposal; those votes were required to be cast in the same proportion as votes cast by holders of common stock on that proposal, and the share had no other voting rights except as required by Delaware law.
- In February 2026, the Company held a special meeting of stockholders at which stockholders approved an increase in the Company's authorized shares to support capital planning, FX Super One vehicle milestones, and expansion of

embodied artificial intelligence ("EAI") robotics initiatives. On February 18, 2026, the Company filed a Certificate of Amendment to increase its authorized Class A common stock from 232,470,985 shares to 312,285,439 shares and its authorized preferred stock from 17,931,000 shares to 24,087,265 shares. The additional authorized share capacity is intended to support near-term capital planning needs, existing obligations to issue shares of Class A common stock, and potential future financings, strategic transactions, stock issuances pursuant to employee benefit plans, and other proper corporate purposes aligned with the Company's 2026 business strategy. The approval relates solely to the authorization of additional shares and does not, by itself, result in the issuance of any shares.

- In February 2026, the Company filed a certificate of elimination with respect to the Company's Series A Preferred Stock, par value $0.0001 per share, following the automatic redemption of all outstanding shares of FFAI Series A Preferred Stock after the conclusion of the Company's stockholders' special meeting. The certificate of elimination (i) eliminated the previous designation of one share of FFAI Series A Preferred Stock from the charter, and (ii) caused such share of FFAI Series A Preferred Stock to resume its status as an authorized but unissued and non-designated share of preferred stock.
- In March 2026, the Company received a letter from the Division of Enforcement of the U.S. Securities and Exchange Commission stating that, based on the information available as of March 18, 2026, the staff did not intend to recommend an enforcement action against the Company. Similar letters were also received by Company Founder and Global Co-Chief Executive Officer Yueting Jia and Global President Jiawei (Jerry) Wang in their individual capacities. The letters further stated that they "must in no way be construed as indicating that the party has been exonerated or that no action may ultimately result from the staff's investigation.
- In March 2026, the Company received a notice from Nasdaq indicating that it was not in compliance with the minimum bid price requirement under Nasdaq Listing Rule 5550(a)(2), because the closing bid price of its Class A common stock remained below $1.00 per share for 30 consecutive trading days. The Company has until September 16, 2026 to regain compliance, and its Class A common stock will continue to trade on the Nasdaq Capital Market during the compliance period.

The following summarizes certain leadership, governance, and organizational developments during the period.

Corporate Governance

- In March 2025, Jerry Wang was promoted to Global President of the Company.
- In April 2025, Yueting Jia, our founder, was promoted to Global Co-Chief Executive Officer ("Global Co-CEO") and will co-lead the Company alongside Matthias Aydt.
- In May 2025, the Company formalized YT Jia's appointment as Global Co-CEO under a "Stockholders First" equity incentive plan.
- In August 2025, the Board approved temporary governance adjustments during the SEC investigation, assigning primary oversight of finance, legal, accounting, and public reporting functions to Global Co-CEO Matthias Aydt during the pendency of the investigation.
- In August 2025, the Company reported formation of a wholly owned subsidiary, FFAI Crypto Treasury and Bridging Holdings Inc., related to its digital asset initiatives.
- 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 purchases of the Company's common stock under his Rule 10b5-1 trading plan totaling approximately $740,000.
- 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 November 2025, AIXC held a special meeting of stockholders approving the Subscription Agreement and related share issuances, enabling the Company to obtain a majority ownership position in AIXC and designate a majority of the reconstituted board of directors.
- In November 2025, following stockholder approval, AIXC filed a Certificate of Amendment to change its corporate name to AIxCrypto Holdings, Inc.
- In December 2025, the Audit Committee of the Board of Directors approved the dismissal of Macias Gini & O'Connell LLP ("MGO") as the Company's independent registered public accounting firm and the appointment of HTL International, LLC as the Company's new independent registered public accounting firm. MGO's audit report on the Company's consolidated financial statements for the year ended December 31, 2024 did not contain an

adverse opinion or disclaimer of opinion and was not qualified or modified as to accounting principles or auditing scope, but included an explanatory paragraph regarding substantial doubt about the Company's ability to continue as a going concern. The Company reported that there were no disagreements with MGO on accounting principles or practices, financial statement disclosure, or auditing scope or procedures during the relevant reporting periods. MGO provided a letter to the Securities and Exchange Commission stating that it agreed with the statements made by the Company regarding the change in auditors.

- In February 2026, Chui Tin Mok, an executive member of the Company's Board of Directors, notified the Board of his intention to resign as a director upon the Board's confirmation of a successor nominee, in order to focus on the Company's business execution in the United Arab Emirates and the broader Middle East. Mr. Mok will continue to serve as an executive officer and Head of FF Middle East.

Supply Chain Exposure and Tariff Risk

As of December 31, 2025, a significant portion of our direct materials was sourced from China, which may expose certain components to U.S. import tariffs and other supply-chain cost pressures. During the year ended December 31, 2025, the Company increased it lower-of-cost-and-net-realizable-value inventory reserve by $17.8 million, bringing the total reserve to $21.1 million as of December 31, 2025, compared to $3.3 million as of December 31, 2024. Of the increase recorded during 2025, approximately $13.3 million related to market conditions, including anticipated tariffs and higher transportation costs, and approximately $4.6 million related to excess and obsolete inventory identified during the period.

While supply-chain conditions, including tariffs and logistics costs, were considered in the valuation of inventory, the increase in the reserve was also influenced by the Company's evolving product strategy, including a greater focus on development of the FX Super One platform and reduced emphasis on the FF 91 program. Because U.S. tariff policies continue to evolve, the Company maintains a flexible approach in responding to those developments. As production planning evolves, the Company may continue to evaluate sourcing strategies, pricing, and inventory reserves in response to changes in global supply-chain conditions and trade policies.

Segment Information

We haves two operating segments—AI Electric Vehicle ("AIEV"), and digital assets — both segment meet the criteria for separate reporting under ASC 280. Through August 12, 2025, our 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 our sole CODM for purposes of ASC 280.

Management has identified Loss from operations, as presented in our 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 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 our 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 our 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.

During 2025, the Company acquired a controlling interest in AIXC, and the acquisition closed on September 29, 2025. Accordingly, AIXC's results were included in the Company's consolidated financial statements only from the acquisition date through December 31, 2025. The Company intends to use AIXC as the platform for future crypto-related initiatives; however, no active crypto operations were conducted during 2025, and the Company liquidated its crypto holdings to help fund the AIXC

transaction. (For further information see Note 3 - *Business Acquisition - Consolidation of AIXC,* and Note 1 - *Nature of Business and Organization*).

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 included elsewhere in this annual report.

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 builds our brand and markets 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 December 31, 2025, we have sold eleven and leased twelve 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 aiFactory 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 aiFactory 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 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 delivered four vehicle during the year ended December 31, 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 Consolidated Statements of Operations and Comprehensive Loss for the year ended December 31, 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 December 31, 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 $4.4 million and $3.0 million as of December 31, 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 December 31, 2025, the Company had received approximately 13,600 non-binding, non-refundable B2B reservation deposits and 536 B2C non-binding refundable reservations, totaling 14,136 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 December 31, 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 remain a significant part of our business. Our R&D efforts focus on the design and development of our electric vehicles and continue 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 substantially completed R&D activities related to the FF 91, we expect R&D expenses to increase in the near future due to increased R&D activities related to the 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.

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 Consolidated Statements of Operations and Comprehensive Loss.

Asset Impairment

We record 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 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 aiFactory California facility in Hanford, California.

Impairment of Goodwill and Intangible Assets

We record impairments within operating expenses related to goodwill and intangible assets when the carrying value of a reporting unit or asset exceeds its estimated fair value. Goodwill associated with the AIXC reporting unit arose from the Company's acquisition of AIXC and is tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets primarily consist of acquired in-process research and development and other identifiable intangible assets, which are evaluated for impairment in accordance with applicable accounting guidance. Impairment charges related to goodwill and intangible assets are recognized within operating expenses in the Consolidated Statements of Operations and Comprehensive Loss.

Credit Loss Expense

We record credit loss expense related to financial assets measured at amortized cost, including short-term notes receivable, in accordance with ASC 326 (Current Expected Credit Losses). Credit losses are estimated using forward-looking information that considers historical experience, current conditions, and reasonable and supportable forecasts regarding the collectability of the underlying receivables. The Company, through its acquisition of AIXC, holds short-term notes receivable from Marizyme, Inc. Credit loss expense recognized in the Consolidated Statements of Operations reflects changes in the allowance for expected credit losses based on the Company's ongoing assessment of the borrower's financial condition, estimated recoverable amounts, and other relevant factors affecting collectability.

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.

Net Loss on Digital Assets

We recognize gains and losses related to digital assets within operating results based on changes in their fair value and transactions during the period. Digital assets are measured at fair value with changes in value recognized in earnings in accordance with applicable accounting guidance. Fair value is determined using quoted prices in the principal markets accessible to the Company through its custodial and trading counterparties. Net losses on digital assets recognized in the Consolidated Statements of Operations and Comprehensive Loss reflect realized gains or losses from sales of digital assets as well as unrealized gains or losses resulting from changes in market prices at each reporting date.

Other Income / (Expense), net

Other income (loss), 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.

Consolidated Results of Operations

Consolidated Statements of Operations

(in thousands)	2025	2024
Revenue	$ 536	$ 539
Cost of revenue	98,302	84,029
Gross profit	(97,766)	(83,490)
Operating expenses		
Research and development	16,603	25,227
Settlement on accrued research and development expenses	—	(14,935)
Sales and marketing	12,310	9,278
General and administrative	55,733	43,164
Loss on disposal of property, plant, and equipment	2,459	1,667
Impairment of long-lived assets and deposits	137,435	1,847
Impairment of goodwill	4,450	—
Credit loss expense - short-term note receivable	4,294	—
Total operating expenses	233,284	66,248
Loss from operations	(331,050)	(149,738)
Change in fair value of notes payable, warrant liabilities, and derivative call options	49,093	(12,556)
Change in fair value of related party notes payable, warrant liabilities, and derivative call options	(1,627)	253
Loss on settlement of notes payable	(100,524)	(161,725)
Loss on settlement of related party notes payable	(5,128)	(14,295)
Interest expense	(8,649)	(7,895)
Related party interest expense	—	(8,710)
Net loss on digital assets	(4,117)	—
Other income (loss), net	4,983	(1,448)
Loss before income taxes	(397,019)	(356,114)
Income tax (expense) benefit	(63)	267
Net loss	$ (397,082)	$ (355,847)

Consolidated - Revenue

	Year Ended December 31,		Change	
(in thousands)	2025	2024	Amount	%
Revenue	$ 536	$ 539	$ (3)	(0.6)%

Revenue decreased by $3 thousand for the year ended December 31, 2025, compared to the same period in 2024. Revenue was consistent year over year for the year ended December 31, 2025. Revenue was essentially flat year over year. Although vehicle deliveries increased, with four vehicles delivered in 2025 compared to three in 2024, automotive sales revenue did not increase correspondingly. This decrease was largely offset by higher leasing revenue as the Company expanded its operating lease program. Higher leasing revenue from the Company's expanded operating lease program largely offset the decline in automotive sales revenue. Overall revenue remains limited as the Company continues in a pre-commercial production phase.

Looking ahead, the Company intends to advance the commercialization of the FX Super One as it transitions from pre-production and validation activities toward scaled manufacturing and staged deliveries. Management expects that revenue will remain limited until production and deliveries increase; however, as the FX Super One moves through its planned ramp-up phases, vehicle sales and related leasing activities are expected to become more meaningful drivers of consolidated revenue.

The timing and extent of revenue growth will depend on execution of manufacturing, supplier, regulatory, and delivery milestones.

Consolidated - Cost of Revenue

	Year Ended December 31,		Change	
(in thousands)	2025	2024	Amount	%
Cost of revenue	$ 98,302	$ 84,029	$ 14,273	17.0 %

Cost of revenue increased by $14.3 million for the year ended December 31, 2025, compared to the same period in 2024. The increase was primarily driven by higher inventory reserves partially offset by lower depreciation expense following the impairment of certain long-lived assets.

During 2025, the Company recorded a net increase of approximately $17.8 million in inventory reserves based on updated production plans and inventory utilization. In addition, depreciation expense allocated to cost of revenue declined by approximately $5.0 million as a result of impairment charges recorded during 2025 under ASC 360.

Consolidated - Research and Development

	Year Ended December 31,		Change	
(in thousands)	2025	2024	Amount	%
Research and development	$ 16,603	$ 25,227	$ (8,624)	(34.2)%

R&D expense decreased by $8.6 million for the year ended December 31, 2025, compared to the same period in 2024. The decrease was primarily driven by a $7.0 million reduction in wages and related benefit, including lower bonus expense, and a $6.6 million reduction in IT-related R&D expenses These decreases were partially offset by a $3.3 million increase in operating consumables and equipment rental—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.

Throughout 2025, R&D activities primarily supported the FX Super One program, including final validation, U.S. homologation testing, and production readiness initiatives. Development efforts 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 (U.A.E.) to align manufacturing standards and production planning under its global bridge strategy.

As the Company transitions from an R&D-intensive phase toward commercial production, resources are being strategically reallocated to manufacturing engineering, quality validation, and process optimization. Current R&D initiatives remain focused on vehicle performance, safety system enhancements, and software refinement, in collaboration with key technology and supply-chain partners to support scalable FX Series production readiness. During the year, the Company entered into a strategic mass-production engineering services agreement with a major global automotive manufacturer to support manufacturing engineering, validation, and production ramp-up activities for the FX Super One. Activities under this agreement are expected to facilitate commercial production readiness, with associated costs incurred primarily as development and engineering expenditures.

In the first quarter of 2026, the Company expanded its technology development initiatives to include robotics applications, leveraging its intelligent mobility platform and software capabilities to explore opportunities in advanced automation and AI-enabled systems. This initiative is intended to complement the Company’s broader intelligent vehicle strategy and support long-term technology diversification.

Consolidated - Settlement on Accrued Research and Development

(in thousands)	Year Ended December 31, 2025	Year Ended December 31, 2024	Change Amount	Change %
Settlement on accrued research and development expenses	$ —	$ (14,935)	$ 14,935	(100.0)%

A $14.9 million gain from the settlement of previously accrued research and development expenses was recognized during the year ended December 31, 2024, with no comparable gain or loss recognized during the year ended December 31, 2025. This gain resulted from a settlement that resolved ongoing disputes over unpaid invoices due to Palantir.

Consolidated - Sales and Marketing

(in thousands)	Year Ended December 31, 2025	Year Ended December 31, 2024	Change Amount	Change %
Sales and marketing	$ 12,310	$ 9,278	$ 3,032	32.7 %

Sales and marketing expense increased by $3.0 million for the year ended December 31, 2025, compared to the same period in 2024. The increase was primarily driven by a $5.9 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. Additional costs were incurred from expanded marketing activities in the Middle East to support brand visibility in international markets. These increases were partially offset by a $2.3 million decrease in rent and related expense and a $0.9 million reduction in wages and related benefits, including lower bonus expense.

Throughout 2025, the Company executed an event-driven marketing strategy centered on its Co-Creation model, engaging industry leaders, influencers, and early adopters to promote the brand and its vehicles. This approach supported expanded global visibility through high-profile activations, including the FX Super One global launch in Los Angeles, participation in the Pebble Beach automotive showcase, and the 919 Futurist Day & Stockholders' Community Day. These initiatives were designed to strengthen brand awareness and customer engagement while maintaining disciplined marketing spend and focused resource allocation.

The Company also advanced its international marketing presence, particularly in the Middle East, through localized brand activations, regional events, and targeted customer outreach aligned with future market entry plans. These efforts contributed to increased brand recognition and FX Super One reservation activity. The combination of experiential events, digital marketing initiatives, and strategic influencer partnerships supported sustained brand momentum while managing overall marketing costs.

Looking ahead, the Company expects marketing activities to remain aligned with its transition toward commercial production of the FX Series, with continued emphasis on targeted launch events, digital engagement, and market-specific activation strategies designed to support reservation conversion and brand positioning in priority regions.

In the first quarter of 2026, the Company expanded its brand and technology outreach to include robotics-related initiatives, leveraging its intelligent mobility platform and AI capabilities. Marketing efforts associated with this initiative are intended to introduce the Company's broader technology ecosystem and support long-term brand diversification beyond electric vehicles.

Consolidated - General and Administrative

(in thousands)	Year Ended December 31, 2025	Year Ended December 31, 2024	Change Amount	Change %
General and administrative	$ 55,733	$ 43,164	$ 12,569	29.1 %

General and administrative expense increased by $12.6 million for the year ended December 31, 2025, compared to the same period in 2024. The increase was primarily driven by a $19.4 million increase in professional fees, reflecting higher legal expenses, audit and advisory fees, SOX compliance support, and services provided under the FFGP agreement. Wages and related benefit costs increased by $3.7 million due to higher salaries and nondiscretionary bonuses, and a $2.3 million

decrease in costs allocated to cost of sales. These increases were partially offset by a $4.0 million reduction in insurance costs, primarily due to lower directors and officers ("D&O") insurance premiums and other corporate insurance savings, $6.6 million lower depreciation and amortization expense, as well as $2.1 million of lower rent expense in the current period.

Throughout 2025, the Company continued to experience elevated general and administrative costs as it managed increased legal, compliance, and governance requirements. These included expenses associated with the SEC investigation, the implementation of temporary governance adjustments, enhanced Sarbanes-Oxley compliance activities, and recurring Form S-1 registration filings to facilitate the resale of shares issued upon conversion of certain convertible debt instruments. Professional service costs also increased in connection with the opening of operations in the United Arab Emirates, the negotiation and execution of a major mass-production engineering services agreement, research and structuring of new preferred equity issuances, the acquisition and integration of AIXC, robotics-related strategic initiatives, and advisory support related to evolving tariff and trade matters. Staffing levels remained higher year-over-year in both the U.S. and China to support these expanded activities, resulting in increased wages and related benefits despite lower discretionary bonus expense. Although management implemented efficiency initiatives, including vendor consolidation, office space optimization, and administrative streamlining, overall G&A expenses remained elevated due to the Company's expanded regulatory, transactional, and strategic initiatives.

Consolidated - Net Loss from disposal of property, plant and equipment

	Year Ended December 31,		Change	
(in thousands)	**2025**	**2024**	**Amount**	**%**
Loss on disposal of property, plant, and equipment	$ 2,459	$ 1,667	$ 792	47.5 %

Loss on disposal of property, plant, and equipment increased by approximately $0.8 million for the year ended December 31, 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.

Consolidated - Asset Impairment

	Year Ended December 31,		Change	
(in thousands)	**2025**	**2024**	**Amount**	**%**
Impairment of long-lived assets and deposits	$ 137,435	$ 1,847	$ 135,588	NM*

NM = not meaningful

During the year ended December 31, 2025, the Company recorded total impairment charges of approximately $137.4 million related to long-lived assets. Based on the results of an independent third-party tangible asset valuation study performed in connection with identified triggering events under ASC 360, the Company recorded impairment charges of $128.9 million related to Property, Plant, and Equipment, Net, and $8.5 million related to Deposits and Other Current Assets.

The 2025 impairment was primarily attributable to certain tooling, machinery, and manufacturing equipment located at vendor sites and at the Company's FF aiFactory California production facility in Hanford, California. These assets were determined to be impaired following a reassessment of operational plans and near-term production forecasts, including the Company's strategic shift from FF 91 program activities toward the planned FF 92 upgrade program and reorganization and retooling efforts in preparation for the commercial production of the FX Super One. Triggering events included the elimination of federal EV tax credits, escalating U.S.–China trade tensions, and the Company's market capitalization relative to the carrying value of its long-lived assets.

During the year ended December 31, 2024, the Company recorded an impairment loss related to lease right-of-use ("ROU") assets. This charge resulted from facility exits, including a leased retail store, a research facility, and an administrative location in China, as the Company negotiated lease terminations with landlords. No property, plant, and equipment impairment charges were recorded during 2024.

Consolidated - Impairment of Goodwill

	Year Ended December 31,		Change	
(in thousands)	2025	2024	Amount	%
Impairment of goodwill	$ 4,450	$ —	$ 4,450	NM*

NM = not meaningful

During the year ended December 31, 2025, we recorded a $4.5 million goodwill impairment related to the AIXC business acquired in September 2025. In connection with the annual impairment assessment under ASC 350, management compared the estimated fair value of the AIXC reporting unit to its carrying value. The fair value was supported primarily using a market-based valuation approach that considered AIXC's diluted market capitalization and other relevant market indicators.

Following the acquisition, AIXC experienced continued operating losses and volatility in its market valuation, which resulted in the reporting unit's estimated fair value falling below its carrying amount as of the testing date. Accordingly, the Company recognized an impairment charge limited to the recorded goodwill balance. There was no comparable goodwill impairment in 2024, as no goodwill was recorded prior to the AIXC acquisition.

Consolidated - Credit Loss Expense

	Year Ended December 31,		Change	
(in thousands)	2025	2024	Amount	%
Credit loss expense - short-term note receivable	$ 4,294	$ —	$ 4,294	NM*

NM = not meaningful

During the year ended December 31, 2025, we recorded a $4.3 million of credit loss expense primarily related to the Marizyme promissory note acquired in connection with the AIXC business combination. In accordance with ASC 326, the Company evaluated the collectability of the note and recorded an allowance for expected credit losses based on an assessment of the borrower's financial condition, liquidity constraints, and uncertainty regarding repayment.

The increase in credit loss expense in 2025 reflects updated information obtained following the acquisition, including continued operating losses at the borrower and heightened uncertainty surrounding its ability to satisfy the note in accordance with contractual terms. There was no comparable credit loss expense in 2024, as the note was not held by the Company prior to the AIXC acquisition.

Consolidated - Change in Fair Value of Notes Payable, Warrant Liabilities, and Derivative Call Options

	Year Ended December 31,		Change	
(in thousands)	2025	2024	Amount	%
Change in fair value of notes payable, warrant liabilities, and derivative call options	$ 49,093	$ (12,556)	$ 61,649	(491.0)%

The $61.6 million year-over-year improvement reflects the combined effects of losses recognized upon initial issuance of instruments and subsequent fair value remeasurement.

Losses recognized at issuance remained elevated in 2025, totaling approximately $61.9 million, compared to approximately $49.6 million in 2024. The increase was driven primarily by higher common stock warrant issuance activity following the execution of new SPAs beginning in the second half of 2024, which provided for increased warrant coverage relative to legacy arrangements. In addition, derivative call options (Incremental Warrants) were first recognized in December 2024 after a spike in the Company's stock price caused these instruments to become in-the-money, contributing to higher issuance-related losses in late 2024 and continuing through much of 2025. Issuance activity declined significantly in the fourth quarter of 2025, which moderated incremental issuance-related losses toward year end.

More than offsetting these losses, we recognized substantially higher gains from fair value remeasurement in 2025, totaling approximately $116.6 million, compared to approximately $39.9 million in 2024. This increase was driven by a materially larger population of equity-linked instruments outstanding during the period, particularly warrants and Incremental Warrants, together with a sustained decline in the Company's stock price during 2025. Immediately prior to certain warrant

cancellations on December 28, 2025, there were 56,584,917 SPA Portfolio third-party warrants outstanding, compared to 5,931,638 outstanding as of December 31, 2024. As our stock price declined over the course of 2025, the fair value of notes, warrants, and derivative call options decreased, resulting in a larger net remeasurement gain for the year.

Consolidated - Change in Fair Value of Related Party Notes Payable and Related Party Warrant Liabilities

	Year Ended December 31,		Change	
(in thousands)	**2025**	**2024**	**Amount**	**%**
Change in fair value of related party notes payable, warrant liabilities, and derivative call options	$ (1,627)	$ 253	$ (1,880)	(743.1)%

The Change in fair value of related party notes payable, warrant liabilities, and derivative call options decreased by $1.9 million for the year ended December 31, 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 related party SPA Portfolio Notes with a principal value of $5.0 million during the year ended December 31, 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 $2.2 million gain from the remeasurement of related party notes payable, related party warrant liabilities, and related party Incremental Warrants as of December 31, 2025. The fair value of our related party instruments decreased during the period ended December 31, 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 year ended December 31, 2024.

Consolidated - Loss on Settlement of Notes Payable

	Year Ended December 31,		Change	
(in thousands)	**2025**	**2024**	**Amount**	**%**
Loss on settlement of notes payable	$ (100,524)	$ (161,725)	$ 61,201	(37.8)%

The $61.2 million decrease in Loss on settlement of notes payable, compared to the prior year, primarily reflects a lower loss recognized per dollar of principal converted during 2025, and to a lesser extent, a lower overall volume of debt conversions. During the year ended December 31, 2025, we converted $125.0 million of principal into 117,784,999 shares of Class A common stock, compared to $141.6 million of principal converted into 62,141,799 shares during the year ended December 31, 2024. Despite a relatively similar level of principal converted, the year-over-year decrease in loss on settlement of notes payable primarily reflects a lower loss recognized per dollar of principal. The annual average loss per dollar of principal declined to approximately $0.80 in 2025 compared to approximately $1.12 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 our 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.

Consolidated - Loss on Settlement of Related Party Notes Payable

	Year Ended December 31,		Change	
(in thousands)	**2025**	**2024**	**Amount**	**%**
Loss on settlement of related party notes payable	$ (5,128)	$ (14,295)	$ 9,167	(64.1)%

During the year ended December 31, 2025 a related party converted various notes with an aggregate principal of $6.5 million in exchange for 6,326,566.00 shares of our Class A Common Stock. We recognized a $5.1 million Loss on 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 year ended December 31, 2024, a related party converted only $0.7 million of principal and we recognized a modest Loss on settlement of related party notes payable of $0.2 million.

During the year ended December 31, 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 Consolidated Financial Statements. There was no breach of our agreement with Chongqing during the years ended December 31, 2025 and 2024.

Consolidated - Interest Expense

	Year Ended December 31,		Change	
(in thousands)	**2025**	**2024**	**Amount**	**%**
Interest expense	$ (8,649)	$ (7,895)	$ (754)	9.6 %

Interest expense increased by approximately $0.8 million for the year ended December 31, 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 aiFactory 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.

Consolidated - Related Party Interest Expense

	Year Ended December 31,		Change	
(in thousands)	**2025**	**2024**	**Amount**	**%**
Related party interest expense	$ —	$ (8,710)	$ 8,710	(100.0%)

Related party interest expense decreased by $8.7 million for the year ended December 31, 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.

Consolidated - Loss on Digital Assets, net

	Year Ended December 31,		Change	
(in thousands)	**2025**	**2024**	**Amount**	**%**
Net loss on digital assets	$ (4,117)	$ —	$ (4,117)	NM *

* NM = not meaningful

Net loss on digital assets increased by $4.1 million for the year ended December 31, 2025, compared to the same period in 2024. The increase was attributable to digital asset transactions occurring during 2025 following the AIXC acquisition. During the year, the Company and AIXC purchased and subsequently sold various cryptocurrencies, resulting in realized losses based on the difference between the sales proceeds and the historical cost basis of the assets sold.

In addition, the Company recognized unrealized losses on digital assets held at year end due to declines in quoted market prices relative to their carrying values. Digital assets are measured at fair value, with changes in fair value recognized in earnings. The net loss for 2025 reflects both realized losses from sales activity and fair value adjustments resulting from market volatility in cryptocurrency prices during the year. There were no digital asset transactions or related gains or losses during the year ended December 31, 2024.

Consolidated - Other Income (Expense), net

(in thousands)	Year Ended December 31, 2025	Year Ended December 31, 2024	Change Amount	Change %
Other income (loss), net	$ 4,983	$ (1,448)	$ 6,431	(444.1%)

Other income, net increased by $6.4 million for the year ended December 31, 2025, compared to the same period in 2024. The increase was primarily driven by lower foreign currency transaction losses in 2025. Although the Chinese yuan appreciated against the U.S. dollar during the current period, overall exchange rate movements were less volatile than the U.S. dollar appreciation experienced in 2024, resulting in a reduced foreign currency impact on the Company's RMB-denominated monetary balances. Foreign currency effects related to the Company's operations in the United Arab Emirates were not significant, as the UAE Dirham is pegged to the U.S. dollar.

AIEV Results of Operations

AIEV - Statements of Operations

(in thousands)	2025	2024
Revenue	$ 536	$ 539
Cost of revenue	98,302	84,029
Gross profit	(97,766)	(83,490)
Operating expenses		
Research and development	16,757	25,227
Settlement on accrued research and development expenses	12,310	9,278
Sales and marketing	52,615	43,164
General and administrative	—	(14,935)
Loss on disposal of property, plant, and equipment	2,459	1,667
Impairment of long-lived assets and deposits	137,435	1,847
Impairment of goodwill	4,450	—
Total operating expenses	226,026	66,248
Loss from operations	(323,792)	(149,738)
Change in fair value of notes payable, warrant liabilities, and derivative call options	48,675	(12,556)
Change in fair value of related party notes payable, warrant liabilities, and derivative call options	(1,627)	253
Loss on settlement of notes payable	(100,524)	(161,725)
Loss on settlement of related party notes payable	(5,128)	(14,295)
Interest expense	(8,296)	(7,895)
Related party interest expense	—	(8,710)
Net loss on digital assets	(529)	—
Other income (loss), net	4,692	(1,448)
Loss before income taxes	(386,529)	(356,114)
Income tax (expense) benefit	(63)	267
Net loss	$ (386,592)	$ (355,847)

AIEV - Revenue

(in thousands)	Year Ended December 31, 2025	Year Ended December 31, 2024	Change Amount	Change %
Revenue	$ 536	$ 539	$ (3)	(0.6)%

Revenue decreased by $3 thousand for the year ended December 31, 2025, compared to the same period in 2024. Revenue was consistent year over year for the year ended December 31, 2025. Revenue was essentially flat year over year. Although vehicle deliveries increased, with four vehicles delivered in 2025 compared to three in 2024, automotive sales revenue did not increase correspondingly. This decrease was largely offset by higher leasing revenue as the Company expanded its operating lease program. Higher leasing revenue from the Company's expanded operating lease program largely offset the decline in automotive sales revenue. Overall revenue remains limited as the Company continues in a pre-commercial production phase.

Looking ahead, the Company intends to advance the commercialization of the FX Super One as it transits from pre-production and validation activities toward scaled manufacturing and staged deliveries. Management expects that revenue will remain limited until production and deliveries increase; however, as the FX Super One moves through its planned ramp-up phases, vehicle sales and related leasing activities are expected to become more meaningful drivers of consolidated revenue. The timing and extent of revenue growth will depend on execution of manufacturing, supplier, regulatory, and delivery milestones.

AIEV - Cost of Revenue

(in thousands)	Year Ended December 31, 2025	Year Ended December 31, 2024	Change Amount	Change %
Cost of revenue	$ 98,302	$ 84,029	$ 14,273	17.0 %

Cost of revenue increased by $14.3 million for the year ended December 31, 2025, compared to the same period in 2024. he increase was primarily driven by higher inventory reserves partially offset by lower depreciation expense following the impairment of certain long-lived assets.

During 2025, the Company recorded a net decrease of approximately $17.8 million in inventory reserves as prior-period reserve balances were written off or otherwise adjusted based on updated production plans and inventory utilization. In addition, depreciation expense allocated to cost of revenue declined by approximately $5.0 million as a result of impairment charges recorded during 2025 under ASC 360. During 2025, the Company identified impairment triggering events, including the elimination of federal EV tax credits, escalating U.S.–China trade tensions, and the Company's market capitalization relative to its carrying value.

AIEV - Research and Development

(in thousands)	Year Ended December 31, 2025	Year Ended December 31, 2024	Change Amount	Change %
Research and development	$ 16,757	$ 25,227	$ (8,470)	(33.6)%

R&D expense decreased by $8.5 million for the year ended December 31, 2025, compared to the same period in 2024. The decrease was primarily driven by a $7.0 million reduction in wages and related benefit, including lower bonus expense, and a $6.6 million reduction in IT-related R&D expenses These decreases were partially offset by a $3.3 million increase in operating consumables and equipment rental—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.

Throughout 2025, R&D activities primarily supported the FX Super One program, including final validation, U.S. homologation testing, and production readiness initiatives. Development efforts 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 (U.A.E.) to align manufacturing standards and production planning under its global bridge strategy.

As the Company transitions from an R&D-intensive phase toward commercial production, resources are being strategically reallocated to manufacturing engineering, quality validation, and process optimization. Current R&D initiatives remain focused on vehicle performance, safety system enhancements, and software refinement, in collaboration with key technology and supply-chain partners to support scalable FX Series production readiness. During the year, the Company entered into a strategic mass-production engineering services agreement with a major global automotive manufacturer to support manufacturing engineering, validation, and production ramp-up activities for the FX Super One. Activities under this agreement are expected to facilitate commercial production readiness, with associated costs incurred primarily as development and engineering expenditures.

In the first quarter of 2026, the Company expanded its technology development initiatives to include robotics applications, leveraging its intelligent mobility platform and software capabilities to explore opportunities in advanced automation and AI-enabled systems. This initiative is intended to complement the Company's broader intelligent vehicle strategy and support long-term technology diversification.

AIEV - Settlement of Accrued Research and Development expenses

	Year Ended December 31,		Change	
(in thousands)	**2025**	**2024**	**Amount**	**%**
Settlement on accrued research and development expenses	$ —	$ (14,935)	$ 14,935	NM*

*NM = not meaningful

A $14.9 million gain from the settlement of previously accrued research and development expenses was recognized during the year ended December 31, 2024, with no comparable gain or loss recognized during the year ended December 31, 2025. This gain resulted from a settlement that resolved ongoing disputes over unpaid invoices due to Palantir.

AIEV - Sales and Marketing

	Year Ended December 31,		Change	
(in thousands)	**2025**	**2024**	**Amount**	**%**
Sales and marketing	$ 12,310	$ 9,278	$ 3,032	32.7 %

Sales and marketing expense increased by $3.0 million for the year ended December 31, 2025, compared to the same period in 2024. The increase was primarily driven by a $5.9 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. Additional costs were incurred from expanded marketing activities in the Middle East to support brand visibility in international markets. These increases were partially offset by a $2.3 million decrease in rent and related expense and a $0.9 million reduction in wages and related benefits, including lower bonus expense.

Throughout 2025, the Company executed an event-driven marketing strategy centered on its Co-Creation model, engaging industry leaders, influencers, and early adopters to promote the brand and its vehicles. This approach supported expanded global visibility through high-profile activations, including the FX Super One global launch in Los Angeles, participation in the Pebble Beach automotive showcase, and the 919 Futurist Day & Stockholders' Community Day. These initiatives were designed to strengthen brand awareness and customer engagement while maintaining disciplined marketing spend and focused resource allocation.

The Company also advanced its international marketing presence, particularly in the Middle East, through localized brand activations, regional events, and targeted customer outreach aligned with future market entry plans. These efforts contributed to increased brand recognition and FX Super One reservation activity. The combination of experiential events, digital marketing initiatives, and strategic influencer partnerships supported sustained brand momentum while managing overall marketing costs.

Looking ahead, the Company expects marketing activities to remain aligned with its transition toward commercial production of the FX Series, with continued emphasis on targeted launch events, digital engagement, and market-specific activation strategies designed to support reservation conversion and brand positioning in priority regions.

In the first quarter of 2026, the Company expanded its brand and technology outreach to include robotics-related initiatives, leveraging its intelligent mobility platform and AI capabilities. Marketing efforts associated with this initiative are intended to introduce the Company's broader technology ecosystem and support long-term brand diversification beyond electric vehicles.

AIEV - General and Administrative

	Year Ended December 31,		Change	
(in thousands)	2025	2024	Amount	%
General and administrative	$ 52,615	$ 43,164	$ 9,451	21.9 %

General and administrative expense increased by $9,451 for the year ended December 31, 2025, compared to the same period in 2024. The increase was primarily driven by a $17.3 million increase in professional fees, reflecting higher legal expenses, audit and advisory fees, SOX compliance support, and services provided under the FFGP agreement. Wages and related benefit costs increased by $3.7 million due to higher salaries and nondiscretionary bonuses.and a $2.3 million decrease in costs allocated to cost of sales. These increases were partially offset by a $4.0 million reduction in insurance costs, primarily due to lower directors and officers ("D&O") insurance premiums and other corporate insurance savings, $6.6 million lower depreciation and amortization expense, as well as $2.1 million of lower rent expense in the current period.

Throughout 2025, the Company continued, to experience elevated general and administrative costs as it managed increased legal, compliance, and governance requirements. These included expenses associated with the SEC investigation, the implementation of temporary governance adjustments, enhanced Sarbanes-Oxley compliance activities, and recurring Form S-1 registration filings to facilitate the resale of shares issued upon conversion of certain convertible debt instruments. Professional service costs also increased in connection with the opening of operations in the United Arab Emirates, the negotiation and execution of a major mass-production engineering services agreement, research and structuring of new preferred equity issuances, the acquisition and integration of AIXC, robotics-related strategic initiatives, and advisory support related to evolving tariff and trade matters. Staffing levels remained higher year-over-year in both the U.S. and China to support these expanded activities, resulting in increased wages and related benefits despite lower discretionary bonus expense. Although management implemented efficiency initiatives, including vendor consolidation, office space optimization, and administrative streamlining, overall G&A expenses remained elevated due to the Company's expanded regulatory, transactional, and strategic initiatives.

AIEV - Loss from disposal of property, plant and equipment

	Year Ended December 31,		Change	
(in thousands)	2025	2024	Amount	%
Loss on disposal of property, plant, and equipment	$ 2,459	$ 1,667	$ 792	47.5 %

Loss on disposal of property, plant, and equipment increased by approximately $0.8 million for the year ended December 31, 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.

AIEV - Asset Impairment

	Year Ended December 31,		Change	
(in thousands)	2025	2024	Amount	%
Impairment of long-lived assets and deposits	$ 137,435	$ 1,847	$ 135,588	NM*

* NM = not meaningful

During the year ended December 31, 2025, the Company recorded total impairment charges of approximately $137.4 million related to long-lived assets. Based on the results of an independent third-party tangible asset valuation study performed in connection with identified triggering events under ASC 360, the Company recorded impairment charges of $128.9 million related to Property, Plant, and Equipment, Net, and $8.5 million related to Deposits and Other Current Assets.

The 2025 impairment was primarily attributable to certain tooling, machinery, and manufacturing equipment located at vendor sites and at the Company's FF aiFactory California production facility in Hanford, California. These assets were

determined to be impaired following a reassessment of operational plans and near-term production forecasts, including the Company's strategic shift from FF 91 program activities toward the planned FF 92 upgrade program and reorganization and retooling efforts in preparation for the commercial production of the FX Super One. Triggering events included the elimination of federal EV tax credits, escalating U.S.–China trade tensions, and the Company's market capitalization relative to the carrying value of its long-lived assets.

During the year ended December 31, 2024, the Company recorded an impairment loss related to lease right-of-use ("ROU") assets. This charge resulted from facility exits, including a leased retail store, a research facility, and an administrative location in China, as the Company negotiated lease terminations with landlords. No property, plant, and equipment impairment charges were recorded during 2024.

AIEV - Goodwill Impairment

	Year Ended December 31,		Change	
(in thousands)	2025	2024	Amount	%
Impairment of goodwill	$ 4,450	$ —	$ 4,450	NM*

NM = not meaningful

During the year ended December 31, 2025, $4.5 million of the $4.5 million consolidated goodwill impairment charge related to the AIXC business acquired in September 2025 was allocated to AIEV for segment reporting purposes.

AIEV - Change in Fair Value of Notes Payable, Warrant Liabilities, and Derivative Call Options

	Year Ended December 31,		Change	
(in thousands)	2025	2024	Amount	%
Change in fair value of notes payable, warrant liabilities, and derivative call options	$ 48,675	$ (12,556)	$ 61,231	(487.7)%

The $61.2 million year-over-year improvement reflects the combined effects of losses recognized upon initial issuance of instruments and subsequent fair value remeasurement.

Losses recognized at issuance remained elevated in 2025, totaling approximately $61.9 million, compared to approximately $49.6 million in 2024. The increase was driven primarily by higher common stock warrant issuance activity following the execution of new SPAs beginning in the second half of 2024, which provided for increased warrant coverage relative to legacy arrangements. In addition, derivative call options (Incremental Warrants) were first recognized in December 2024 after a spike in the Company's stock price caused these instruments to become in-the-money, contributing to higher issuance-related losses in late 2024 and continuing through much of 2025. Issuance activity declined significantly in the fourth quarter of 2025, which moderated incremental issuance-related losses toward year end.

More than offsetting these losses, we recognized substantially higher gains from fair value remeasurement in 2025, totaling approximately $124.2 million, compared to approximately $39.9 million in 2024. This increase was driven by a materially larger population of equity-linked instruments outstanding during the period, particularly warrants and Incremental Warrants, together with a sustained decline in the Company's stock price during 2025. Immediately prior to certain warrant cancellations on December 28, 2025, there were 56,584,917 SPA Portfolio third-party warrants outstanding, compared to 5,931,638 outstanding as of December 31, 2024. As our stock price declined over the course of 2025, the fair value of notes, warrants, and derivative call options decreased, resulting in a larger net remeasurement gain for the year.

AIEV - Change in Fair Value of Related Party Notes Payable and Related Party Warrant Liabilities

	Year Ended December 31,		Change	
(in thousands)	2025	2024	Amount	%
Change in fair value of related party notes payable, warrant liabilities, and derivative call options	$ (1,627)	$ 253	$ (1,880)	(743.1)%

The Change in fair value of related party notes payable, warrant liabilities, and derivative call options increased by $1.9

million for the year ended December 31, 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 related party SPA Portfolio Notes with a principal value of $5.0 million during the year ended December 31, 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 $2.2 million gain from the remeasurement of related party notes payable, related party warrant liabilities, and related party Incremental Warrants as of December 31, 2025. The fair value of our related party instruments decreased during the period ended December 31, 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 year ended December 31, 2024.

AIEV - Loss on Settlement of Notes Payable

	Year Ended December 31,		Change	
(in thousands)	**2025**	**2024**	**Amount**	**%**
Loss on settlement of notes payable	$ (100,524)	$ (161,725)	$ 61,201	(37.8)%

The $61.2 million decrease in Loss on settlement of notes payable, compared to the prior year, primarily reflects a lower loss recognized per dollar of principal converted during 2025, and to a lesser extent, a lower overall volume of debt conversions. During the year ended December 31, 2025, we converted $125.0 million of principal into 117,784,999 shares of Class A common stock, compared to $141.6 million of principal converted into 62,141,799 shares during the year ended December 31, 2024. Despite a relatively similar level of principal converted, the year-over-year decrease in loss on settlement of notes payable primarily reflects a lower loss recognized per dollar of principal. The annual average loss per dollar of principal declined to approximately $0.80 in 2025 compared to approximately $1.12 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 our 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.

AIEV - Loss on Settlement of Related Party Notes Payable

	Year Ended December 31,		Change	
(in thousands)	**2025**	**2024**	**Amount**	**%**
Loss on settlement of related party notes payable	$ (5,128)	$ (14,295)	$ 9,167	(64.1)%

During the year ended December 31, 2025 a related party converted various notes with an aggregate principal of $6.5 million in exchange for 6,326,566.00 shares of our Class A Common Stock. We recognized a $5.1 million Loss on 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 year ended December 31, 2024, a related party converted only $0.7 million of principal and we recognized a modest Loss on settlement of related party notes payable of $0.2 million.

During the year ended December 31, 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 Consolidated Financial Statements. There was no breach of our agreement with Chongqing during the years ended December 31, 2025 and 2024.

AIEV - Interest Expense

(in thousands)	Year Ended December 31, 2025	2024	Change Amount	%
Interest expense	$ (8,296)	$ (7,895)	$ (401)	5.1 %

Interest expense decreased by approximately $0.4 million for the year ended December 31, 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 aiFactory 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.

AIEV - Related Party Interest Expense

(in thousands)	Year Ended December 31, 2025	2024	Change Amount	%
Related party interest expense	$ —	$ (8,710)	$ 8,710	(100.0%)

Related party interest expense decreased by $8.7 million for the year ended December 31, 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.

AIEV - Loss on Digital Assets, net

(in thousands)	Year Ended December 31, 2025	2024	Change Amount	%
Net loss on digital assets	$ (529)	$ —	$ (529)	NM *

* NM = not meaningful

Net loss on digital assets increased by $0.5 million for the year ended December 31, 2025, compared to the same period in 2024. The change was attributable to digital asset transactions within the AIEV segment during 2025. During the year, the Company purchased and subsequently sold certain cryptocurrencies, resulting in realized losses based on the difference between sales proceeds and the historical cost of the assets sold.

In addition, the Company recognized unrealized losses on digital assets held at year end due to declines in quoted market prices relative to their carrying values. Digital assets are measured at fair value, with changes in fair value recognized in earnings. The net loss for 2025 reflects both realized losses from sales activity and fair value adjustments driven by cryptocurrency market volatility. There were no digital asset transactions or related gains or losses during the year ended December 31, 2024.

AIEV - Other Income (Expense), net

(in thousands)	Year Ended December 31, 2025	2024	Change Amount	%
Other income (loss), net	$ 4,692	$ (1,448)	$ 6,140	424.0%

Other income, net increased by $6.1 million for the year ended December 31, 2025, compared to the same period in 2024. The increase was primarily driven by lower foreign currency transaction losses in 2025. Although the Chinese yuan appreciated against the U.S. dollar during the current period, overall exchange rate movements were less volatile than the U.S. dollar appreciation experienced in 2024, resulting in a reduced foreign currency impact on the Company's RMB-denominated monetary balances. Foreign currency effects related to the Company's operations in the United Arab Emirates were not significant, as the UAE Dirham is pegged to the U.S. dollar.

AIXC Results of Operations

AIXC - Statements of Operations

(in thousands)	Year Ended December 31, 2025	2024
Operating expenses		
Research and development	$ (154)	$ —
General and administrative	3,118	—
Impairment of goodwill	—	—
Credit loss expense - short-term note receivable	4,294	—
Total operating expenses	7,258	—
Loss from operations	(7,258)	—
Change in fair value of notes payable, warrant liabilities, and derivative call options	418	—
Interest expense	(353)	—
Net loss on digital assets	(3,588)	—
Other income (loss), net	291	—
Loss before income taxes	(10,490)	—
Income tax (expense) benefit	—	—
Net loss	$ (10,490)	$ —

AIXC - Research and Development

(in thousands)	Year Ended December 31, 2025	2024	Change Amount	%
Research and development	$ (154)	$ —	$ (154)	NM *

NM = not meaningful

R&D expense increased by $154 thousand for the year ended December 31, 2025, compared to the same period in 2024. The increase reflects AIXC's research and development activity during the fourth quarter of 2025 following its acquisition. As AIXC was not part of the Company in the prior year period, the amounts are not comparable. The overall impact on consolidated results was immaterial.

AIXC - General and Administrative

(in thousands)	Year Ended December 31, 2025	2024	Change Amount	%
General and administrative	$ 3,118	$ —	$ 3,118	NM *

NM = not meaningful

General and administrative expense increased by $3.1 million for the year ended December 31, 2025, compared to the same period in 2024. The increase reflects AIXC's fourth-quarter operating activity following its acquisition, primarily driven by professional services, consulting and accounting fees, master service fees, marketing expenses, and personnel-related costs. As AIXC was not part of the Company in the prior-year period, amounts are not comparable.

AIXC - Credit Loss

(in thousands)	Year Ended December 31, 2025	Year Ended December 31, 2024	Change Amount	Change %
Credit loss expense - short-term note receivable	$ 4,294	$ —	$ 4,294	NM*

NM = not meaningful

During the year ended December 31, 2025, we recorded a $4.3 million of credit loss expense primarily related to the Marizyme promissory note acquired in connection with the AIXC business combination. In accordance with ASC 326, the Company evaluated the collectability of the note and recorded an allowance for expected credit losses based on an assessment of the borrower's financial condition, liquidity constraints, and uncertainty regarding repayment.

The increase in credit loss expense in 2025 reflects updated information obtained following the acquisition, including continued operating losses at the borrower and heightened uncertainty surrounding its ability to satisfy the note in accordance with contractual terms. There was no comparable credit loss expense in 2024, as the note was not held by the Company prior to the AIXC acquisition.

AIXC - Change in Fair Value of Notes Payable, Warrant Liabilities, and Derivative Call Options

(in thousands)	Year Ended December 31, 2025	Year Ended December 31, 2024	Change Amount	Change %
Change in fair value of notes payable, warrant liabilities, and derivative call options	$ 418	$ —	$ 418	NM *

* NM = not meaningful

The change in fair value of financial instruments was $0.4 million for the year ended December 31, 2025, reflecting the period-end remeasurement of AIXC's single fair value–measured instrument following its acquisition. There were no comparable amounts in the prior year.

AIXC - Interest Expense

(in thousands)	Year Ended December 31, 2025	Year Ended December 31, 2024	Change Amount	Change %
Interest expense	$ (353)	$ —	$ (353)	NM *

NM = not meaningful

Interest expense increased by approximately $353 thousand for the year ended December 31, 2025, compared to the same period in 2024. The increase reflects interest incurred on AIXC's outstanding debt obligations during the fourth quarter of 2025 following its acquisition. As AIXC was not part of the Company in the prior-year period, amounts are not comparable.

AIXC - Net Loss on Digital Assets, net

(in thousands)	Year Ended December 31, 2025	Year Ended December 31, 2024	Change Amount	Change %
Net loss on digital assets	$ (3,588)	$ —	$ (3,588)	NM *

NM = not meaningful

Net loss on digital assets increased by $3.6 million for the year ended December 31, 2025, compared to the same period in 2024. The increase reflects digital asset activity during the fourth quarter of 2025 following the acquisition of AIXC. Prior to the acquisition, AIXC operated as a biologics-focused company and did not engage in digital asset transactions. The 2025

loss includes realized losses on sales and unrealized losses from period-end fair value remeasurement, as digital assets are measured at fair value with changes recognized in earnings.

AIXC - Other Income (loss), net

(in thousands)	Year Ended December 31, 2025	Year Ended December 31, 2024	Change Amount	Change %
Other income (loss), net	$ 291	$ —	$ 291	NM *

NM = not meaningful

Other income, net increased by $0.3 million for the year ended December 31, 2025, compared to the same period in 2024. The increase reflects miscellaneous non-operating items recognized during the fourth quarter of 2025 following the acquisition of AIXC, including interest income and other routine adjustments. As AIXC was not part of the Company in the prior-year period, there are no comparable amounts.

Liquidity and Capital Resources

Going Concern

Conditions Raising Substantial Doubt

We have evaluated whether conditions and events, considered in the aggregate, raise substantial doubt about our ability to continue as a going concern within one year after the date that the Consolidated Financial Statements are issued. In accordance with ASC 205-40, Presentation of Financial Statements — Going Concern, management considered our recurring losses from operations since inception and continued cash outflows from operating activities. Based on this evaluation, we concluded that substantial doubt exists regarding our ability to continue as a going concern for the one-year period following issuance of these Consolidated Financial Statements.

We have devoted, and expect to continue to devote, substantial effort and capital resources to strategic planning, engineering, design, and development of our electric vehicle platform, development of vehicle models, completion of the FF aiFactory California manufacturing facility, and capital raising activities. As of December 31, 2025, we had an accumulated deficit of $4,705.0 million, unrestricted cash of $34.9 million, and negative working capital of $79.7 million. These conditions contribute to the substantial doubt determination under ASC 205-40.

We project that we will require substantial additional funding to continue operations, advance development and future production planning related to its FF Series program,, initiate production of our FX Series vehicles, and commence our planned robotics production initiative in the first quarter of 2026. If additional capital is not secured, we may not have sufficient resources to meet our obligations or continue operations, which could result in bankruptcy protection and asset liquidation, with equity holders receiving little to no recovery. Although we expect that the launch of the FX Series and the planned robotics initiative may support future revenue generation and operational performance, these initiatives are subject to execution, market acceptance, and funding risks, and there can be no assurance that sufficient liquidity will be generated within the next twelve months.

The consolidation of AIXC did not materially improve our near-term liquidity position or alter our current working capital constraints. Although AIXC may support longer-term business initiatives, it does not alleviate the substantial doubt that exists regarding our ability to continue as a going concern within the next twelve months.

Management's Plans

In accordance with ASC 205-40, management has developed plans intended to mitigate the conditions that give rise to substantial doubt. We have historically funded operations primarily through the issuance of notes payable, related party convertible notes (see Note 8 and Note 9), and the sale of common stock. We intend to continue pursuing these funding sources.

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), 2025 March Unsecured SPA Notes, and (vi) 2025 July Unsecured SPA Notes, and 2025 July Unsecured SPA Notes. As of December 31, 2025, the SPA Portfolio Notes were in good standing.

As of December 31, 2025, SPA Commitments totaled $739.0 million, of which $503.3 million was funded, $186.2 million expired unfunded, $49.5 million remained to be funded, and $51.1 million in principal was outstanding. Optional Commitments totaled $467.0 million, of which $111.0 million was funded, $315.5 million expired unfunded, $40.5 million remained to be funded, and $23.3 million was outstanding. Remaining amounts are subject to closing conditions, including minimum share price and trading volume requirements.

We may be unable to satisfy the closing conditions under the SPA Commitments or obtain additional financing on acceptable terms or at all.

We have implemented capital raising initiatives, including our At-The-Market ("ATM") offering program, subject to authorized share availability and compliance with securities laws and Nasdaq listing requirements.

Operational Context

During 2023, we commenced deliveries of the FF 91. We currently manufacturing the FF 91 and plans to manufacture FF 92 models within the FF Series. The FX Series was launched in 2025, beginning with the Super One model, and the Company is currently accepting reservation deposits. Series production is expected following completion of production readiness activities.

In 2025, the Company also advanced initiatives in robotics and intelligent automation and continued developing digital asset initiatives. These initiatives may require additional capital and are not expected to generate near-term cash flows.

Equity Issuance Constraints and ATM Program

On September 26, 2023, we entered into a sales agreement under its ATM Program permitting aggregate gross sales proceeds of up to $90.0 million, subject to share availability and regulatory compliance.

Due to the late filing of the September 30, 2025 Form 10-Q, we are ineligible to access the ATM Program until no earlier than December 1, 2026, assuming continued compliance with SEC reporting requirements thereafter.

Our ability to issue additional shares is constrained by authorized share limits and anti-dilution provisions in certain debt and equity instruments, which could increase share issuance requirements.

Strategic Investment

On September 29, 2025, we completed our investment in AIXC. This transaction was executed as part of a broader strategy to pursue non-automotive initiatives. AIXC's historical operations were immaterial to consolidated results for the year ended December 31, 2025.

Risks Affecting Liquidity

We continue to explore financing alternatives; however, delays in securing funding commitments have constrained production activities. Capital raising efforts may be unsuccessful or delayed, and projections may underestimate professional fees and financing-related costs.

Our capital raising efforts remain subject to Nasdaq listing standards, authorized share limitations, and anti-dilution features in existing instruments.

Our liquidity is also influenced by supplier payment terms, advance deposit requirements, reliance on third-party partners, and capital market conditions affecting the electric vehicle industry.

Elevated U.S. import tariffs on EV components sourced from China may increase manufacturing costs as production scales. While tariffs did not materially impact 2025 cost of goods sold due to limited production volume, continued reliance on China-based suppliers may increase input costs and funding needs.

Going Concern Determination

Despite management's plans, our recurring operating losses and negative cash flows from operations raise substantial doubt about our ability to continue as a going concern within one year after the date these Consolidated Financial Statements are issued, as contemplated by ASC 205-40.

Basis of Presentation

The Consolidated Financial Statements do not include any adjustments that might result from the outcome of this uncertainty. Accordingly, the Consolidated Financial Statements have been prepared assuming we will continue as a going concern.

Sources of Liquidity

As of December 31, 2025, our principal source of liquidity was cash on hand totaling $34.9 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-K.

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 8, *Notes Payable*, and Note 9, *Related Party Transactions*, of the notes to the Consolidated Financial Statements included in this Form 10-K.

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 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 Consolidated Statements of Operations and Comprehensive Loss.

Third-Party Notes Payable (December 31, 2025)

(in thousands)	Contractual Maturity Date	Contractual Interest Rates	December 31, 2025 Unpaid Principal Balance	Fair Value Measurement Adjustments	Original Issue Discount and Proceeds Allocated to Warrants	Net Carrying Value
2023 Unsecured SPA Notes	Various through November 2031	10 % - 15%	$ 8,100	$ (622)	$ (810)	$ 6,668
Junior Secured SPA Notes	Various through December 2030	10%	12,107	(705)	—	11,402
2024 Unsecured SPA Notes	Various through December 2030	10%	6,070	(252)	—	5,818
2025 March Unsecured SPA Notes	Various dates in 2030	10%	5,508	(1,096)	(2,304)	2,108
2025 July Unsecured SPA Notes	August 2030	10%	37,592	(3,079)	(7,717)	26,796
Unsecured Convertible Notes	June 2026	4.27%	5,000	(1,558)	—	3,442
Notes payable – China other	Due on Demand	—%	4,290	—	—	4,290
2025 Convertible Note - AIXC	January 2026	—%	132	32	(22)	142
			$ 78,799	$ (7,280)	$ (10,853)	$ 60,666
Notes payable, current portion						$ 4,432
Notes payable, long-term portion						$ 56,234

Related Party Notes Payable (December 31, 2025)

(in thousands)	December 31, 2025 Contractual Maturity Date	Contractual Interest Rates	Net Carrying Value
Notes Payable — China	April 2027	18.0 % [1]	$ 3,775
Notes Payable on Demand — China	Due on Demand	—%	429
Other Notes	Due on Demand	12.0%	75
			$ 4,279
Related party notes payable, current			$ 3,507
Related party notes payable, long-term			$ 772

[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 was not in default with respect to the payment schedule, and no contingent interest has been recorded as of December 31, 2025.

Cash Flow Analysis

(in thousands)	2025	2024
Net cash (used in) provided by:		
Operating activities	$ (107,576)	$ (70,186)
Investing activities	$ (23,457)	$ (7,382)
Financing activities	$ 161,402	$ 80,733
Effect of exchange rate changes on cash and restricted cash	$ (2,589)	$ (16)

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 year ended December 31, 2025, net cash used in operating activities was $107.6 million, compared to $70.2 million for the same period in 2024, reflecting a $37.4 million increase in cash outflows.

Net Loss: The $41.2 million increase in Net loss in 2025 compared to the same period in 2024, reflecting an unfavorable change in result year over year. This change includes various non-cash items that are excluded in calculating cash flow from operating activities.

Non-cash adjustments: Non-cash adjustments increased by $39.0 million for the year ended December 31, 2025 compared to the same period in 2024. This increase was comprised of a $135.6 million increase in Asset impairment, a $17.4 million increase in Reserve on inventory, and a $14.9 million decrease in Settlement on accrued research and development expenses. These adjustments were partially offset by a $64.2 million Change in fair value of notes payable, warrant liabilities, and derivative liabilities, a $61.2 million reduction in Loss on settlement of notes payable, and a $9.2 million reduction Loss on settlement of related party notes payable. 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 decreased by $35.2 million for the year ended December 31, 2025 compared to the same period in 2024. For the year ended December 31, 2025, changes in working capital included unfavorable shifts in our operating assets and liabilities. Notable contributors to the change were a $12.8 million change in Accrued expenses and other current liabilities, and a $8.7 million change in Related party accrued interest expense, and a $5.6 million change in Inventory. 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 $23.5 million for the year ended December 31, 2025, compared to $7.4 million for the same period in 2024, reflecting an increase of $16.1 million. The higher use of cash was primarily attributable to a $27.0 million due to Purchase of digital assets and $1.1 million of net investment related to our acquisition of AIXC. This outflow was partially offset by a $12.6 million of proceeds received from the Sale of digital assets. 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 year ended December 31, 2025, financing activities provided a net cash inflow of $161.4 million, compared to a net cash inflow of $80.7 million for the same period in 2024—an increase of $80.7 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 $151.7 million, up by $83.6 million from $68.1 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. Financing activities also included $9.9 million of net proceeds from a follow-on capital contribution related to AIXC, after issuance costs. These net aggregate inflows were offset by increases in payments of notes

payable and other financing obligations, which totaled $4.0 million and $4.5 million, respectively, and a decline in Proceeds from related party notes payable, net of original issuance discount of $6.7 million during 2025.

Effect of Exchange Rate Changes on Cash and Restricted Cash

The exchange rates effect on cash and restricted cash was $2.6 million and zero for the years ended December 31, 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 December 31, 2025 and 2024.

Critical Accounting Estimates

Our Consolidated Financial Statements are prepared in accordance with U.S. GAAP generally accepted accounting principles. The preparation of our Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent liabilities, and the reported amounts of expenses during the reporting period. Management has based its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values that are not readily apparent from other sources.

Actual results may differ from these estimates under different assumptions or conditions. Changes in the accounting estimates are reasonably likely to occur from period to period. Accordingly, actual results could differ significantly from the estimates made by our management. To the extent that there are material differences between these estimates and actual results, future financial statement presentation, financial condition, results of operations, and cash flows will be affected. Given the global economic climate and unpredictable nature, estimates are subject to additional variability and volatility.

For a description of our significant accounting policies, see *Note 1, Nature of Business and Organization, Basis of Presentation, and Summary of Significant Accounting Policies* of the notes to Consolidated Financial Statements included elsewhere in this Form 10-K. An accounting policy is considered to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the Consolidated Financial Statements Management believes the following critical accounting policies reflect the more significant estimates and assumptions used in the preparation of the Consolidated Financial Statements.

Impairment of Long-Lived Assets

Description

We assess our long-lived assets, consisting primarily of property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset (or asset group) may not be recoverable. We perform 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.

The Company measures impairment based on the excess of carrying value over estimated fair value. Fair value is determined using valuation techniques appropriate for the nature of the underlying assets, which may include a cost approach, market approach, or income approach. For the year ended December 31, 2025, the Company primarily utilized a cost approach to estimate the fair value of certain long-lived assets, reflecting replacement cost adjusted for physical deterioration and economic obsolescence.

Judgments and Uncertainties

The Company estimated fair value with the assistance of an independent valuation specialist, primarily using a cost approach. Key assumptions include estimates of replacement cost, economic obsolescence, physical depreciation, and the timing required for assets to be placed into their intended use. These assumptions are based on management’s assessment of

current and expected operating conditions, production readiness, and future utilization of the assets, together with valuation methodologies applied by the independent valuation specialist. The Company also considers market-based and other external information, as applicable, in evaluating the reasonableness of these assumptions.

Changes in these assumptions, including estimates of economic obsolescence or expected asset utilization, could result in materially different fair value measurements and corresponding impairment charges.

Effect if Actual Results Differ from Assumptions

If actual conditions differ from management's assumptions, including assumptions regarding replacement cost, economic obsolescence, physical depreciation, or the expected timing of placing assets into their intended use, the resulting fair value estimates could change and additional impairment charges could be required4

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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 Consolidated Financial Statements included elsewhere in this Form 10-K 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 7A. 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."

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Faraday Future Intelligent Electric Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheet of Faraday Future Intelligent Electric Inc. and its subsidiaries (collectively the "Company") as of December 31, 2025, and the related consolidated statement of operations and comprehensive loss, changes in equity, and cash flows for the year ended December 31, 2025, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and the results of its operations and its cash flows for the year ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 in the financial statements, the Company suffers from recurring losses, has a negative working capital and an accumulated deficit. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ HTL International, LLC

We have served as the Company's auditor since 2025.

Houston, Texas

March 31, 2026

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Faraday Future Intelligent Electric Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Faraday Future Intelligent Electric Inc. and subsidiaries (the "Company") as of December 31, 2024, the related consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows, for the year then ended, and the related notes (collectively, the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph Regarding Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 in the consolidated financial statements, the Company has incurred operating losses since inception, has continued cash outflows from operating activities, and has an accumulated deficit. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Macias Gini & O'Connell LLP

We served as the Company's auditor in 2024.

New York, NY
March 31, 2025

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

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

	December 31, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	$ 34,927	$ 7,144
Restricted cash	27	30
Digital assets	10,250	—
Accounts receivable	257	—
Notes receivable, net of allowance for credit losses of $4,555 at December 31, 2025	343	—
Inventory, net (see Note 4)	3,258	27,486
Deposits (see Note 5)	10,499	31,094
Other current assets (see Note 5)	8,963	6,127
Total current assets	68,524	71,881
Property, plant and equipment, net	155,303	348,587
Operating lease right-of-use assets, net	4,950	1,761
Intangible assets, net	4,639	1,042
Goodwill	25,764	—
Other non-current assets (see Notes 4 and 5)	18,682	2,129
Total assets	$ 277,862	$ 425,400
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 57,277	$ 71,414
Accrued expenses and other current liabilities	45,499	45,677
Related party accrued expenses and other current liabilities	13,179	11,077
Warrant liabilities	1,950	28,864
Accrued interest	—	25
Related party accrued interest	19,933	23,227
Other financing liabilities, current portion	951	761
Operating lease liabilities, current portion	1,443	2,128
Notes payable, current portion	4,432	4,224
Related party notes payable	3,507	5,310
Total current liabilities	148,171	192,707
Other financing liabilities, long term portion	46,867	38,698
Operating lease liabilities, long term portion	3,471	14
Notes payable, long term portion	56,234	45,264
Related party notes payable, long term portion	772	2,754
Derivative call options	10,042	29,709
Related party derivative call options	2,504	—
Other liabilities	2,042	1,287
Total liabilities	270,103	310,433
Commitments and Contingencies (Note 12)		

Stockholders equity (deficit)		
Class A Common Stock, 0.0001 par value; 228,041,297 and 99,815,625 shares authorized; 199,130,727 and 65,919,127 shares issued and outstanding as of December 31, 2025 and December 31, 2024, respectively	21	6
Class B Common Stock, 0.0001 par value; 4,429,688 shares authorized; 6,667 shares issued and outstanding as of December 31, 2025 and December 31, 2024	—	—
Preferred Stock, 0.0001 par value; 5,931,000 and 10,000,000 shares authorized as of December 31, 2025 and December 31, 2024 respectively; one and zero shares issued and outstanding as of December 31, 2025 and December 31, 2024 respectively	—	—
Series B Preferred Stock, $0.0001 par value; 12,000,000 and zero shares authorized as of December 31, 2025 and December 31, 2024 respectively; 7,184,760 and zero shares issued and outstanding as of December 31, 2025 and December 31, 2024, respectively	—	—
Additional paid-in capital	4,673,866	4,421,563
Accumulated other comprehensive income	3,817	7,744
Accumulated deficit	(4,705,042)	(4,314,346)
Total stockholders' equity (deficit) attributable to the Company	(27,338)	114,967
Noncontrolling interest	35,097	—
Total stockholders' equity (deficit)	7,759	114,967
Total liabilities and stockholders' equity (deficit)	$ 277,862	$ 425,400

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

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

	2025	2024
Revenue	$ 536	$ 539
Cost of revenue	98,302	84,029
Gross profit	(97,766)	(83,490)
Operating expenses		
Research and development	16,603	25,227
Settlement on accrued research and development expenses	—	(14,935)
Sales and marketing	12,310	9,278
General and administrative	55,733	43,164
Loss on disposal of property, plant, and equipment	2,459	1,667
Impairment of long-lived assets and deposits	137,435	1,847
Impairment of goodwill	4,450	—
Credit loss expense - short-term note receivable	4,294	—
Total operating expenses	233,284	66,248
Loss from operations	(331,050)	(149,738)
Change in fair value of notes payable, warrant liabilities, and derivative call options	49,093	(12,556)
Change in fair value of related party notes payable, warrant liabilities, and derivative call options	(1,627)	253
Loss on settlement of notes payable	(100,524)	(161,725)
Loss on settlement of related party notes payable	(5,128)	(14,295)
Interest expense	(8,649)	(7,895)
Related party interest expense	—	(8,710)
Net loss on digital assets	(4,117)	—
Other (loss) income, net	4,983	(1,448)
Loss before income taxes	(397,019)	(356,114)
Income tax (expense) benefit	(63)	267
Net loss	$ (397,082)	$ (355,847)
Less: Net Loss attributable to noncontrolling interest	6,386	—
Net Loss attributable to Faraday Future Intelligent Electric Inc.	$ (390,696)	$ (355,847)
Per share information (See Note 17):		
Net loss per share of Class A and B Common Stock attributable to common stockholders:		
Basic	$ (3.14)	$ (19.61)
Diluted	$ (3.14)	$ (19.61)
Weighted average common shares used in computing net loss per share of Class A and Class B Common Stock:		
Basic	124,299,591	18,529,525
Diluted	124,299,591	18,529,525
Total comprehensive loss		
Net loss	$ (397,082)	$ (355,847)
Foreign currency translation adjustment	(3,927)	1,882
Total comprehensive loss	$ (401,009)	$ (353,965)

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

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

	Common Stock				Preferred Stock							
	Class A		Class B		Series B		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)
	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)	124,111,566	13	—	—	(7,536,154)	—	189,949	—	—	189,962	—	189,962
Issuance of preferred stock series B to SPA noteholders	—	—	—	—	14,720,914	—	—	—	—	—	—	—
Reclassification of SPA warrants from liability to equity	—	—	—	—	—	—	7,134	—	—	7,134	—	7,134
Settlements with issuance of Class A Common Stock (Note 13)	1,320,722	—	—	—	—	—	1,833	—	—	1,833	—	1,833
Issuance of equity-classified warrants	—	—	—	—	—	—	1	—	—	1	—	1
Related party debt restructuring	—	—	—	—	—	—	3,767	—	—	3,767	—	3,767
Cancellation of warrants	—	—	—	—	—	—	27,407	—	—	27,407	—	27,407
Stock-based compensation	—	—	—	—	—	—	447	—	—	447	—	447
Exercise of warrants	7,516,026	2	—	—	—	—	21,691	—	—	21,693	—	21,693
Sell-to-cover tax withholding on equity awards	12,069	—	—	—	—	—	—	—	—	—	—	—
Issuance of shares for RSU vesting net of tax withholdings	251,217	—	—	—	—	—	74	—	—	74	—	74
Foreign currency translation adjustment	—	—	—	—	—	—	—	(3,927)	—	(3,927)	—	(3,927)
Net loss	—	—	—	—	—	—	—	—	(390,696)	(390,696)	(6,386)	(397,082)
Noncontrolling interest - business combination	—	—	—	—	—	—	—	—	—	—	31,584	31,584
Noncontrolling interest - capital contribution	—	—	—	—	—	—	—	—	—	—	9,899	9,899
Balance as of December 31, 2025	199,130,727	$ 21	6,667	$ —	7,184,760	$ —	$4,673,866	$ 3,817	$(4,705,042)	$ (27,338)	$ 35,097	$ 7,759

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

Faraday Faraday Future Intelligent Electric Inc.
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 8)	62,101,798	6	—	—	226,335	—	—	226,341
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 12)	1,080,294	—	—	—	4,800	—	—	4,800
Purchase of Class A Common Stock under Salary Deduction and Stock Purchase Agreements (see Note 14)	49,659	—	—	—	102	—	—	102
Grow Fandor Contribution	—	—	—	—	250	—	—	250
Chongqing related party debt restructuring (see Note 9)	—	—	—	—	661	—	—	661
Reverse stock split related round up share issuances	306,779	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	8,382	—	—	8,382
Issuance of shares for RSU vesting net of tax withholdings	1,319,764				(10)			(10)
Foreign currency translation adjustment	—	—	—	—	—	1,882	—	1,882
Net loss	—	—	—	—	—	—	(355,847)	(355,847)
Balance as of December 31, 2024	65,919,127	$ 6	6,667	$ —	$4,421,563	$ 7,744	$(4,314,346)	$ 114,967

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

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

	2025	2024
Cash flows from operating activities		
Net loss	$ (397,082)	$ (355,847)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	64,807	71,442
Amortization of operating lease right-of-use assets	3,032	2,588
Non-cash interest expense	4,870	1,929
Loss (gain) on digital assets, net	4,117	—
Loss (gain) on disposal of property and equipment, net	2,459	1,667
Asset impairment	137,435	1,847
Goodwill impairment	4,450	—
Stock-based compensation	3,150	8,382
Reserve on inventory	17,829	476
Credit loss expense	4,294	—
Accrued interest on short-term note receivable	(189)	—
Loss on settlement of notes payable	100,524	161,725
Loss on settlement of related party notes payable	5,128	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	(49,093)	15,058
Change in fair value of related party notes payable, warrant liabilities, and derivative liabilities	1,627	(253)
Other	55	963
Changes in operating assets and liabilities		
Accounts receivables	(257)	—
Inventory	706	6,267
Deposits	(376)	(706)
Accounts payable	(15,843)	(8,804)
Accrued expenses and other current liabilities	4,069	16,907
Related party accrued expenses and other current and non-current liabilities	1,667	(1,573)
Related party accrued interest expense	—	8,710
Operating lease liabilities	(3,572)	—
Financing lease liabilities	—	2,876
Other current and non-current assets	(1,088)	(3,200)
Net cash used in operating activities	(107,576)	(70,186)
Cash flows from investing activities		
Acquisition of AIXC, net of cash acquired	(1,121)	—
Proceeds from sale of equipment	32	198
Purchase of digital assets	(27,000)	—
Sale of digital assets	12,632	—
Payments for property and equipment	(7,644)	(7,580)
Purchase of short-term note receivable	(100)	—
Additions to intangible assets	(256)	—
Net cash used in investing activities	(23,457)	(7,382)
Cash flows from financing activities		
Proceeds from AIXC follow-on capital contribution, net of issuance costs	9,899	—
Payments of notes payable issuance costs	(2,540)	(2,087)
Payments of related party notes payable issuance costs	(4,017)	—
Payments of notes payable and other financing obligations	(4,932)	(428)
Capital contributions	—	250
Proceeds from notes payable, net of original issuance discount	151,739	68,111
Proceeds from related party notes payable, net of original issuance discount	4,731	3,075
Proceeds from other financial obligations	5,081	11,812
Proceeds from exercise of warrants	1,441	—
Net cash provided by financing activities	161,402	80,733
Effect of exchange rate changes on cash and restricted cash	(2,589)	(16)

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

Net increase in cash and restricted cash	27,780	3,149
Cash and restricted cash, beginning of period	7,174	4,025
Cash and restricted cash, end of period	$ 34,954	$ 7,174

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

	2025	2024
Cash and restricted cash		
Cash	$ 34,927	$ 7,144
Restricted cash	27	30
	$ 34,954	$ 7,174

	2025	2024
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 6,180	$ 4,865
Cash paid for income taxes	$ 14	$ —
Supplemental disclosure of noncash investing and financing activities		
Reclass of warrants from liability to equity	$ 7,134	$ —
Conversion of notes payable and accrued interest into Class A Common Stock	$ 84,310	$ 67,113
Issuance of warrants and related party warrants with the SPA Portfolio Notes	$ 49,364	$ 34,440
Settlement of vendor liability in Class A Common Stock	$ 1,833	$ —
Non-cash warrant exercise activity and fair value reclassifications to equity	$ 20,251	$ —
Additions of property and equipment included in accounts payable and accrued expenses	$ 40,002	$ 44,540
Shares withheld for RSU tax obligations	$ —	$ 10
Purchase of Class A Common Stock under the Salary Deduction and Stock Purchase Agreements	$ —	$ 102
De-recognition of right-of-use assets and lease liabilities due to lease modifications	$ —	$ 3,394
Cancellation of warrants	$ 27,407	$ —
Obtaining right-of-use asset in exchange for operating lease liabilities	6,206	30
Supplemental disclosure of noncash operating activities		
Settlement of Palantir dispute with issuance of Class A Common Stock	$ —	$ 4,800

The accompanying notes are an integral part of these 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 two operating segments—AI Electric Vehicle ("AIEV"), and digital assets — and both segment meet the criteria of reportable segment under ASC 280 for the year ended December 31, 2025. (For further information, see Note 18, *Segments*).

The Company designs and engineers next-generation intelligent electric vehicles, manufactures its vehicles at its production facility in Hanford, California, known as "FF aiFactory California," and maintains additional engineering, sales, and operational capabilities in China and the United Arab Emirates ("U.A.E.") 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 Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("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. This includes any variable interest entities ("VIEs") for which the Company is the primary beneficiary, in accordance with Accounting Standards Codification ("ASC") 810, *Consolidation* ("ASC 810"). All intercompany transactions and balances have been eliminated in consolidation.

Basis of Presentation

Use of Estimates and Judgments

The preparation of the Company's 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 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 long-lived asset impairment calculations. Such estimates often require the selection of appropriate valuation methodologies 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 Consolidated Financial Statements on this Form 10-K with the SEC for the period ended December 31, 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 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 Consolidated Financial Statements.

Foreign Currency

The Company determines the functional and reporting currency of each of its international subsidiaries based on the primary currency of the economic environment in which each subsidiary operates. The functional currency of the Company's foreign subsidiaries is their respective local currency, which in China and the United Arab Emirates ("U.A.E.") is the Chinese Yuan ("CNY") and the U.A.E. Dirham ("AED"), respectively.

For foreign subsidiaries where the functional currency is their local currency, assets and liabilities are translated into U.S. Dollars at exchange rates in effect at the balance sheet date, stockholders' equity (deficit) is translated at the applicable historical exchange rate, and expenses are translated using the average exchange rates during the period. The effect of exchange rate changes resulting from the translation of the foreign subsidiary financial statements is accounted for as a component of accumulated other comprehensive income (loss) in the Consolidated Balance Sheets.

Concentration of Risk

Financial instruments, which subject the Company to concentrations of credit risk, consist primarily of cash, restricted cash, and deposits. Substantially all of the Company's cash and restricted cash is held at financial institutions located in the United States of America and in the People's Republic of China. The Company maintains its cash and restricted cash with major financial institutions. At times, cash and restricted cash account balances with any one financial institution may exceed Federal Deposit Insurance Corporation insurance limits ($250 thousand per depositor per institution) and China Deposit Insurance Regulations limits (CNY 500 thousand per depositor per institution), and the U.A.E. deposit insurance framework (AED 100 thousand per depositor per institution), where applicable. Management believes the financial institutions holding the Company's cash and restricted cash are financially sound; accordingly, credit risk related to these balances is considered minimal. Cash and restricted cash held by the Company's non-U.S. subsidiaries are subject to foreign currency fluctuations relative to the U.S. dollar. If the U.S. dollar were to weaken significantly against the Chinese Yuan or the U.A.E. Dirham, the Company's costs to develop its businesses in China and the U.A.E. could exceed original estimates.

The Company sources certain components from sole suppliers. Due to the Company's pre-commercial production status, the volume of business transacted with these suppliers is not material. However, as the Company advances its product pipeline toward production, its reliance on sole-source suppliers could materially impact its ability to scale productions and future operating results.

Fair Value Measurements

The Company applies the provisions of ASC 820, *Fair Value Measurement*, which defines a single authoritative definition of fair value, sets out a framework for measuring fair value, and expands on required disclosures about fair value measurements. The provisions of ASC 820 relate to financial assets and liabilities as well as other assets and liabilities carried at fair value on a recurring and nonrecurring basis. The standard clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. When determining the fair value measurements for assets and liabilities required or permitted to be either recorded or disclosed at fair value, the Company considers the principal or most advantageous market in which the Company would transact and assumptions that market participants would use when pricing the asset or liability.

The accounting guidance for fair value measurement requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The fair value hierarchy is as follows:

Level 1	Valuations for assets and liabilities traded in active exchange markets, or interest in open-end mutual funds that allow a company to sell its ownership interest back at net asset value on a daily basis. Valuations are obtained from readily available pricing sources for market transactions involving identical assets, liabilities or funds.
Level 2	Valuations for assets and liabilities traded in less active dealer, or broker markets, such as quoted prices for similar assets or liabilities or quoted prices in markets that are not active. Level 2 instruments typically include U.S. government and agency debt securities, and corporate obligations. Valuations are usually obtained through market data of the investment itself as well as market transactions involving comparable assets, liabilities or funds.
Level 3	Valuations for assets and liabilities that are derived from other valuation methodologies, such as option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

Fair value estimates are made at a specific point in time based on relevant market information and information about the financial or nonfinancial asset or liability.

ASC 825-10, *Financial Instruments*, allows entities to voluntarily choose to measure certain financial assets and liabilities at fair value ("fair value option"). The fair value option may be elected on an instrument-by-instrument basis and is irrevocable, unless a new election date occurs. If the fair value option is elected for an instrument, unrealized gains and losses for that instrument are reported in earnings at each subsequent reporting date. The Company has elected to apply the fair value option to certain related party notes payable and notes payable with conversion features as discussed in *Note 15, Fair Value of Financial Instruments.* The Company did not separately report interest expense attributable to the notes payable accounted for pursuant to the fair value option in the Consolidated Statements of Operations and Comprehensive Loss because such interest was included in the determination of the fair value of the notes payable and changes thereto.

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 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.

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.). 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 the acquisition date (i.e., September 29, 2025), the Company obtained participating rights over governance and operating decisions, 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, as well as discretion over all digital-asset and cash management decisions. The Company concluded that on the acquisition date, AIXC was a VIE. Based on FF's participating rights over governance and operating decisions, the Company determined that it had the power to direct the activities that most significantly impact AIXC's economic performance and was therefore the primary beneficiary of AIXC. The Company consolidated AIXC beginning on September 29, 2025 pursuant to the VIE provisions of ASC 810.

On November 12, 2025, AIXC held its annual special meeting of stockholders, at which stockholder approval was obtained for the conversion of the Series B Convertible Preferred Stock into additional voting common shares pursuant to applicable Nasdaq listing rules. As a result, the Company's share of voting common stock increased to approximately 57.5% on an as-converted basis. Additionally, subsequent to the stockholder approval the Company was granted the ability to nominate a controlling percentage of AIXC's board of directors. The Company reconsidered its determination that AIXC was a VIE and noted that subsequent to stockholder approval AIXC remained a VIE. The Company's participating rights over governance and operating decisions remained in effect, and the Company continued to conclude that it had the power to direct the activities that

most significantly impact AIXC's economic performance. In addition, while the Company's ownership increased to approximately 57.5%, on an as-converted basis, the Company's exercisable voting interest remained subject to applicable ownership limitations as of December 31, 2025. Accordingly, the Company concluded that it remained the primary beneficiary of AIXC and continued to consolidate AIXC pursuant to the VIE provisions of ASC 810.

The assets and liabilities of AIXC are included in the Company's Consolidated Financial Statements at their acquisition date fair values. 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.*

AIXC effected a name change to AIxCrypto Holdings, Inc.on November 14, 2025.

Summarized financial information of AIXC included in the Company's consolidated financial statements as of December 31, 2025 and for the three months then ended is presented below.

AIXC
Condensed Balance Sheet
December 31, 2025

(in thousands)		
Cash and cash equivalents .	$	19,333
Digital assets .		10,250
Other current assets		1,372
Total current assets .		30,955
Intangible assets and other assets .		325
Total assets	$	31,280
Accounts payable and accrued liabilities	$	3,045
Warrant liabilities and convertible debt		284
Total liabilities		3,329
Total stockholders' equity (deficit)		27,951
Total liabilities and stockholders' equity (deficit)	$	31,280

AIXC
Condensed Statement of Operations
Three Months Ended December 31, 2025

(in thousands)		
Operating expenses	$	7,364
Other expense, net	$	3,233
Net loss	$	(10,596)

AIXC

Condensed Statement of Cash Flows

Three Months Ended December 31, 2025

(in thousands)		
Net cash used in operating activities	$	(2,122)
Net cash used in investing activities	$	(15,881)
Net cash used in financing activities	$	(3,250)

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

GlobeX Al 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 Al 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 Chief Executive Officer 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. GXHK carries nominal assets and liabilities on its balance sheet, which primarily consists of Cash, Deposits, and Intercompany payables. The Company is the primary beneficiary of GXHK because 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 consolidated balance sheets as the Company has had control over GXHK since its inception. The assets of GXHK may only be used to settle obligations of GXHK, and the liabilities of GXHK do not have recourse to the general credit of the Company, except to the extent the Company has explicitly provided support.

The amounts attributable to GXHK in the accompanying consolidated balance sheets, statements of operations and comprehensive loss, and statements of cash flows were insignificant to the Company's consolidated financial statements for all periods presented.

Grow Fandor Inc

Grow Fandor Inc. ("Grow Fandor") was founded by Mr. Jiawei Wang and Mr. Yueting Jia and other 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 Grow Fandor, and Grow Fandor's assets, liabilities, and results of operations are not included in the Company's consolidated financial statements. Significant transactions between the Company and Grow Fandor are disclosed in Note 9, *Related Party Transactions*.

The carrying value of the Company's investment in Grow Fandor, the amounts recognized from transactions with Grow Fandor, and any related cash flows were insignificant to the Company's consolidated financial statements for all periods presented

Segments

The Company has two operating segments—AI Electric Vehicle ("AIEV"), and digital assets — both segments meet 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 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. Refer to Note 18 for further detail on the components of "loss from operations."

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 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, the commercialization of the FX Series vehicles, and the development of the Company's planned digital asset, blockchain-based platform, and related crypto service initiatives through AIXC.

During the third quarter of 2025, the Company consolidated AIXC. 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. The Company uses 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*).

Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of 90 days or less from the date of purchase to be cash equivalents. As of December 31, 2025, the Company held $19.0 million in cash and $16.0 million cash balance in cash equivalent.

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, unless the Company's intention is dispose of them within less than a year, with gains and losses from changes in the fair value and disposition of digital assets reported in the Company's Consolidated Statement of Operations and Comprehensive Loss each reporting period. The Company determines the fair value of its digital assets based on quoted prices in active markets for identical assets (Level 1 inputs). Accordingly, the Company classifies its digital assets within Level 1 of the fair value hierarchy under ASC 820, Fair Value Measurement. The Company utilizes pricing information provided by the principal market, which is based on observable market prices from active trading exchanges. The Company measures digital assets at fair value as of UTC+0:00 on the final day of each reporting period. The Company does not currently recognize revenue from contracts with customers related to digital assets. Cash flows arising from purchases and sales of digital assets are presented as investing activities in the Company's Consolidated Statements of Cash Flows.

The table below summarizes the units held, cost basis, and fair value of outstanding coins as of December 31, 2025 (amounts shown in thousands, except for units held, which are presented in whole numbers):

Digital Assets	Units Held	Cost Basis	Fair Value
Cardano ADA (ADA)	238,136	$ 150	$ 84
Native BNB (BSC)	1,454	1,516	1,251
Bitcoin (BTC)	51	5,495	4,535
Dogecoin (DOGE)	2,292,863	438	282
Ethereum (ETH)	685	2,573	2,033
ChainLink (LINK)	21,560	382	268
Solana (SOL)	7,399	1,358	924
Tron (TRX)	590,372	186	169
USD Tether (USDT)	1,856	2	2
Ripple (XRP)	374,454	912	702
		$ 13,012	$ 10,250

Digital Asset Activity

The following table summarizes digital asset activity for the period indicated, including cost basis of purchases, fair value at the time of sale, net losses recognized (realized or unrealized), and the fair value of outstanding digital assets as of December 31, 2025.

	Balance
Balance as of December 31, 2024	$ —
Purchases	27,000
Sales	(12,593)
Net (loss) gain on digital assets	(4,117)
Other	(40)
Balance as of December 31, 2025	$ 10,250

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 from Marizyme, Inc. (“Marizyme”) arising from cash advances made by AIXC to Marizyme prior to the Company’s acquisition of AIXC. 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 December 31, 2025, the estimate for expected credit losses on the Marizyme Notes is $4.6 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 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 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

Property, Plant and Equipment, Net

Property, plant and equipment, including land are stated at cost less accumulated depreciation and amortization. Land is not depreciated. 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 Consolidated Balance Sheets and any gain or loss is included in the 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 aiFactory 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 Consolidated Balance Sheets.

Impairment of Long-Lived Assets and Deposits

The Company reviews its long-lived assets, consisting primarily of property, plant, 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 year ended December 31, 2025.

The Company noted through the performance of the recoverability test and the calculation of the fair value of the long-lived assets, as prescribed 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 $128.9 million for the year ended December 31, 2025, related to its long-lived assets equipment located at vendor sites and at the Company's FF aiFactory 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 year ended December 31, 2025. No impairments were recognized for the year ended December 31, 2024. See Note 5, Deposits and Other Current Assets.

Further, during the year ended December 31, 2024, the Company recorded a gross impairment of approximately $8.8 million related to certain right-of-use ("ROU") lease assets associated with facility exits. The write-down of the ROU assets was partially offset by a remeasurement of the related lease liabilities, resulting in a net impairment charge of approximately $1.8 million recognized in the Consolidated Statements of Operations. See Note 11, Leases, for further details. There were no lease impairments for the year ended December 31, 2025.

Software Capitalization

The Company accounts for the costs incurred in developing its product offerings under ASC 350-40, Internal-Use Software.

In accordance with the guidance in ASC 350-40, the Company will capitalize costs incurred in connection with the development of the Company's product offerings during the application development stage. Costs incurred during the preliminary project and post-implementation stages are expensed as incurred. Costs incurred in connection with maintenance activities, including training or bug fixes are also expensed as incurred. The Company stops capitalizing qualifying costs once development activities are completed and the project is ready for its intended use.

Capitalized software costs will be amortized on a straight-line basis over a 36-month useful life beginning on the date when the product is ready for its intended use. Management will subsequently test the capitalized software costs for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with ASC 360.

Goodwill and Indefinite-lived Intangible Assets

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets acquired in a business combination. The Company tests goodwill for impairment at the reporting unit level at least annually, or more frequently if events or changes in circumstances indicate that the carrying amount of a reporting unit may exceed its fair value. The Company acquired goodwill in connection with its acquisition of AIXC and assigned all of the associated goodwill to its AIXC reporting unit. The Company tests goodwill for impairment annually as of October 1, or between annual tests if an event occurs or circumstances change that would indicate that the carrying amount may be impaired.

On December 31, 2025, as a result of the decline in the stock price of AIXC subsequent to acquisition, the Company performed a quantitative goodwill impairment assessment for the AIXC reporting unit. The impairment test compared the estimated fair value of the reporting unit to its carrying amount, including goodwill.

The fair value of the AIXC reporting unit was determined primarily using a market-based approach that relied upon observable market data, including AIXC's fully diluted market capitalization as of the testing date. Given AIXC's development-stage profile, no incremental control benefits were identified; therefore, the market capitalization was considered a reasonable proxy for the fair value of 100% of the equity.

Based on the quantitative assessment, the Company concluded that the carrying amount of the AIXC reporting unit exceeded its estimated fair value. Accordingly, the Company recorded a goodwill impairment charge of $4.5 million for the year ended December 31, 2025 of which $2.6 million was allocated to the Company and $1.9 million to noncontrolling interest. The impairment charge is included in Impairment of goodwill in the Consolidated Statements of Operations.

No goodwill impairment was recognized for the year ended December 31, 2024, as the Company did not have a goodwill balance prior to the AIXC acquisition.

Indefinite-lived Intangible Assets

The Company's in-process research and development ("IPR&D") acquired in connection with the acquisition of AIXC was recorded at its acquisition-date fair value, which represents its initial cost basis. The Company will continue to carry this asset at that amount until completion or abandonment of the associated R&D project, at which time an appropriate useful life will be determined.

The Company did not recognize any impairment of its IPR&D for the year ended December 31, 2025.

Business Combination

The Company accounts for business combinations in accordance with ASC 805, Business Combinations, which requires management to use significant judgment in determining the fair value of assets acquired and liabilities assumed and in evaluating whether an acquired set meets the definition of a business. See Note 3 – Business Acquisition to the consolidated financial statements for further information.

Noncontrolling Interest

Where our ownership interest is less than 100%, but greater than 50%, the noncontrolling ownership interest is reported on our Consolidated Balance Sheets. Non-controlling interest represents the portion of the net assets of a subsidiaries attributable to interests that are not owned by the Company. The non-controlling interest is presented in the consolidated balance sheets, separately from equity attributable to the shareholders of the Company. Non-controlling interest's operating result is presented on the face of the consolidated statements of income and comprehensive income (loss) as an allocation of the total income for the year between non-controlling shareholders and the shareholders of the Company.

Revenue Recognition

The following table disaggregates our revenue by major source:

(in thousands)	**2025**	**2024**
Automotive sales	$ 166	$ 495
Automotive leasing - Sales type	250	44
Automotive leasing - Operating type	120	—
	$ 536	$ 539

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 years ended December 31, 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 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 December 31, 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 years ended December 31, 2025 and 2024, the Company recognized $0.7 million and $0.6 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 Consolidated Statements of Operations and Comprehensive Loss.

Customer Deposits

As of December 31, 2025, the Company held approximately $4.4 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 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 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 December 31, 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 years ended December 31, 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, assemble, and sell more vehicles it will reassess and evaluate its warranty claims for purposes of its warranty accrual.

(in thousands)	**2025**	**2024**
Accrued warranty- beginning of period	$ 545	$ 684
Provision for warranty	38	34
Warranty costs incurred	(207)	(173)
Accrued warranty- end of period	$ 376	$ 545

Research and Development

Research and Development ("R&D") costs are expensed as incurred and are primarily comprised of personnel-related costs (including salaries, bonuses, benefits, and stock-based compensation) for employees focused on R&D activities, other related costs, license fees, and depreciation and amortization. The Company's R&D efforts are focused on design and development of the Company's electric vehicles and continuing to prepare the Company's prototype electric vehicle to achieve industry standards. Advanced payments for items and services related to R&D activities have been classified as Deposits in the Consolidated Balance Sheets and are included in operating activities on the Company's Consolidated Statements of Cash Flows. The Company expenses deposits as the services are provided and prototype parts are received.

Sales and Marketing

Sales and marketing expenses primarily consist of personnel-related costs, including salaries, bonuses, benefits, and stock-based compensation for employees engaged in sales and marketing activities. Additionally, these expenses include direct costs associated branding, promotional, co-creation, and publicity activities. The Company's marketing initiatives focus on increasing brand awareness for the FF Series and FX Series, with a particular emphasis on introducing the FX Super One, FF 91, and FF 92 to the market.

Stock-Based Compensation

The Company's stock-based compensation awards consist of stock options and restricted stock units ("RSUs") granted to employees, directors and non-employees for the purchase of Common Stock. The Company recognizes stock-based compensation expense in accordance with the provisions of ASC 718, *Compensation — Stock Compensation* ("ASC 718"). ASC 718 requires the measurement and recognition of compensation expense for all stock-based compensation awards based on the grant date fair values of the awards.

The Company estimates the fair value of stock options using the Black-Scholes option pricing model. For options with service conditions, the value of the award is recognized as expense over the requisite service period on a straight-line basis. For performance-based awards, stock-based compensation expense is recognized over the expected performance achievement period of individual performance milestones when the achievement of each individual performance milestone becomes probable.

Determining the grant date fair value of the awards using the Black-Scholes option pricing model requires management to make assumptions and judgments, including, but not limited to the following:

- *Expected term:* The estimate of the expected term of awards was determined in accordance with the simplified method, which estimates the term based on an averaging of the vesting period and contractual term of the option grant for employee awards. The Company uses the contractual term for non-employee awards.
- *Expected volatility:* The Company determines the expected volatility by weighing the historical average volatilities of publicly traded industry peers and its own trading history. The Company intends to continue to consistently apply this methodology using the same or similar public companies until a sufficient amount of historical information regarding the volatility of the Company's own Class A Common Stock price becomes available, unless circumstances change such that the identified companies are no longer similar to FF, in which case more suitable companies whose stock prices are publicly available would be utilized in the calculation.
- *Risk-free interest rate:* The risk-free interest rate used to value awards is based on the United States Treasury yield in effect at the time of grant for a period consistent with the expected term of the award.
- *Dividend yield:* The Company has never declared or paid any cash dividends and does not presently plan to pay cash dividends for the foreseeable future.
- *Forfeiture rate:* Stock-based compensation expense is reduced for forfeitures only when they occur.
- *Fair value of Common Stock:* The closing price of the Company's Class A Common Stock on Nasdaq is used as the fair value of the Common Stock.

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 of December 31, 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 has recorded a net deferred tax liability of $0.9 million and nil as of December 31, 2025 and December 31, 2024 respectively, arising from the recognition of indefinite-lived intangible assets acquired in connection with the AIXC business combination during the year ended December 31, 2025. Because the underlying intangible assets have indefinite lives, the associated deferred tax liability is not available to offset deferred tax assets in the Company's assessment of the valuation allowance.

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 Company recognizes interest and penalties on unrecognized tax benefits as a component of income tax expense. There were no interest or penalties for the years ended December 31, 2025 and 2024.

Accumulated Other Comprehensive Income

Accumulated other comprehensive income (loss) consists solely of foreign currency translation adjustments resulting from translating the financial statements of the Company's foreign subsidiaries into U.S. dollars. These translation adjustments occur due to fluctuations in exchange rates between the subsidiaries' local currencies, primarily the primarily the Chinese Yuan. While the UAE Dirham is also a local currency of certain foreign subsidiaries, its impact on translation adjustments is limited because the UAE Dirham is pegged to the U.S. dollar.

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 adopted

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which enhances the transparency of income tax disclosures by requiring more detailed information regarding the rate reconciliation and income taxes paid, disaggregated by jurisdiction. The Company adopted this guidance on prospective basis effective January 1, 2025, and the enhanced disclosure requirements are reflected in the Company's Form 10-K for the year ended December 31, 2025.

In September 2025, the FASB issued ASU 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Accounting for and Disclosure of Software Costs ("ASU 2025-06"), which amends certain aspects of the accounting for and disclosure of internal-use software costs. ASU 2025-06 is effective for annual reporting periods beginning with the year ending December 31, 2028, with early adoption permitted. The Company adopted this standard as of December 31, 2025, and it did not have a material impact on our consolidated financial statements.

Recently issued accounting pronouncements not yet adopted

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. 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.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270)* to improve the navigability of the required interim disclosures and clarifying when that guidance is applicable. The amendments also provide additional guidance on what disclosures should be provided in interim reporting periods. This will result in a comprehensive list of interim disclosures that are required by GAAP. The amendments add to Topic 270 a principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The objective of the amendments is to provide clarity on the current interim reporting requirements. The amendments in this Update are effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, for public business entities. This Update will first apply to the Company's March 31, 2028 Form 10-Q.

2. Liquidity and Capital Resources and Going Concern

***Co**nditions Raising Substantial Doubt*

The Company has evaluated whether conditions and events, considered in the aggregate, raise substantial doubt about its ability to continue as a going concern within one year after the date that the Consolidated Financial Statements are issued. In accordance with ASC 205-40, Presentation of Financial Statements — Going Concern, management considered the Company's recurring losses from operations since inception and continued cash outflows from operating activities. Based on this evaluation, the Company concluded that substantial doubt exists regarding its ability to continue as a going concern for the one-year period following issuance of these Consolidated Financial Statements.

The Company has devoted, and expects to continue to devote, substantial effort and capital resources to strategic planning, engineering, design, and development of its electric vehicle platform, development of vehicle models, completion of the FF aiFactory California manufacturing facility, and capital raising activities. As of December 31, 2025, the Company had an accumulated deficit of $4,705.0 million, unrestricted cash of $34.9 million, and negative working capital of $79.7 million. The Company has also incurred recurring net losses since inception, including a net loss of $397.1 million for the year ended December 31, 2025. These conditions contribute to the substantial doubt determination under ASC 205-40.

The Company projects that it will require substantial additional funding to continue operations, advance development and future production planning related to its FF Series program, initiate production of its FX Series vehicles, and commence its planned robotics production initiative in the first quarter of 2026. If additional capital is not secured, the Company may not have sufficient resources to meet its obligations or continue operations, which could result in bankruptcy protection and asset liquidation, with equity holders receiving little to no recovery. Although management expects that the launch of the FX Series and the planned robotics initiative may support future revenue generation and operational performance, these initiatives are subject to execution, market acceptance, and funding risks, and there can be no assurance that sufficient liquidity will be generated within the next twelve months.

The consolidation of AIXC did not materially improve the Company's near-term liquidity position or alter its current working capital constraints. Although AIXC may support longer-term business initiatives, it does not alleviate the substantial doubt that exists regarding the Company's ability to continue as a going concern within the next twelve months.

Management's Plans

In accordance with ASC 205-40, management has developed plans intended to mitigate the conditions that give rise to substantial doubt. The Company has historically funded operations primarily through the issuance of notes payable, related party convertible notes (see Note 8 and Note 9), and the sale of common stock. Management intends to continue pursuing these funding sources.

The Company has issued various financing arrangements collectively referred to as the SPA Portfolio Notes, including SPA Portfolio Notes, 2023 Unsecured SPA Notes, Junior Secured SPA Notes, 2024 Unsecured SPA Notes, 2025 March Unsecured SPA Notes, and 2025 July Unsecured SPA Notes. As of December 31, 2025, the SPA Portfolio Notes were in good standing.

As of December 31, 2025, SPA Commitments totaled $739.0 million, of which $503.3 million was funded, $186.2 million expired unfunded, $49.5 million remained to be funded, and $51.1 million in principal was outstanding. Optional Commitments totaled $467.0 million, of which $111.0 million was funded, $315.5 million expired unfunded, $40.5 million remained to be funded, and $23.3 million was outstanding. Remaining amounts are subject to closing conditions, including minimum share price and trading volume requirements.

The Company may be unable to satisfy the closing conditions under the SPA Commitments or obtain additional financing on acceptable terms or at all.

The Company has implemented capital raising initiatives, including its At-The-Market ("ATM") offering program, subject to authorized share availability and compliance with securities laws and Nasdaq listing requirements.

Operational Context

During 2023, the Company commenced deliveries of the FF 91. The Company is currently manufacturing the FF 91 and plans to manufacture FF 92 models within the FF Series. The FX Series was launched in 2025, beginning with the Super One model, and the Company is currently accepting reservation deposits. Series production is expected following completion of production readiness activities.

In 2025, the Company also advanced initiatives in robotics and intelligent automation and continued developing digital asset initiatives. These initiatives may require additional capital and are not expected to generate near-term cash flows.

Equity Issuance Constraints and ATM Program

On September 26, 2023, the Company entered into a sales agreement under its ATM Program permitting aggregate gross sales proceeds of up to $90.0 million, subject to share availability and regulatory compliance.

Due to the late filing of the September 30, 2025 Form 10-Q, the Company is ineligible to access the ATM Program until no earlier than December 1, 2026, assuming continued compliance with SEC reporting requirements thereafter.

The Company's ability to issue additional shares is constrained by authorized share limits and anti-dilution provisions in certain debt and equity instruments, which could increase share issuance requirements.

Strategic Investment

On September 29, 2025, the Company completed its investment in AIXC. This transaction was executed as part of a broader strategy to pursue non-automotive initiatives. AIXC's historical operations were immaterial to consolidated results for the year ended December 31, 2025.

Risks Affecting Liquidity

The Company continues to explore financing alternatives; however, delays in securing funding commitments have constrained production activities. Capital raising efforts may be unsuccessful or delayed, and projections may underestimate professional fees and financing-related costs.

Capital raising efforts remain subject to Nasdaq listing standards, authorized share limitations, and anti-dilution features in existing instruments.

Liquidity is also influenced by supplier payment terms, advance deposit requirements, reliance on third-party partners, and capital market conditions affecting the electric vehicle industry.

Elevated U.S. import tariffs on EV components sourced from China may increase manufacturing costs as production scales. While tariffs did not materially impact 2025 cost of goods sold due to limited production volume, continued reliance on China-based suppliers may increase input costs and funding needs.

Going Concern Determination

Despite management's plans, the Company's recurring operating losses and negative cash flows from operations raise substantial doubt about its ability to continue as a going concern within one year after the date these Consolidated Financial Statements are issued, as contemplated by ASC 205-40.

Basis of Presentation

The Consolidated Financial Statements do not include any adjustments that might result from the outcome of this uncertainty. Accordingly, the Consolidated Financial Statements have been prepared assuming the Company will continue as a going concern.

3. Business Acquisition

On September 29, 2025 the Company invested $30.0 million in cash into 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. Through our investment in the PIPE the Company obtained a controlling financial interest. AIXC was a publicly traded life-sciences company focused on the development of oncology treatments. At the acquisition date, AIXC's activities primarily consisted of research and development, intellectual property management, and related administrative functions. With this investment, AIXC is transitioning towards cryptocurrency-related business. Total issuance costs associated with the PIPE transaction were $3.0 million and were allocated to acquirer and other investors based on the allocation of proceeds contributed to AIXC.

Through the PIPE transaction, the Company received 248,722 shares of AIXC common stock and 13,108,358 shares of Series B Convertible Preferred Stock. At issuance, only the common stock held voting rights, resulting in the Company owning approximately 7.9% of AIXC's outstanding voting shares. Upon stockholder approval of the share issuance on November 12, 2025, all shares were afforded voting rights. On an as-converted to common stock 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.

In connection with the PIPE transaction, total issuance costs of approximately 8.9 million were incurred, consisting of 3.0 million in cash, 0.5 million in shares of AIXC common stock issued to legal counsel, and 5.3 million in the estimated fair value of warrants issued to placement agents. Of the cash issuance costs, $2.2 million was allocated to the business combination and is presented as a reduction of cash acquired. The remaining 0.8 million in cash issuance costs was allocated to the follow-on NCI equity financing. All non-cash issuance costs were allocated to equity. Issuance costs allocated to equity were recorded as a reduction of additional paid-in capital. 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.

The consideration consisted of $30.0 million of cash invested directly into AIXC and the fair value of the noncontrolling interests ("NCI") in AIXC as of the acquisition date, which was $31.6 million. The additional $9.9 million, $10.7 million gross proceeds net of $0.8 million issuance cost, contemporaneous equity investments from the PIPE by third-party and related party investors were determined to be separate transactions and were accounted for as post-combination equity transactions under ASC 810-10-45-23, rather than as part of the purchase price allocation.

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 following table summarizes the allocation of the purchase price to the identifiable assets acquired and liabilities assumed based on management's preliminary estimates of fair value as of the acquisition date. These estimates are subject to change during the measurement period (amounts in thousands):

Description (balance sheet line item)	Fair Value
Cash (excludes funds from non FF PIPE Investors)[1]	$ 28,878
Prepaid expenses and other current assets	343
Short term note receivable	4,348
Other receivable	2
Intangibles (in-process R&D)	3,629
Accounts payable and accruals	(1,324)
Warrant Liability	(362)
Promissory Notes	(3,237)
Other liabilities (deferred tax liability)	(907)
Net identifiable assets acquired	31,370
Consideration transferred	30,000
Fair Value of Non-Controlling Interest	31,584
Goodwill[2]	$ 30,214

1 Cash acquired is presented net of approximately $2.2 million in cash transaction-related costs incurred and paid by AIXC in connection with the PIPE.

2 In the quarter ended December 31, 2025, the Company impaired goodwill by $4.5 million. The goodwill balance as of December 31, 2025 is $25.8 million.

The fair value of the in-process research and development intangible asset (IPR&D) of $3.6 million was determined using a cost approach. Given the early stage of AIXC's oncology treatment programs and the absence of revenue streams or comparable market transactions, the development costs incurred through the acquisition date were considered to represent the best estimate of the cost a market participant would incur to reproduce the asset to its current stage of development.

The deferred tax liability of $0.9 million represents the tax effect of the difference between the acquisition-date fair value and the tax basis of the IPR&D intangible asset, calculated using the applicable enacted statutory tax rate.

Noncontrolling Interests

The Company did not acquire 100% of AIXC's outstanding equity interests. The noncontrolling interest was measured at its acquisition-date fair value of the interests not held by the Company. NCI stemming from the business combination was calculated based on observable market data and valuation techniques. In addition NCI increased as a result of contemporaneous equity financing that was not part of the business combination. These transactions were accounted for as equity transactions with noncontrolling interest holders, which did not impact the consideration transferred, the purchase price, or goodwill recognized in the business combination.

Goodwill

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 baser. Goodwill was measured as the excess of the purchase price over net tangible and identifiable intangible assets. All of the goodwill recognized in the transaction has been assigned to the Company's AIXC reportable segment.

4. Inventory, net (Current and non current)

Inventory, net, consists of the following as of:

(in thousands)	December 31, 2025	December 31, 2024
Raw materials (net of reserves)	$ 8,357	$ 27,440
Work in progress	395	46
Finished goods	199	—
	$ 8,951	$ 27,486
Inventory, current portion	$ 3,258	$ 27,486
Inventory, non-current portion [1]	$ 5,693	$ —

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

The inventory reserve was $21.1 million and $3.3 million as of December 31, 2025 and December 31, 2024, respectively. During the year ended December 31, 2025 the Company increased its lower-of-cost-and-net-realizable-value inventory reserve by $17.8 million, respectively. Of these amounts, approximately $13.3 million related to market conditions such as anticipated tariffs and higher transportation costs, and approximately $4.6 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:

(in thousands)	December 31, 2025	December 31, 2024
Deposits		
Deposits for research and development, prototype and production parts, and other	$ 21,280	$ 29,318
Deposits for goods and services yet to be received ("Future Work")	1,676	1,776
	$ 22,956	$ 31,094
Deposits, current portion	$ 10,499	$ 31,094
Deposits, non-current portion [1]	$ 12,457	$ —

Other current assets	December 31, 2025	December 31, 2024
Prepaid expenses	$ 7,117	$ 4,832
Other current assets	1,846	1,295
	$ 8,963	$ 6,127

1) Non-current deposits presented as part of Other non-current assets in the 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 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 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.

For the year ended December 31, 2025, the Company recorded an $8.5 million an impairment charge related to deposits. The impairment loss is included within *Impairment of long-lived assets and deposits* on the Consolidated Statements of Operations and Comprehensive Loss.

6. Property, Plant, and Equipment, Net

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

(in thousands)	December 31, 2025	December 31, 2024
Land, buildings and building improvements	$ 78,218	$ 111,443
Computer hardware	2,603	2,397
Tooling, machinery and equipment	120,792	319,313
Vehicles	699	245
Lease vehicles	1,390	3,121
Computer software	4,339	4,339
Construction in process	8,500	27,563
	216,541	468,421
Less: Accumulated depreciation	(61,238)	(119,834)
	$ 155,303	$ 348,587

Depreciation and amortization expense, related to property, plant, and equipment, totaled 64.8 million and $71.4 million for the years ended December 31, 2025 and 2024. For the year ended December 31, 2025, the Company disposed of property, plant, and equipment, with a carrying value of approximately $5.0 million. For the year ended December 31, 2024, the Company disposed of property, plant, and equipment, with a carrying value of approximately $4.6 million.

During 2025, the Company identified impairment triggering events and performed an impairment assessment under ASC 360. As described in Note 1 *Summary of Significant Accounting Policies—Impairment of Long-Lived Assets*, these events included the elimination of federal electric vehicle 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 $128.9 million for the year ended December 31, 2025, including impairment of Construction in progress of $10.1 million. There were no impairment charges for the year ended December 31, 2024. The impairment loss is included within *Impairment of long-lived assets and deposits* on the Consolidated Statements of Operations and Comprehensive Loss.

The impairment relates primarily tooling, machinery, and equipment at vendor sites and at the Company's FF aiFactory 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.

Substantially all of the Company's assets, including property, plant and equipment, are subject to liens under various financing arrangements. See Note 8, Notes Payable, and Note 10, Other Financing Liabilities, for further details.

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:

(in thousands)	December 31, 2025		December 31, 2024
Accrued payroll and benefits	$ 22,428	[1]	$ 27,713
Accrued legal contingencies	3,238		9,091
Customer deposits	4,385		3,027
Accrued liabilities with related parties	13,178		11,077
Other current liabilities	15,449		5,846
	$ 58,678		$ 56,754

1. Accrued payroll and benefits decreased by $8,873 thousand in 2025 due to the reduction of discretionary management bonuses.

Asset Retirement Obligation

Due to the build out of the FF aiFactory California, the Company has an asset retirement obligation ("ARO") totaling $0.9 million and $0.8 million as of December 31, 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.

Accrued Legal Contingencies

As of December 31, 2025 and December 31, 2024, the Company had recorded accrued legal contingencies of $3.2 million and $9.1 million, respectively. The Company records an accrual for loss contingencies when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

8. Notes Payable

The Company has entered into notes payable agreements with third parties. The tables below summarize these agreements as of December 31, 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 year ended December 31, 2025, the Company obtained control of AIXC (refer to Note 3 *Business Acquisition* 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 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 Consolidated Statements of Operations and Comprehensive Loss.

	December 31, 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 November 2031	10 % - 15%	$ 8,100	$ (622)	$ (810)	$ 6,668
Junior Secured SPA Notes	Various through December 2030	10%	12,107	(705)	—	11,402
2024 Unsecured SPA Notes	Various through December 2030	10%	6,070	(252)	—	5,818
2025 March Unsecured SPA Notes	Various dates in 2030	10%	5,508	(1,096)	(2,304)	2,108
2025 July Unsecured SPA Notes	August 2030	10%	37,592	(3,079)	(7,717)	26,796
Unsecured Convertible Notes	June 2026	4.27%	5,000	(1,558)	—	3,442
Notes payable – China other	Due on Demand	—%	4,290	—	—	4,290
2025 Convertible Note - AIXC	January 2026	—%	132	32	(22)	142
			$ 78,799	$ (7,280)	$ (10,853)	$ 60,666
Notes payable, current portion						$ 4,432
Notes payable, long-term portion						$ 56,234

Faraday Future Intelligent Electric Inc.
Notes to Consolidated Financial Statements

(in thousands)	December 31, 2024					
	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
			$ 50,577	$ 27,399	$ (28,488)	$ 49,488

Notes payable, current portion	$ 4,224
Notes payable, long-term portion	$ 45,264

Roll Forward of the Fair Value of Notes payable

The following table presents a roll forward of the Company's Notes payable balances from December 31, 2024 to December 31, 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.

	Categories of Debt											
(in thousands)	Secured SPA Notes	2023 Unsecured SPA Notes	Unsecured Convertible 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	Total
Balance as of December 31, 2024 (a)	$ 5,457	$ 6,716	$ —	$ 26,059	$ 7,032	—	—	$ 4,173	$ —	$ —	$ 51	$ 49,488
New Issuances (b)	—	11,666	3,535	17,423	42,565	17,847	38,564	—	—	—	—	131,600
Addition of Debt upon Consolidation of AIXC (c)	—	—	—	—	—	—	—	—	340	2,897	—	3,237
Repayment of Debt (d)	—	—	—	—	—	—	—	—	—	(3,250)	(6)	(3,256)
Conversion of Debt to Equity (e)	(3,535)	(9,133)	—	(23,031)	(33,244)	(12,803)	—	—	—	—	—	(81,746)
Fair Value Adjustments of Debt (f)	(1,922)	(2,581)	(93)	(10,575)	(10,535)	(2,936)	(10,242)	—	(198)	—	—	(39,082)
Reclassification of Debt Between Debt Categories (g)	—	—	—	1,526	—	—	(1,526)	—			—	—
Other Adjustments (h)	—	—	—	—	—	$ —	—	117	—	353	(45)	425
Balance as of December 31, 2025 (i)	$ —	$ 6,668	$ 3,442	$ 11,402	$ 5,818	$ 2,108	$ 26,796	$ 4,290	$ 142	$ —	$ —	$ 60,666

(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 $21,439 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 AIXC's outstanding debt instruments upon consolidation on September 29, 2025. The AIXC debt instruments were recognized at fair value on the acquisition date. For the AIXC promissory notes, which are carried at amortized cost as described below, the historical carrying value at the acquisition date was deemed to approximate fair value for purposes of ASC 805 initial measurement.

(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 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 $6,044 thousand, which are separately identifiable from the fair value adjustments noted above. Instruments with a zero balance in this line are carried at amortized cost; the fair value option was not elected for such instruments.

(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 and reclassification to accrued expenses.

(i) The carrying value for each note category, fair value or amortized cost depending on the election, as of December 31, 2025.

Faraday Future Intelligent Electric Inc.
Notes to Consolidated Financial Statements

The following table presents a roll forward of the Company's Notes payable balances from December 31, 2023 to December 31, 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.

	Categories of Debt							
(in thousands)	Secured SPA Notes	2023 Unsecured SPA Notes	Unsecured Convertible Notes	Junior Secured SPA Notes	2024 Unsecured SPA Notes	Notes payable – China other	Auto Loans	Total
Balance as of December 31, 2023 (a)	$ 74,232	$ 11,938	$ —	$ —	$ —	$ 4,898	$ 82	$ 91,150
New Issuances (b)	10,701	—	34,885	9,950	1,755	—	—	57,291
Repayment of Debt, including periodic interest on debt carried at fair value (c)	—	—	—	—	—	—	(31)	(31)
Conversion of Debt to Equity (d)	(50,691)	(14,931)	—	(1,056)	—	—	—	(66,678)
Modifications and Extinguishments of Debt (e)	5,158	(2,394)	(65)	—	—	—	—	2,699
Fair Value Adjustments of Debt (f)	(33,943)	(10,268)	328	9,665	—	—	—	(34,218)
Reclassification of Debt Between Debt Categories (g)	—	22,371	(35,148)	7,500	5,277	—	—	—
Other Adjustments (h)	—					(725)	—	(725)
Balance as of December 31, 2024 (i)	$ 5,457	$ 6,716	$ —	$ 26,059	$ 7,032	$ 4,173	$ 51	$ 49,488

(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 $19,653 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 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 $4,886 thousand, which are separately identifiable from the fair value adjustments noted above. Instruments with a zero balance in this line are carried at amortized cost; the fair value option was not elected for such instruments.

(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 December 31, 2024.

Schedule of Principal Maturities of Notes Payable

The future scheduled principal maturities of Notes payable as of December 31, 2025, are as follows:

(in thousands)		
Due on demand	$	4,290
2026		5,132
2027		—
2028		—
2029		—
2030		61,277
Thereafter		8,100
	$	78,799

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 year ended December 31, 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 December 31, 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 December 31, 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 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 year ended December 31, 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 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 year ended December 31, 2025 there have not been any dilutive sale and purchase transactions affecting the Secured SPA Notes.

Summary of Secured SPA Notes Activity

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

During the years ended December 31, 2025 and December 31, 2024 the Company received cash proceeds of zero and $10.7 million, after original issue discounts, respectively, 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 $108.8 million into 3,164,911 and 41,727,089 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 $126.1 million for each period. For the years ended December 31, 2025 and 2024, the Company recognized a gain of $1.9 million and $33.9 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 Consolidated Statements of Operations and Comprehensive Loss. For the year ended December 31, 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.

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 December 31, 2025 the fixed conversion price was $1.16 for all tranches outstanding. The 2023 Unsecured SPA Notes mature primarily six years from each date of issuance.

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 year ended December 31, 2025, the Company entered into several dilutive sale and purchase transactions through issuance of Junior Secured SPA Notes, 2024 Unsecured SPA Notes, March 2025 Unsecured Notes and July 2025 Unsecured Notes. 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 December 31, 2025, the conversion price of the 2023 Unsecured SPA Notes was $1.16.

Summary of 2023 Unsecured SPA Notes Activity

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

During the years ended December 31, 2025, and 2024, the Company received net cash proceeds of $11.7 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 $9.3 million and $31.0 million into 8,650,209 and 19,368,059 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 $4.4 million and $31.5 million for each period. For the years ended December 31, 2025, and 2024, the Company recognized a gain of $2.6 million and $10.3 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 Consolidated Statements of Operations and Comprehensive Loss. For the years ended December 31, 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 2025, the Company issued unsecured convertible notes (the "Unsecured Convertible Notes") to a third party investor. These Unsecured Convertible Notes, mature six months from issuance, accrue interest at 4.27% and are convertible into 2025 July Unsecured SPA Notes upon the subsequent closing of such Notes.

In 2024, the Company issued unsecured convertible notes (the "Unsecured Convertible Notes") to 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 Consolidated Statements of Operations and Comprehensive Loss.

Summary of Unsecured Convertible Notes Activity

As of December 31, 2025, the fair value of the outstanding Unsecured Convertible Notes was $3.4 million, compared to zero as of December 31, 2024.

During the years ended December 31, 2025, and 2024, the Company received net cash proceeds of $5.0 million and $34.9 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 years ended December 31, 2025, and 2024, the Company recognized a gain of $0.1 million and a loss of $0.3 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 Consolidated Statements of Operations and Comprehensive Loss. For the year ended December 31, 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 Statements of Operations and Comprehensive Loss. As of December 31, 2024, the Company had no Unsecured Convertible Notes, as they were exchanged for 2023 Unsecured SPA Notes, Junior Secured SPA Notes and 2024 Unsecured SPA Notes.

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 December 31, 2025 the fixed price conversion price was $1.16 or $5.24 for different tranches outstanding. These notes mature on various dates through December 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. As of December 31, 2025, the Company's Junior Secured SPA Warrants are indexed to the Company's Class A common stock and meet the requirements for equity classification under the scope exception in ASC 815-40.

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 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.

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 year ended December 31, 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. These transactions triggered the full ratchet anti-dilution provisions of the Junior Secured SPA Notes issued during the year ended December 31, 2025, but prior to the dilutive transaction. Accordingly, as of December 31, 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 December 31, 2025, the fair value of the Junior Secured SPA Notes was $11.4 million, compared to $26.1 million as of December 31, 2024.

During the years ended December 31, 2025, and 2024, the Company received net cash proceeds of $18.0 million and $22.5 million, respectively, after original issue discounts, in exchange for the issuance of Junior Secured SPA Notes. During the same periods, the Company converted debt with a principal amount of $36.3 million and $1.1 million into 34,108,683 and 1,046,651 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 $22.3 million and $1.4 million, for each period. For the year ended December 31, 2025, and 2024, the Company recognized a gain of $10.6 million and a loss of $9.7 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 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 December 2030.

The original 2024 Unsecured SPA Investors were issued warrants (the "2024 Unsecured SPA Warrants") equal to 100% 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. As of December 31, 2025, the Company's 2024 Unsecured SPA Warrants are indexed to the Company's Class A common stock and meet the requirements for equity classification under the scope exception in ASC 815-40.

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 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 December 31, 2025, the fair value of the 2024 Unsecured SPA Notes was $5.8 million, compared to $7.0 million as of December 31, 2024.

During the year ended December 31, 2025, the Company received net cash proceeds of $43.0 million, after original issue discounts, in exchange for the issuance of 2024 Unsecured SPA Notes. During the same period, the Company converted debt with a principal amount of $46.9 million into 43,309,929 shares of Class A Common Stock. The conversion of 2024 Unsecured SPA Notes into Class A Common Stock resulted in a loss on extinguishment of $46.8 million, for the year ended December 31, 2025. For the year ended December 31, 2025, the Company recognized a gain of $10.5 million, 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 Consolidated Statements of Operations and Comprehensive Loss.

During the year ended December 31, 2024, the Company received net cash proceeds of $2.5 million, after original issue discounts, in exchange for the issuance of 2024 Unsecured SPA Notes, and exchanged Unsecured Convertible Notes with a principal amount of $7.5 million into 2024 Unsecured SPA Notes. There were no other activity involving 2024 Unsecured SPA Notes during year ended December 31, 2024.

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 in 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 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 a full ratchet anti-dilution price protection similar to that applicable to the 2025 March Unsecured SPA Notes. As of December 31, 2025, the Company's 2025 March Unsecured SPA Warrants are indexed to the Company's Class A common stock and meet the requirements for equity classification under the scope exception in ASC 815-40.

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 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.

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 year ended December 31, 2025, the Company entered into dilutive sale and purchase transactions, through the issuance of 2024 Unsecured SPA Notes upon the exercise of 2024 Unsecured SPA Incremental Warrants. These transactions triggered the full ratchet anti-dilution price protection for 2025 March Unsecured SPA Notes and related warrants issued prior to the triggering transactions. Accordingly, as of December 31, 2025, the conversion prices of the outstanding 2025 March Unsecured SPA Notes ranged from $1.16 to $1.22, and the exercise price of the related 2025 March Unsecured SPA Notes Warrants ranged from $1.392 to $1.464, depending on whether the applicable tranche was subject to the anti-dilution adjustment.

Summary of 2025 March Unsecured SPA Notes Activity

As of December 31, 2025, the fair value of the outstanding 2025 March Unsecured SPA Notes, was approximately $2.1 million compared to zero as of December 31, 2024.

During the year ended December 31, 2025, the Company received net cash proceeds of $34.8 million, after original issue discounts, in exchange for the issuance of 2025 March Unsecured SPA Notes. During the same period, the Company converted debt with a principal amount of $29.3 million into 28,551,267 shares of Class A Common Stock. The conversion of 2025 March Unsecured SPA Notes into Class A Common Stock resulted in a loss on extinguishment of $26.7 million. For the year ended December 31, 2025, the Company recognized a gain of $2.9 million 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 Consolidated Statements of Operations and Comprehensive Loss.

There were no transactions involving 2025 March Unsecured SPA Notes during year ended December 31, 2024 as the 2025 March Unsecured SPA Notes had not yet been issued.

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 a full ratchet anti-dilution price protection similar to that applicable to the 2025 July Unsecured SPA Notes. As of December 31, 2025, the Company's 2025 July Unsecured SPA Warrants are indexed to the Company's Class A common stock and meet the requirements for equity classification under the scope exception in ASC 815-40.

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 December 31, 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 December 31, 2025, the fair value of the outstanding 2025 July Unsecured SPA Notes, was approximately $26.8 million compared to zero as of December 31, 2024.

During the year ended December 31, 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 year ended December 31, 2025, the Company recognized a gain of $10.2 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 Consolidated Statements of Operations and Comprehensive Loss.

There were no transactions involving 2025 July Unsecured SPA Notes during year ended December 31, 2024 as the 2025 July Unsecured SPA Notes had not yet been issued.

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.

The Company 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 December 31, 2025 the fair value of the 2025 Convertible Note - AIXC was $0.1 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. AIXC recognized a gain of $0.2 million from the fair value remeasurement of the 2025 Convertible Note - AIXC between the acquisition and December 31, 2025.

Promissory Notes - AIXC

During the year ended December 31, 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.

Subsequent to the acquisition and prior to December 31, 2025, the Promissory Notes – AIXC were repaid in full for $3.3 million in cash. During the period prior to repayment, AIXC recognized approximately $0.4 million of interest expense related to the accretion of the premium using the effective interest method.

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 December 31, 2025 and December 31, 2024, providing details on contractual maturity dates, contractual interest rates, and net carrying values.

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(in thousands)	December 31, 2025		
	Contractual Maturity Date	Contractual Interest Rates	Net Carrying Value
Notes Payable — China	April 2027	18.0 % [1]	$ 3,775
Notes Payable on Demand — China	Due on Demand	—%	429
Other Notes	Due on Demand	12.0%	75
			$ 4,279
Related party notes payable, current			$ 3,507
Related party notes payable, long-term			$ 772

[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 was not in default with respect to the payment schedule, and no contingent interest has been recorded as of December 31, 2025.

(in thousands)	December 31, 2024		
	Contractual Maturity Date	Contractual Interest Rates	Net Carrying Value
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 and was subsequently settled in 2025, as described below.

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 December 31, 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.

	Categories of Related Party Debt							
(in thousands)	March 2025 Unsecured SPA Notes	Unsecured Convertible Note	Notes Payable — China	Notes Payable on Demand — China	Convertible FFGP Note	FFGP Note	Other Notes	Total
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)	(1,837)	(727)	—	—	—	—	—	(2,564)
Fair Value Adjustments of Debt (e)	(49)	(656)	—	—	—	—	—	(705)
Reclassification of Debt Between Debt Categories (f)	451	(451)	—	—	—	—	—	—
Other Adjustments (g)	—	—	107	12	—	—	—	119
Balance as of December 31, 2025 (h)	$ —	$ —	$ 3,775	$ 429	$ —	$ —	$ 75	$ 4,279

(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 $2,826 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 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 December 31, 2025.

Faraday Future Intelligent Electric Inc.
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The following table presents a roll forward of the Company's Related party notes payable balances from December 31, 2023 to December 31, 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.

	Categories of Related Party Debt							
(in thousands)	2023 Unsecured Convertible Note	Unsecured SPA Notes	Notes Payable — China	Notes Payable on Demand — China	Convertible FFGP Note	FFGP Note	Other Notes	Total
Balance as of December 31, 2023 (a)	$ 542	$ —	$ 3,789	$ 5,103	$ —	$ 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)	—	—	(125)	—	—	—	—	(125)
Conversion of Debt to Equity (d)	(435)	—	—	—	—	—	—	(435)
Fair Value Adjustments of Debt (e)	(107)	(135)	—	—	—	—	—	(242)
Other Adjustments (f)	—	—	718	(4,686)	—	—	—	(3,968)
Balance as of December 31, 2024 (g)	$ —	$ 1,364	$ 4,382	$ 417	$ 250	$ 1,576	$ 75	$ 8,064

(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 $1 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 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 December 31, 2024.

Schedule of Principal Maturities of Related Party Notes Payable

The future scheduled principal maturities of Related party notes payable as of December 31, 2025, are as follows:

(in thousands)

Years Ending December 31,	Amount
Due on demand	$ 1,448
2026	2,059
2027	772
Thereafter	—
	$ 4,279

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*.

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 8, *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 December 31, 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 years ended December 31, 2025 and 2024.

During the year ended December 31, 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 year ended December 31, 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 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 was 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 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 December 31, 2025, the fair value of the Unsecured Convertible Notes was zero, compared to $1.4 million as of December 31, 2024

For the years ended December 31, 2025 and 2024, the Company recognized a gain of $0.7 million and $0.1 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 Consolidated Statements of Operations and Comprehensive Loss.

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 8, *Notes Payable 2025 March Unsecured SPA Notes* issued to third-parties.)

Summary of Activity

The re were no outstanding 2025 March Unsecured SPA Notes to related party investors as of December 31, 2025 or December 31, 2024.

During the year ended December 31, 2025, the Company received net cash proceeds of $3.2 million, after original issue discounts, in exchange for the issuance of 2025 March Unsecured SPA Notes to related party investors. During the same period, the Company converted debt with a principal amount of $5.0 million into 4,973,799 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 $3.9 million, for the period, which was recorded in Loss on settlement of related party notes payable in the Consolidated Statements of Operations and Comprehensive Loss. For the year ended December 31, 2025, the Company recognized an immaterial gain 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 Consolidated Statements of Operations and Comprehensive Loss.

There was no related party activity related to the 2025 March Unsecured SPA Notes during the year ended December 31, 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 Consolidated Statements of Operations and Comprehensive Loss during the year ended December 31, 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 December 31, 2025.

Summary of Activity

As of December 31, 2025, the principal value of this note payable was $3.8 million, compared to $4.4 million as of December 31, 2024. As of December 31, 2025 and December 31, 2024, the Company had accrued but unpaid interest and penalties of $19.9 million and $23.1 million recorded in Related party accrued interest on the Consolidated Balance Sheets.

During the year ended December 31, 2025, the Company continued to make payments under the December 2024 Supplemental Agreements described above, repaying $0.7 million of the restructured principal balance. Principal repayments resulted in a proportionate reduction of accrued interest and penalties owed to Chongqing, and the Company recognized a gain of $3.8 million in additional paid-in capital reflecting the related party nature of the transaction.

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 December 31, 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 year ended December 31, 2025, the Company repaid 1.6 million. The carrying values of the FFGP Note were zero and $1.6 million as of December 31, 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 year ended December 31, 2025, the Company repaid $0.3 million. The carrying value of the Convertible FFGP Note was zero and $0.3 million as of December 31, 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 year ended December 31, 2025, the Company paid approximately $7.5 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 December 31, 2025 and December 31, 2024, the Company recorded a related party liability within accounts payable $0.1 million and $2.0 million, respectively, 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 unresolved as of December 31, 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 $8.5 million and $7.7 million, respectively as of December 31, 2025 and December 31, 2024, in connection with advertising services provided to the Company in prior years. Leshi Information Technology Co., Ltd. is affiliated with LeTV is a Shanghai Stock Exchange-listed public company founded and controlled by Mr. Yueting Jia, the Company's founder and Global Co-CEO. Activity related to this payable during the year ended December 31, 2025 consisted of $0.6 million in accrued interest and penalties. The remaining change in the balance is attributable to foreign currency translation.

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, respectively, as of December 31, 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. There was no activity related to this payable during the year ended December 31, 2025, other than changes attributable to foreign currency translation.

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 Global 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 the summarizes the related party note payable agreements as of December 31, 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. In 2025, such license fee was paid in kind in exchange for marketing materials.
- *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. Grow Fandor has

evacuated the premises as of December 31, 2025 and the Company is in negotiations to resolve the outstanding balance and formalize the termination terms.

X-Butler Transactions

For the year ended December 31, 2025, X-Butler, a related party because it is affiliated with Mr. Yueting Jia, the Company's founder and Global Co-Chief Executive Officer, provided business development and event-related services to the Company and its executives, including services relating to corporate and investor events. The Company paid $0.2 million to X-Butler for such services during the year ended December 31, 2025. The Company recorded approximately $0.1 million and $0.3 million in Related party accrued expenses and other current liabilities as of December 31, 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 explained above), during year ended December 31, 2025 the Company paid approximately $1.3 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 Jia funded $4.0 million, and Jerry (Jiawei) Wang funded $0.2 million on September 26, 2025. These investments were made on substantially the same terms as those applicable to other investors participating in the financing. 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*.)

10. Other Financing Liabilities

FF aiFactory 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 aiFactory 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 transaction, 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 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.

For the years ended December 31, 2025 and 2024, the Company had a building improvement balance of $12.0 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 years ended December 31, 2025 and 2024, the Company recorded interest expense of $8.3 million and $6.9 million, respectively.

The financial liability as of December 31, 2025 and December 31, 2024 was $44.2 million and $35.2 million, respectively.

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 December 31, 2025 and December 31, 2024, the carrying value of the Collateralized Loan was $3.6 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 $2.7 million and $3.5 million, respectively, were included in Other financing liabilities, long term portion in the Consolidated Balance Sheets. For the years ended December 31, 2025 and 2024, the Company repaid $0.8 million and $0.3 million, respectively, of Collateralized Loan principal. Interest expense for the years ended December 31, 2025 and 2024 was $1.1 million and $0.6 million, respectively.

The future scheduled principal maturities of financing obligations as of December 31, 2025 are as follows:

(in thousands)

Years Ending December 31,	**Amount**
2026	$ 951
2027	1,189
2028	60,455
	$ 62,595

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 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 Consolidated Statements of Operations and Comprehensive Loss. Interest expense incurred on finance lease liabilities is recorded in Interest expense in the 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 Consolidated Balance Sheets.

The Company's lease arrangements primarily consist of corporate office, warehouse, store, and vehicle lease agreements. The leases expire on various dates through 2030.

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. Additionally, the Company has a $0.5 million deposit for a future lease expected to commence in 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 $2.3 million as of December 31, 2025.

Incremental Lease Commitments

On February 12, 2026, the Company executed a new lease agreement in El Segundo, California which will replace the Gardena lease. The El Segundo location has a total of 99,209 square feet. The initial lease term is 72 months. Estimated base rent lease payments related to this new lease total $16.9 million. These base rent lease payments are not included in the lease balances in the Consolidated Balance Sheets, as the lease has not yet commenced. See Note 19, *Subsequent Events* for more details.

Lease Impairment

During the year ended December 31, 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 write-down of lease right-of-use (ROU) assets and lease liabilities in an aggregate amount of $8.8 million and $7.0 million, respectively. The Company also recognized less than $0.1 million in lease termination costs during 2024. The net impact of the right-of-use asset write down and lease termination costs of $1.8 million is reported in Impairment of long-lived assets and deposits on the Consolidated Statements of Operations and Comprehensive Loss for the year ended December 31, 2024. There were no lease impairments for the year ended December 31, 2025.

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. Grow Fandor has evacuated the premises as of December 31, 2025 and the Company is in negotiations to resolve the outstanding balance and formalize the termination terms.

Short Term Leases

As of December 31, 2025, the Company's short-term leases consist of offices in Beijing and Zhuhai, China. Lease terms do not exceed twelve months. short-term lease obligations are included in accrued expenses and other current liabilities on our Consolidated Balance Sheets.

ASC 842 Disclosures

Lease cost includes both the fixed and variable expenses recorded for leases. The Company had no finance lease cost for the years ended December 31, 2025 and 2024. The components of operating lease cost were as follows:

(in thousands)

	2025	2024
Operating lease cost	3,509	4,389
Variable lease cost	991	398
Total lease cost	$ 4,500	$ 4,787

The following table summarizes future lease payments:

(in thousands)

Years Ending December 31,	Operating Leases
2026	$ 1,800
2027	1,098
2028	1,122
2029	1,156
2030	678
Thereafter	—
Total	5,854
Less: Imputed Interest	940
Present value of net lease payments	$ 4,914
Lease liability, current portion	$ 1,443
Lease liability, net of current portion	3,471
Total lease liability	$ 4,914

Supplemental information and non-cash activities related to operating and finance leases are as follows:

(in thousands)	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 3,572	$ 3,230
Lease assets obtained in exchange for operating lease liabilities	$ 6,206	$ 30

	2025	2024
Weighted average remaining lease term (in years)		
Operating leases	3.93	0.70
Weighted average discount rate		
Operating leases	9.6 %	16.4 %

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 December 31, 2025 and December 31, 2024, the Company had accrued legal contingencies of $3.2 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.

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. The complaints were 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.

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 $1.93 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. In 2024, the Company wrote-off $1.45 million of deposits. Additionally the Company accrued $1.29 million for estimated payments to maintain access to its tooling located at vendors of the key supplier (the "secondary suppliers"). In 2025, there were no additional write-offs regarding this legal matter.

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.

Other Legal Matters

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. The Company performed its obligations under the settlement agreement and Palantir filed a dismissal fully and finally resolving the matter.

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. The Company performed its obligations under the settlement agreement and Envisage filed a dismissal fully and finally resolving the matter.

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 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. Plaintiffs have a year to file a motion to vacate the dismissal based upon a showing good cause, Plaintiff Hof 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 was based on an alleged 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 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 agreed to settle their dispute for $1.6 million.

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 disclosed that the Special Committee completed its review. On April 14, 2022, the Company disclosed 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:

- 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 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;

- 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 then 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 Global 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, 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).

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 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 this Form 10-K. Certain remedial measures may not be fully implemented in light of the corporate governance agreements with FF Top and FF Global. Pursuant to the Heads of Agreement, the Company has implemented certain governance changes that impact certain of the above-discussed remedial actions.

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 March 18, 2026, the Company received a letter from the Division of Enforcement of the SEC stating that, it does not intend to recommend an enforcement action by the SEC against the Company. The Company previously disclosed that the investigation related to certain matters involving its 2021 PIPE and SPAC-related transactions, and that the SEC had issued Wells Notices to the Company and certain executives. The Wells Notices were not formal charges, and the SEC Division of Enforcement has now formally informed the Company, Mr. Jia and Mr. Wang that it has concluded its investigation and is not recommending an enforcement action against any of them.

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.

13. Stockholders' Equity

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

	December 31, 2025	
	Authorized Shares	Issued Shares
Preferred Stock	5,931,000	1
Series B Preferred Stock	12,000,000	7,184,760
Class A Common Stock	228,041,297	199,130,727
Class B Common Stock	4,429,688	6,667
	250,401,985	206,322,155

	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
	114,245,313	65,925,794

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.

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.

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.

On December 22, 2025, the Company entered into a purchase agreement with Matthias Aydt, pursuant to which the Company agreed to issue and sell one share of the Company's newly designated Series A Preferred Stock, par value $0.0001 per share, for a purchase price of $100.00. The share of Series A Preferred Stock will have 7,000,000,000 votes, but has the right to vote only on the share authorization proposal.

The share of Series A preferred stock have no voting rights except with respect to the share authorization proposal. Upon a liquidation, bankruptcy, reorganization, merger, acquisition, sale, dissolution or winding up of the Company, whether voluntarily or involuntarily, pursuant to which assets of the Company or consideration received by the Company are to be distributed to the stockholders, the holder of Series A preferred stock shall be entitled to receive, before any payment is made to the holders of Common Stock by reason of their ownership thereof, an amount of $100.00. The share of Series A preferred stock are not entitled to receive dividends.

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.

During the year ended December 31, 2025, 14,720,914 shares of Series B Preferred Stock were issued in connection with 2025 March Unsecured SPA Notes and 2025 July Unsecured SPA Notes, which had an aggregate principal amount of $73.6 million. During the same period 7,536,154 shares were cancelled upon conversion of 2025 March Unsecured SPA Notes with an aggregate principal amount of $25.4 million.

The Company evaluated these Series B Preferred Stock in connection with the March 2025 SPA Notes and the July 2025 SPA Notes and determined that such Series B Preferred Stocks are not freestanding based on the specific terms associated therewith. As such, no economic value was assigned to the issuance of these Series B Preferred Stock.

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.

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 December 31, 2025 were as follows:

	Number of Warrants	Exercise Price	Expiration Date
Ares Warrants	5,776,657	$1.16	August 5, 2027
SPA Warrants	5,259	$1.16	Various through November 25, 2032
Junior SPA Warrants	524,810	$1.16	Various through September 30, 2029
2024 Unsecured SPA Warrants	6,185,791	$1.22	Various through January 21, 2030
2025 March Unsecured SPA Warrants	5,178,828	(a) $1.39 or (b) $1.46	Various through December 31, 2030
2025 July Unsecured SPA Warrants	4,142,857	$2.02	August 22, 2030

Public Warrants	2,453	$110,400.00	July 21, 2026
Private Warrants	12	$110,400.00	July 21, 2026
	21,816,667		

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 year ended December 31, 2025 affecting these warrants.

On September 5, 2024, the Company issued the Junior Secured SPA Notes with a conversion price of $5.24, which represents a dilutive issuance that triggers the full ratchet anti-dilution price protection. Therefore, the exercise price of the Ares warrants and SPA Portfolio Note warrants was adjusted from $29.33 to $5.24. On December 21, 2024, the Company issued the 2024 Unsecured SPA Notes with a conversion price of $1.16, which represents a dilutive issuance that triggers the full ratchet anti-dilution price protection. Therefore, the exercise price of the Ares warrants and SPA Portfolio Note warrants was adjusted from $5.24 to $1.16. The Company accounted for the reductions in exercise price of equity classified warrant instruments as a deemed dividend (the "Deemed Dividend"). The total value of the Deemed Dividend to warrant holders during the year ended December 31, 2024 was $7.6 million. The Deemed Dividend was calculated as the change in fair value of the Ares warrant and equity classified SPA Portfolio Note warrants immediately before and immediately after the triggering events. The Company recognized the payment of the Deemed Dividend in Additional paid-in capital in the Company's Consolidated Balance Sheets due to the Company's accumulated deficit.

During the year ended December 31, 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 $6.9 million, which was reclassified from the warrant liability to additional paid-in capital.

During the year ended December 31, 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 $13.4 million, which amount was reclassified from the warrant liability to additional paid-in capital.

During the year ended December 31, 2025, certain third party and related party holders voluntarily cancelled 44,551,199 warrants issued in connection with the Company's SPA financings. The cancellations did not result from amendments to the SPAs, and were not accompanied by additional consideration or changes to the related debt instruments. Therefore, Management accounted for the cancellations as equity transactions, with the impact recorded to additional paid-in capital.

During the year ended December 31, 2025, the Company reclassified certain SPA Portfolio Notes warrants previously recorded as liabilities to equity following a reassessment of the applicable accounting guidance under ASC 815-40.

There were no warrants exercised or cancelled during the year ended December 31, 2024.

Warrants - AIXC

As a result of the business acquisition of AIXC, as described in Note 3 *Business Acquisition*, the Company consolidates AIXC warrants outstanding as of December 31, 2025.

The number of outstanding warrants to purchase the AIXCs Class A Common Stock as of December 31, 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
	1,226,648		

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 Warrants - AIXC and 2025 Placement Agent Warrants - 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 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*.

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 and unissued shares to fully settle such instruments in shares. In assessing whether it has sufficient authorized and unissued shares available for share settlement, the Company evaluates the maximum number of shares that could be required to be issued under the instrument being assessed, together with the maximum potential shares issuable under all other existing commitments that may require the issuance of shares, including convertible debt, stock options, warrants, share-based payment awards, and other equity-linked instruments, in accordance with ASC 815-40. The Company also considers instruments with legally enforceable share reserve provisions as having priority in the allocation of available shares.

If the Company determines that it does not have sufficient authorized and unissued shares to settle an equity-linked instrument in shares, the Company applies a sequencing policy under ASC 815-40, *Contracts in Entity's Own Equity*, whereby, if reclassification of contracts from equity to assets or liabilities is necessary because the Company cannot demonstrate that it has sufficient authorized and unissued shares to settle the equity-linked financial instrument in shares, the Company reclassifies contracts based on a systematic and consistently applied framework that considers contractual terms, settlement timing, and the relative priority of instruments, including any legally enforceable share reservation provisions. Contracts reclassified to derivative liabilities are recognized at fair value, with changes in fair value recognized in earnings, until the conditions giving rise to such derivative liability classification are resolved or the Company has sufficient authorized and unissued shares to settle such contracts in shares. The Company applies the same sequencing policy to share-based compensation arrangements when it may not have sufficient authorized and unissued shares available to settle such arrangements in shares.

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.

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. As of December 31, 2025, and 2024 the Company had 260,075 and 530,131 shares of Class A Common Stock available for future issuance under the 2021 SI Plan.

Option Awards

As of December 31, 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. Most options granted under the 2021 Plan vest over a four-year period and are contingent upon the grantee's continued service.

There were no options granted under the 2021 Plan during the year ended December 31, 2025.

As of December 31, 2024, 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 of 2.26 years. There were no options granted under the 2021 Plan during the year ended December 31, 2024.

The total grant date fair value of options vested during the years ended December 31, 2025, and 2024 was less than $0.1 million and $2.0 million, respectively.

A summary of the Company's stock option activity under the 2021 Plan is as follows:

(dollars in thousands except weighted average exercise price)	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding as of December 31, 2023	798	$ 19,885.20	8.74	$ 5,351
Expired/forfeited	(390)	$ 20,794.36		
Outstanding as of December 31, 2024	408	$ 21,156.47	7.59	$ 8,317
Expired/forfeited	(24)	$ 19,176.00		
Outstanding as of December 31, 2025	384	$ 21,280.25	6.60	$ —
Exercisable as of December 31, 2025	315	$ 21,774.93	6.59	$ —

Restricted Stock Units

As of December 31, 2025, the total unrecognized stock-based compensation expense for RSUs granted under the 2021 Plan was $0.5 million which is expected to be recognized over a weighted average period of 0.29 years. Most RSUs granted under the 2021 Plan vest over a four-year period and are contingent upon the grantee's continued service, except for RSUs granted to members of the Board of Directors, which generally vest over an approximately one-year period.

The total grant date fair value of RSUs vested during ended December 31, 2025, and 2024 was $0.5 million and $8.4 million, respectively.

A summary of the Company's RSU activity under the 2021 Plan is as follows:

(dollars in thousands except weighted average fair value)	Shares	Weighted Average Fair Value
Outstanding as of December 31, 2023[1]	2,885	$ 3,784.80
Granted	1,797,111	$ 3.72
Released	(1,322,382)	$ 1.31
Forfeited	(37,207)	$ 2.32
Outstanding as of December 31, 2024	440,407	$ 3.61
Granted	441,177	$ 1.69
Released	(263,311)	$ 4.35
Forfeited	(170,909)	$ 2.93
Outstanding as of December 31, 2025	447,364	$ 2.05

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 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.

The total grant date fair value of options vested during the years ended December 31, 2025, and 2024 was less than $0.1 million and $2.3 million, respectively.

As of December 31, 2025, there were no unrecognized stock-based compensation expense for stock options granted under the EI Plan.

A summary of the Company's stock option activity under the EI Plan is as follows:

(dollars in thousands except weighted average exercise price)	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding as of December 31, 2023	2,031	$ 26,408.80	5.92	$ 31,743
Expired/forfeited	(82)	$ 28,973.01		
Outstanding as of December 31, 2024	1,949	$ 26,237.95	4.84	$ 50,054
Expired/forfeited	(180)	$ 25,209.72		
Outstanding as of December 31, 2025	1,769	$ 26,342.58	3.58	$ —
Exercisable as of December 31, 2025	1,753	$ 26,277.84	3.56	$ —

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 may be issued under the plan. Under the terms of the STI Plan, the Company is required to reserve and keep available a sufficient number of shares to satisfy the plan's requirements. The Company no longer issues equity awards under this plan.

The total grant date fair value of options vested during the years ended December 31, 2025, and 2024 was less than $0.1 million and $7.8 million, respectively.

As of December 31, 2025, there were no unrecognized stock-based compensation expense for stock options granted under the STI Plan.

A summary of the Company's stock option activity under the STI Plan is as follows:

(dollars in thousands except weighted average exercise price)	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding as of December 31, 2023	564	$ 60,169.20	6.64	$ 16,318
Expired/forfeited	(77)	$ 95,528.84		
Outstanding as of December 31, 2024	487	$ 52,893.32	5.50	$ 25,481
Expired/forfeited	(56)	$ 101,355.16		
Outstanding as of December 31, 2025	431	$ 46,596.66	4.87	$ —
Exercisable as of December 31, 2025	195	$ 58,591.00	5.11	$ —

Equity Awards Outside of Company's Equity Incentive Plans (Market Awards)

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 Consolidated Balance Sheet for the period ended December 31, 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 2029 and 2032. As of December 31, 2025 the fair value of Mr. Jia's award is $19.3 million with a remaining total derived service period of 6.44 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-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 years ended December 31, 2025, and 2024 was $2.4 million and $0.0 million, respectively.

Stock-based compensation expense

The following table presents stock-based compensation expense for all of the Company's 2021 Plan, EI Plan, and STI Plan and awards outside these plans included in each respective expense category in the Consolidated Statements of Operations and Comprehensive Loss is as follows:

(in thousands)	2025	2024
Research and development	$ 124	$ 2,670
Sales and marketing	36	915
General and administrative	2,990	4,797
	$ 3,150	$ 8,382

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 December 31, 2025, and 2024 the Company had cash equivalent balances of $16.0 million and $0.0 million, respectively.

Digital Assets

The Company measures digital assets at fair value in accordance with ASC 820, *Fair Value Measurement*. Fair value is determined using quoted prices in active markets for identical assets (Level 1 inputs). Accordingly, the Company classifies its digital assets within Level 1 of the fair value hierarchy under ASC 820. The Company utilizes pricing information provided by the principal market, which is based on observable market prices from active trading exchanges. As of December 31, 2025 and 2024, the Company had digital asset balances of December 31, 2025, and 2024 the Company had digital asset balances of $10.3 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 discount rate applied to the Notes, which incorporates a market benchmark rate and a company-specific credit spread, annual dividend yield, and the expected life of the instrument. Because the valuation incorporates significant unobservable inputs, including the Company's credit spread and expected triggering events, the instruments are classified within Level 3 of 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 Consolidated Statements of Operations and Comprehensive Loss.

For liabilities measured under the fair value option, the portion of the change in fair value attributable to instrument-specific credit risk is presented in other comprehensive income. The Company determines this amount by evaluating changes in the credit spread embedded in the discount rate used to value the convertible notes relative to a market benchmark rate. Changes in the benchmark component are considered market factors, while changes in the Company's spread relative to the benchmark represent instrument-specific credit risk. During the periods presented, the Company's credit spread did not change; accordingly, no portion of the change in fair value of the convertible notes was attributable to instrument-specific credit risk.

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.

Warrant Liabilities

The Company measures certain SPA Portfolio Note warrants, AIXC warrants, and Private Warrants assumed in the Business Combination, that are classified as liabilities, at fair value. The Company uses various option pricing models, including Monte Carlo simulation model, binominal lattice, and the Black Scholes model, to measure the fair value of the instruments based on the specific contractual features.

Significant assumptions used in the valuation models include the volatility of the Company's Class A Common Stock (or AIXC's common stock, as applicable), the Company's expectations around potential down-round protection triggering events, contractual term, risk-free rate and expected annual dividend yield. Because the valuation of these instruments incorporates significant unobservable inputs, warrant liabilities are classified within Level 3 valuations of the fair value hierarchy.

Changes in fair value or warrant liabilities are 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 Consolidated Statements of Operations and Comprehensive Loss

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 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 $1.02, an effective date 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 6.44 years, with expected milestone achievement dates between 2027 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 Consolidated Balance Sheet for the period ended December 31, 2025. Shares based compensation expense is recorded in General and administrative expense in the Consolidated Statements of Operations and Comprehensive Loss

Director Awards

On August 14, 2025, the Board of Directors approved restricted stock unit ("RSU") awards with a target value of $150,000 for each of three non-employee directors, payable in shares of the Company's Class A Common Stock pursuant to the Amended and Restated 2021 Stock Incentive Plan, as further described in Note 14, Stock-Based Compensation.

The closing price of the Company's Class A Common Stock was $3.00 on August 14, 2025, representing an aggregate approved award value of $450,000 for the three directors. On December 31, 2025, the Board approved the use of the closing stock prices on August 14, 2025 and December 31, 2025 in determining the number of RSUs to be issued and authorized a make-whole adjustment to compensate the directors for the decline in the Company's stock price between those dates. The closing price of the Company's Class A Common Stock was $1.02 on December 31, 2025. At the time of approval, the Company did not have a sufficient number of authorized and unissued shares available for issuance. As a result, the Company classified these awards as liability-classified awards. The awards will continue to be accounted for as liabilities until the share sufficiency issue is resolved.

The fair value of the RSU awards was determined using the quoted market price of the Company's Class A Common Stock, which represents an unadjusted quoted price in an active market for identical securities. Accordingly, the fair value measurement is classified within Level 1 of the fair value hierarchy under ASC 820, Fair Value Measurement.

Each RSU represents the right to receive one share of the Company's Class A Common Stock upon vesting and settlement. The awards vest upon the earlier of the next annual meeting of stockholders following the grant date or April 15, 2026, subject to the director's continued service through the applicable vesting date and stock based compensation expense is recorded in General and administrative expense in the Consolidated Statements of Operations and Comprehensive Loss.

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:

	December 31, 2025		
(in thousands)	**Level 1**	**Level 2**	**Level 3**
Assets:			
Money-market funds	$ 15,957	$ —	$ —
Digital assets	$ —	$ 10,250	$ —
Liabilities:			
Warrant liabilities[1]	$ —	$ —	$ 1,950
Derivative call options[1]	$ —	$ —	$ 12,546
Notes payable[1]	$ —	$ —	$ 56,376
Market-based awards	$ —	$ —	$ 2,371
Director awards	$ 261	$ —	$ —

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

	December 31, 2024		
(in thousands)	**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 no transfers of assets and liabilities between Level 1, Level 2 and Level 3 of the fair value measurement hierarchy during the years ended December 31, 2025, and 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.

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

(in thousands)	Warrant Liabilities[1]	Derivative Call Option[1]	Notes Payable[1]	Market-based award[4]
Balance as of December 31, 2024	$ 28,864	$ 29,709	$ 46,628	$ —
Additions	49,364 [2]	40,389 [2]	133,505 [3]	2,281
Additions - Business Combination	362	—	340	—
Change in fair value measurements	(21,848)	(42,886)	(39,787)	90
Conversions of notes to Class A Common Stock	—	—	(84,310)	—
Warrant exercise	(20,251)	—	—	—
Cancellation of Warrants	(27,407)	—	—	—
Reclassification of liability classified warrants to equity	(7,134)	—	—	—
Exercise of derivative call options	—	(14,666)	—	—
Balance as of December 31, 2025	$ 1,950	$ 12,546	$ 56,376	$ 2,371

[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 Consolidated Statements of Operations and Comprehensive Loss. This information is presented to facilitate reconciliation to the related amounts reported in the 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 $24,265 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 $6,044 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 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 December 31, 2025 the fair value of the Market-based award was $19.3 million. Amounts displayed here represent vesting for the award based on the issuance date fair value and the subsequent remeasurement of amounts vested.

(in thousands)	Warrant Liabilities[1]	Derivative Call Option	Notes Payable[1]
Balance as of December 31, 2023	$ 306	$ —	$ 86,712
Additions	34,441	14,267	58,789
Debt extinguishments	—	—	2,699
Change in fair value measurements	(5,723)	15,442	(34,460)
Reclassification of liability classified warrants to equity	(160)	—	—
Conversions of notes to Class A Common Stock	—	—	(67,112)
Balance as of December 31, 2024	$ 28,864	$ 29,709	$ 46,628

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

16. Income Taxes

The provision for income tax consisted of the following:

(in thousands)	2025	2024
Current:		
Federal	$ —	$ —
State	19	(4)
Foreign	44	(263)
	63	(267)
Deferred:		
Federal	(54,770)	(21,218)
State	(24,909)	(10,013)
Foreign	(435)	(504)
	(80,114)	(31,735)
Valuation allowance	80,114	31,735
	—	—
	$ 63	$ (267)

The components of losses before income taxes, by taxing jurisdiction, were as follows for the years ended December 31:

(in thousands)	2025	2024
U.S.	$ (388,275)	$ (324,929)
Foreign	(8,744)	(31,185)
	$ (397,019)	$ (356,114)

Reconciliation of Statutory Federal Tax Rate to Effective Tax Rate

The provision for income taxes for the years ended December 31, 2025, and 2024 differs from the amount computed by applying the statutory federal corporate income tax rate of 21% to losses before income taxes. The following adjustments account for these differences for the years ended December 31, 2025, and 2024:

Upon adoption of ASU 2023-09, Improvements to Income Tax Disclosures, as described in Note 1, *Nature of Business and Organization, Basis of Presentation, and Summary of Significant Accounting Policies*, the reconciliation of taxes at the federal statutory rate to our provision for (benefit from) income taxes for the year ended December 31, 2025 was as follows (in thousands, except for percentages):

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		2025	
Expected Federal Income Tax (benefit) at Statutory rate	$	(83,374)	21.0 %
State and local income Taxes, net of fed effects[1]			
State income taxes (net of federal benefit)		(19,638)	5.0 %
Changes in State Valuation Allowance		19,651	(5.0)%
Foreign tax effects[2]			
Foreign Tax Rate Difference		198	(0.1)%
Expiration of Tax Attributes		866	(0.2)%
Other		(470)	0.1 %
Changes in Foreign Valuation Allowance		1,172	(0.3)%
Changes in Valuation Allowance		59,053	(14.9)%
Nontaxable or Nondeductible Items			
Fair value debt adjustments		12,142	(3.1)%
Disallowed Interest		7,581	(1.9)%
Non-Controlling Interest		944	(0.2)%
Goodwill Impairment		935	(0.2)%
Other permanent differences		868	(0.2)%
Changes in Unrecognized Tax Benefits		135	— %
Effective Tax Rate	$	63	— %

(1) The tax effect in this category reflects state and local taxes in California.
(2) The tax effect in this category primarily reflects income taxes in China and U.A.E.

The reconciliation of taxes at the federal statutory rate to Company's provision for (benefit from) income taxes for the year ended December 31, 2024 in accordance with the guidance prior to the adoption of ASU 2023-09 was as follows:

	2024
Federal income tax expense	21.0%
State income taxes (net of federal benefit)	2.3%
Other permanent differences	(1.4)%
Fair value debt adjustments	(10.3)%
Disallowed interest	(1.8)%
Foreign tax rate difference	0.1 %
Prior year true-up on deferred taxes	(0.2)%
Return-to-provision adjustment	(1.3)%
Uncertain tax benefit	0.8 %
Expiration of tax attributes	(0.3)%
Valuation allowance	(9.0)%
	0.1%

Upon adoption of ASU 2023-09, Improvements to Income Tax Disclosures, as described in Note 1, *Nature of Business and Organization, Basis of Presentation, and Summary of Significant Accounting Policies*, cash paid for income taxes, net of refunds, during the year ended December 31, 2025 was as follows (in thousands):

	2025
Federal	$ —
State	
California	14
Foreign	—
Total cash paid for income taxes, net of refunds	$ 14

Cash paid for income taxes, net of refunds, during the year ended December 31, 2024 was $— million.

Deferred Tax Assets & Liabilities and Valuation Allowance

The tax effects of temporary differences for the years ended December 31, 2025, and 2024, that give rise to significant portions of the deferred tax assets and deferred tax liabilities are provided below:

(in thousands)	2025	2024
Deferred Tax Assets:		
Net operating losses ("NOL")	$ 479,820	$ 411,244
Research and development credits	4,239	4,239
Accrued liabilities and reserves	23,063	25,581
Construction in progress - Impairment	3,001	—
Depreciation & impairment	19,748	—
Amortization	7,724	8,803
Deposits - Impairment	2,676	—
Capitalized R&D expense	27,266	53,125
Stock-based compensation	1,186	450
Transaction costs	25	35
Other	275	379
Gross deferred tax assets	569,023	503,856
Valuation allowance	(537,852)	(457,738)
Deferred tax assets, net of valuation allowance	31,171	46,118
Deferred Tax Liabilities:		
Depreciation	—	(20,174)
Indefinite-lived Intangible	(945)	
State taxes	(31,133)	(25,944)
Gross deferred tax liabilities	(32,078)	(46,118)
Net deferred tax assets (liabilities)	$ (907)	$ —

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the period in which those temporary differences become deductible. Management considers projected future taxable income and tax planning strategies in making this assessment. During December 31, 2025 and 2024, the Company evaluated the realizability of its net deferred tax assets based on available positive and negative evidence and concluded that the likelihood of realization of the benefits associated with its net deferred tax assets does not reach the level of more likely than not due to the Company's history of cumulative pre-tax losses and risks associated with the generation of future income given the current stage of the Company's business. The Company has recognized a full valuation

allowance as of December 31, 2025 and 2024 since, in the judgment of management given the Company's history of losses, the realization of these deferred tax assets was not considered more likely than not. The Company has recorded a net deferred tax liability of $0.9 million and $— million as of December 31, 2025 and December 31, 2024 respectively in connection with the recognition of identified intangible assets from the business acquisition during the year ended December 31, 2025. Because reversal of the indefinite-lived intangible assets cannot be predicted with reasonable certainty, these liabilities cannot be used as a source of taxable income to support the realization of the deferred tax assets. The valuation allowance was $537.9 million and $457.7 million as of December 31, 2025 and 2024, respectively, with increases attributable primarily to the current year's provision. and a small portion on account of AIXC acquisition accounting.

Net Operating Loss Carryforwards and R&D tax credit carryforward

As of December 31, 2025, the Company has U.S. federal net operating loss ("NOLs") carryforwards of $1,589.6 million, California net operating loss carryforwards of $1,494.3 million and foreign net operating loss carryforwards of $58.0 million. The U.S. federal net operating loss carryforwards of $1,508.6 million generated post the Tax Cuts and Jobs Act may be carried forward indefinitely, subject to the 80% taxable income limitation on the utilization of the carryforwards. The U.S. federal net operating loss carryforwards of $81.0 million generated prior to December 31, 2017 may be carried forward for twenty years. The California net operating loss carryforwards will begin to expire in 2034.and foreign net operating loss carryforwards have begun expiring.

The Company has no U.S. federal R&D tax credit carryforwards and a state R&D tax credit carryforward of $4.2 million as of December 31, 2025. The U.S. state tax credits do not expire and can be carried forward indefinitely.

In accordance with Internal Revenue Code Section 382 ("Section 382") and Section 383 ("Section 383"), a corporation that undergoes an "ownership change" (generally defined as a cumulative change (by value) of more than 50% in the equity ownership of certain stockholders over a rolling three-year period) is subject to limitations on its ability to utilize its pre-change NOLs and R&D tax credits to offset post-change taxable income and post-change tax liabilities, respectively. The Company's existing NOLs and R&D credits may be subject to limitations arising from previous ownership changes, and the ability to utilize NOLs could be further limited by Section 382 and Section 383 of the Code. In addition, future changes in the Company's stock ownership, some of which may be outside of the Company's control, could result in an ownership change under Section 382 and Section 383 of the Code. AIXC's preacquisition NOLs and R&D credits are fully limited under Section 382 and Section 383 and are not included in the deferred tax assets listed in table above.

Reinvestment of Earnings

The Company's intention is to indefinitely reinvest earnings in all jurisdictions outside the United States. As of December 31, 2025, and 2024, there was no material cumulative earnings outside the United States due to net operating losses and the Company has no earnings and profits in any jurisdiction, that if distributed, would give rise to a material unrecorded liability.

Tax Jurisdictions

The Company is subject to taxation and files income tax returns with the U.S. federal government, the state of California, as well as under the tax laws of the People's Republic of China, Hong King, and the U.A.E. As of December 31, 2025, the 2022 through 2025 federal income tax returns and 2021 through 2025 state income tax returns are open to exam. However, if loss carryforwards of tax years prior to 2022 (2021 for California) are utilized in the U.S., these tax years, except those closed under previous examinations, may become subject to investigation by the tax authorities. All of the prior year income tax returns, from 2018 through 2025, are open under China tax law. The Company is not under any income tax audits.

Uncertain Income Tax Position

The aggregate change in the balance of unrecognized tax benefits for the years ended December 31, 2025, and 2024, is as follows:

(in thousands)	**2025**	**2024**
Beginning balance	$ 10,087	$ 12,972
Increase related to current year tax positions	135	389
Decrease related to prior year positions	—	(3,274)
Ending balance	$ 10,222	$ 10,087

In accordance with ASC 740-10, *Income Taxes — Overall*, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more likely than not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. No interest and penalties related to the Company's unrecognized tax benefits were accrued as of December 31, 2025 and 2024. The Company does not expect its uncertain income tax positions to have a material impact on its Consolidated Financial Statements within the next twelve months. As of December 31, 2025 and 2024, the realization of uncertain tax positions were not expected to impact the effective rate due to a full valuation allowance on related deferred taxes.

On July 4, 2025, the U.S. H.R.1, an act to provide for reconciliation pursuant to title II of H. Con. Res. 14. (the "OBBBA") was enacted. The OBBBA introduces multiple tax law and other legislative changes, including modifications to income tax provisions such as domestic research and development expenses, capital expenditures, and U.S. taxation of international earnings. The Company has recognized the effects of the OBBBA provisions in the financial results to the extent they are applicable to the year ended December 31, 2025. The Company will continue to evaluate the impact of these provisions on 2026 and subsequent consolidated financial statements.

17. 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.

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:

(in thousands, except share and per share amounts)		**2025**		**2024**
Net loss attributable to Faraday Future Intelligent Electric Inc.	$	(390,696)	$	(355,847)
Less: Deemed Dividend		—		(7,576)
Net loss available to common stockholders	$	(390,696)	$	(363,423)
Weighted average shares used in computing net loss per share of Class A and B Common Stock:				
Basic		124,299,591		18,529,525
Diluted		124,299,591		18,529,525
Net loss per share of Class A and B Common Stock attributable to common stockholders:				
Basic	$	(3.14)	$	(19.61)
Diluted	$	(3.14)	$	(19.61)

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 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 Company's Series B Preferred Stock is not convertible into Class A Common Stock and does not participate in the Company's earnings and, therefore, is not a potentially dilutive security under ASC 260.

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:

	2025	2024
Shares issuable upon conversion of SPA Portfolio Notes	72,340,661	41,054,586
Shares issuable upon conversion of Unsecured Convertible Notes	5,153,894	749,866
Shares issuable upon exercise of equity classified SPA Portfolio Note warrants	12,907,897	15,238
Shares issuable upon exercise of liability classified SPA Portfolio Note warrants	3,129,648	16,720,384
Other warrants	5,776,657	5,776,657
Stock-based compensation awards – Options	2,263	2,591
Stock-based compensation awards – RSUs	6,095	161,225
Public warrants	2,453	2,453
Private warrants	12	12
	99,319,580	64,483,012

18. Segment Information

The Company has two reportable segments: AI Electric Vehicles (“AIEV”) and AIXC. Our reportable segments are based upon the industries where the Company commercializes its products and services. As of December 31, 2025, the Company has strategically allocated its resources in the electric vehicle and digital asset markets. Furthermore, our reportable segments reflect how we report our financial results to the chief operating decision maker ("CODM"). Our CODM is the Global Co-CEO who is responsible for reviewing segment performance and making decisions regarding resource allocation. “Loss from operations” is the segment performance measurement that the CODM reviews for both segments and the Company identified the same measurement as the key measure of “significant segment expense.”

The following table presents revenues, expenditures and loss from operations data of the Company and its reportable segments for the years ended December 31, 2025 and 2024. In 2024, the Company operated as a single segment (AIEV).

	2025			2024		
(in thousands)	AIEV	AIXC	Consolidated	AIEV	AIXC	Consolidated
Revenue	$ 536	$ —	$ 536	$ 539	$ —	$ 539
Cost of revenues	98,302	—	98,302	84,029	—	84,029
Gross profit	(97,766)	—	(97,766)	(83,490)	—	(83,490)
Operating expenses						
Research and development	16,757	(154)	16,603	25,227	—	25,227
Settlement on accrued research and development expenses	—	—	—	(14,935)	—	(14,935)
Sales and marketing	12,310	—	12,310	9,278	—	9,278
General and administrative	52,615	3,118	55,733	43,164	—	43,164
Loss on disposal of property, plant, and equipment	2,459	—	2,459	1,667	—	1,667
Asset impairment on long-lived assets	137,435	—	137,435	1,847	—	1,847
Impairment of goodwill and intangible assets	4,450	—	4,450	—	—	—
Credit loss expense - short-term note receivable	—	4,294	4,294	—	—	—
Total operating expenses	226,026	7,258	233,284	66,248	—	66,248
Loss from operations	$ (323,792)	$ (7,258)	$ (331,050)	$ (149,738)	$ —	$ (149,738)

Other segment disclosures were as follows:

	2025			2024		
(in thousands)	AIEV	AIXC	Consolidated	AIEV	AIXC	Consolidated
Depreciation and amortization	$ 64,807	$ —	$ 64,807	$ 71,442	$ —	$ 71,442
Interest expense	$ (8,296)	$ (353)	$ (8,649)	$ (7,895)	$ —	$ (7,895)
Related party interest expense	$ —	$ —	$ —	$ (8,710)	$ —	$ (8,710)
Net loss on digital assets	$ (529)	$ (3,588)	$ (4,117)	$ —	$ —	$ —
Segment net assets	$ (18,666)	$ 26,425	$ 7,759	$ 114,967	$ —	$ 114,967

19. Subsequent Events

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

Subsequent SPA Portfolio Notes Activity

Subsequent to December 31, 2025, the Company received gross proceeds in connection with issuance of SPA Portfolio Notes to third parties totaling $8.7 million, with maturity period of five or six years and 10.00% or 15.00% 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 or 90% of the previous trading day VWAP. Additionally, $16.3 million of principal and $0.8 million of interest of the Company's SPA Portfolio Notes were converted into 35,576,389 shares of the Company's Class A Common Stock.

The Securities Purchase Agreement and Entrusted Investment Agreement

On January 30, 2026 (the "Signing Date"), subsequent to the balance sheet date of December 31, 2025, the Company entered into a Securities Purchase Agreement (the "SPA") with Gold King Arthur Holding Limited ("GKA"), pursuant to which the Company agreed to sell, and GKA agreed to purchase, an aggregate of $10.0 million (the "Subscription Amount") of the Company's Class A common stock, par value $0.0001 per share (the "Class A Common Stock"). The number of shares to be issued (the "Subject Shares") will be determined based on a per share purchase price equal to 100% of the closing price of the Class A Common Stock on The Nasdaq Stock Market LLC on the trading day immediately prior to the closing date. The closing of the SPA is subject to the satisfaction of certain customary closing conditions. The SPA includes customary provisions, including anti-dilution true-up share issuance provisions in the event of certain dilutive issuances, registration rights requiring the Company to file a resale registration statement covering the Subject Shares, and customary representations, warranties, covenants, and indemnification obligations.

On the signing date, AIxCrypto Holdings Inc. ("AIXC"), a consolidated subsidiary of the Company, entered into an Entrusted Investment Agreement with GKA in connection with the SPA. Pursuant to the Entrusted Investment Agreement, GKA was entrusted to acquire, hold, manage, tokenize and potentially dispose of the Subject Shares on AIXC's behalf. The Subscription Amount was funded in full by AIXC, with GKA acting as investment manager in a fiduciary capacity with respect to the Subject Shares.

As of the date of issuance of these consolidated financial statements, the closing of the SPA had not occurred. The Company will evaluate the accounting treatment at the time of closing of the transaction.

Engineering Service Agreement

On February 4, 2026, GlobeX AI Hong Kong Holding Limited ("GlobeX"), a special purpose entity controlled by the Company, entered into a strategic cooperation agreement and an engineering services agreement with a third-party automotive partner in connection with the development and manufacturing support for a battery electric version of the FF Super One intended for the United States market. Under the agreements, the partner will supply vehicle modules and provide engineering services supporting research and development, certification, manufacturing preparation, and production operations. GlobeX may be required to make installment payments for research and development services, including a non-refundable advance payment of approximately 300 million RMB (approximately $43 million) payable within six months of the signing date and remaining milestone payments totaling approximately 320 million RMB (approximately $46 million). Because the agreements were executed after December 31, 2025, they are treated as a non-recognized subsequent event under ASC 855, and no amounts related to these agreements were recognized in the Company's consolidated financial statements as of December 31, 2025.

Battery Sales Agreement

On February 6, 2026, the Company entered into an amended goods sale and purchase agreement with a third-party customer for the sale of certain high-voltage battery packs held in inventory. The agreement established a total purchase price of 130.1 million RMB (approximately $1.7 million) and provides for delivery of the battery packs in multiple batches beginning in February 2026.

Management evaluated the agreement as additional evidence of market conditions that existed as of December 31, 2025 affecting the net realizable value of the related inventory. Accordingly, the Company considered this information in its lower of cost or net realizable value analysis performed as of December 31, 2025, and the related inventory reserve recorded during the year ended December 31, 2025 reflects those conditions, as discussed in *Note 4, Inventory*.

El Segundo, California Lease

On February 12, 2026, the Company executed a new lease agreement in El Segundo, California which will replace the Gardena lease. The El Segundo location has a total of 99,209 square feet, and the initial lease term is 72 months. Because the lease was executed after December 31, 2025, no amounts related to this lease were recognized as of year end; however, future base rent payments under the executed lease are estimated to total approximately $16.9 million.

Increase in Authorized Shares

On February 13, 2026, the Company held a special meeting of stockholders at which stockholders approved an increase in the Company's authorized shares to support capital planning, FX Super One vehicle milestones, and expansion of embodied artificial intelligence ("EAI") robotics initiatives. On February 18, 2026, the Company filed a Certificate of Amendment to increase its authorized Class A common stock from 232,470,985 shares to 312,285,439 shares and its authorized

preferred stock from 17,931,000 shares to 24,087,265 shares. The additional authorized share capacity is intended to support near-term capital planning needs, existing obligations to issue shares of Class A common stock, and potential future financings, strategic transactions, stock issuances pursuant to employee benefit plans, and other proper corporate purposes aligned with the Company's 2026 business strategy. The approval relates solely to the authorization of additional shares and does not, by itself, result in the issuance of any shares.

Elimination of Series A Preferred Stock

On February 18, 2026, the Company filed a certificate of elimination with respect to the Company's Series A Preferred Stock, par value $0.0001 per share, following the automatic redemption of all outstanding shares of FFAI Series A Preferred Stock after the conclusion of the Company's stockholders' special meeting. The certificate of elimination (i) eliminated the previous designation of one share of FFAI Series A Preferred Stock from the charter, and (ii) caused such share of FFAI Series A Preferred Stock to resume its status as an authorized but unissued and non-designated share of preferred stock.

Departure of a Director

On February 26, 2026, Chui Tin Mok, an executive member of the Board of the Company, notified the Board of his intention to resign as a director of the Company upon the Board's confirmation of a successor nominee in order to focus his time and efforts on the Company's business execution in the United Arab Emirates and the broader Middle East. Mr. Mok will continue to serve as an executive officer of the Company and as Head of FF Middle East.

Supplemental Agreements with Chongqing LeTV Microloan Co., Ltd.

On March 6, 2026, the Company entered into two supplemental agreements with Chongqing LeTV Microloan Co., Ltd. to settle certain previously assigned debt obligations for an aggregate settlement amount of CNY25.4 million (approximately $3.5 million), payable in installments through December 31, 2028. In connection with these agreements, certain penalty provisions were eliminated, which is expected to result in the reversal, in the quarter ending March 31, 2026, of approximately $19.9 million of accrued interest and penalties that were included in related party accrued interest as of December 31, 2025. Because these agreements were executed after December 31, 2025, no adjustment was recorded in the Company's consolidated financial statements for the year ended December 31, 2025.

Conversion of AIXC Series B Preferred Shares

On March 18, 2026, the Company converted all 29,441 Series B preferred shares of AIXC into 13,108,357 shares of AIXC common stock, par value $0.001 per share.

Nasdaq Minimum Bid Price Non-Compliance Notice

On March 20, 2026, the Company received written notice from Nasdaq stating that it was not in compliance with the minimum bid price requirement under Nasdaq Listing Rule 5550(a)(2), because the closing bid price of the Company's Class A common stock remained below $1.00 per share for 30 consecutive trading days. The Company has until September 16, 2026 to regain compliance. During this compliance period, the Company's Class A common stock will continue to trade on the Nasdaq Capital Market.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosures

None.

Item 9A. 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 December 31, 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.

For the year ended December 31, 2024 ("FY24") 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 has made substantial progress in remediating the previously identified material weaknesses in internal control over financial reporting. During 2025, management designed and implemented internal controls remediating eight of the nine material weaknesses. Management will continue to evaluate the effectiveness of recently implemented controls in Q1 2026. The remaining material weakness related to the development and formalization of accounting policies and procedures is still in progress. In the interim, the Company has implemented compensating measures, including the preparation of formal accounting memoranda for critical and complex transactions.

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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 status and results to the Chair of the Audit Committee.

Remediation actions, aligned to nature and sequence of the identified material weaknesses, are as follows:

- Control Environment, Organizational Structure, and Segregation of Duties: The Company enhanced its control environment by hiring additional qualified finance and accounting personnel with appropriate technical expertise. Formal reporting lines, roles, and responsibilities have been clearly defined and documented. Segregation of duties has been improved across key finance and accounting processes and supporting systems. These controls have been implemented and tested for operating effectiveness.
- Controls in Response to Risks of Material Misstatement: The Company designed and implemented a formal risk assessment process to identify and evaluate changes in business operations and their impact on financial reporting risks. Controls have been established and updated accordingly to ensure timely responses to evolving risks. These controls have been implemented and tested.
- Information and Communication Across Departments: The Company implemented structured processes and protocols to facilitate timely and complete communication between legal, capital markets, and accounting and finance functions. This includes standardized information-sharing requirements and documentation procedures to support accurate financial reporting. These controls have been implemented and tested.
- Accounting for Non-Routine, Unusual, or Complex Transactions: The Company established formal review procedures and technical accounting controls over complex transactions, including convertible instruments, warrant liabilities, embedded derivatives, and other non-routine transactions. The Company has also engaged external technical accounting advisors, where necessary, to support the appropriate application of U.S. GAAP. These controls have been implemented and tested.

- Accounting Policies, Procedures, and Period-End Close Process: (Remaining Material Weakness : The Company has made progress in developing formal accounting policies and procedures, including those related to the period-end close process, reconciliations, journal entries, and financial statement disclosures. While this effort remains ongoing and is not yet fully remediated, the Company has implemented compensating controls, including the preparation of detailed accounting memoranda for significant and complex transactions and enhanced review controls over financial reporting. Full remediation is expected upon completion, formalization, and sustained operation of these policies and procedures.
- Information Technology General Controls (ITGCs): The Company designed and implemented IT general controls covering program change management, user access management, and computer operations. Enhancements include access provisioning and de-provisioning controls, periodic user access reviews, and monitoring of critical system jobs and data backups. These controls have been implemented and tested.
- Integrity, Ethical Values, and Tone at the Top: The Company strengthened its governance framework and reinforced its commitment to integrity and ethical values through enhanced oversight by senior management and the Board. Policies and procedures related to governance, compliance, and internal control awareness have been formalized and communicated. These controls have been implemented and tested.
- Related Party Transactions Identification and Disclosure: The Company implemented enhanced controls over the identification, review, and disclosure of related party transactions. This includes periodic certifications, centralized tracking mechanisms, and formal review and approval protocols. These controls have been implemented and tested.
- Cybersecurity Incident Reporting to the Board: The Company formalized procedures for reporting material cybersecurity incidents to the Board of Directors or a designated committee. These procedures are now embedded within the Company's broader cybersecurity risk management framework and have been implemented and tested.

While significant progress has been achieved, the Company will continue to focus on completing the development and formalization of its accounting policies and procedures and ensuring sustained operating effectiveness of all remediated controls. The Company will continue to monitor these controls and perform ongoing testing to confirm their effectiveness over time. If the Company does not sustain its remediation efforts, the effectiveness of its internal control over financial reporting may be compromised. Internal controls are inherently subject to limitations, including cost constraints, management judgment, assumptions regarding future events, the potential for human error, and the risk of fraud. In addition, continued turnover in key management personnel—particularly within accounting, finance, and legal functions—could impair the Company's ability to maintain effective controls and execute its remediation activities. As a result, the Company may be unable to consistently record, process, and report financial information accurately, or to prepare financial statements within the timeframes required by the Securities and Exchange Commission. Any such deficiencies could adversely affect the Company's reputation, business operations, and the market price of its Class A Common Stock. Furthermore, failure to sustain remediation may expose the Company to increased risk of regulatory scrutiny, including potential actions by the SEC or other authorities, litigation, loss of investor confidence, potential delisting of its securities, and diversion of management's attention and resources away from core business operations, which could materially and adversely affect the Company's financial condition.

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 December 31, 2025, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

Robotics Initiative

During 2025, the Company began evaluating a robotics initiative as part of its broader strategy to explore the application of artificial intelligence across multiple technology domains. As of December 31, 2025, this initiative remained at an early stage and was not associated with material operations, revenue-generating activities, or commercial deployments.

The robotics initiative is intended to assess potential long-term opportunities involving intelligent automation, AI-enabled physical systems, and software-driven robotics platforms. Management believes advancements in artificial intelligence, perception systems, and computing efficiency may support broader adoption of robotics technologies across industrial, logistics, manufacturing, and service-oriented applications over time.

As part of this initiative, the Company has conducted preliminary research focused on identifying potential use cases, evaluating technical feasibility, and assessing strategic alignment with its existing AI development efforts. These activities have included internal conceptual studies, early-stage design evaluation, and high-level market assessments. As of December 31, 2025, the Company had not entered into material manufacturing arrangements, customer contracts, or commercialization agreements related to robotics.

The robotics initiative is being evaluated as a potential future area of development rather than as an operating business. Any advancement beyond exploratory assessment remains subject to further technical validation, availability of capital, internal governance approvals, and market conditions. The Company has not committed to a development, product launch, or commercialization timeline and may modify, delay, or discontinue the initiative at its discretion.

Given the early stage of evaluation as of December 31, 2025, the robotics initiative did not require significant capital investment, dedicated manufacturing infrastructure, or expanded workforce resources. Accordingly, the Company did not consider the initiative to be material to its operations for the year ended December 31, 2025.

Subsequent to year end, the Company began delivering an initial batch of humanoid robot products to customers at the end of February 2026. The Company is also exploring development of an EAI Brain and open-source, open-platform framework, as well as a decentralized data-collection factory.

Consulting Services Agreement

On March 6, 2023, the Company entered into a Consulting Services Agreement (the "Consulting Services Agreement") with FF Global, effective as of February 1, 2023. Pursuant to the Consulting Services Agreement, FF Global shall provide consultation and integrate resources to assist the Company in achieving its strategic goals, including to (i) assist the Company in developing its funding strategy; (ii) assist the Company in developing its value return & management strategy; (iii) consult on and integrate stockholder relations and stockholder resources; (iv) provide support on communications regarding stockholders meetings; (v) develop the Company's existing stockholder financing strategy, including retail investors and others; (vi) assist the Company in risk management strategy; and (vii) assist in capability build up & operation strategy. The Consulting Services Agreement has an initial term of 12 months and automatically renews for successive 12 month periods unless earlier terminated in accordance with the terms thereof. Effective March 6, 2025, the Consulting Services Agreement renewed automatically until March 6, 2026.

As consideration, the Company agreed to pay FF Global a monthly fee of $0.2 million per month, due and payable on the last day of each month beginning on March 31, 2023, as well as reimburse FF Global for all reasonable and documented out-of-pocket travel, legal, and other out-of-pocket expenses incurred in connection services pursuant to the Consulting Services Agreement, (including reasonable fees and disbursements of FF Global's external legal counsel), which out-of-pocket expenses shall not exceed $0.05 million without the prior written consent of the Company (which consent shall be in the sole and absolute discretion of the Company).

The description of the Consulting Agreement in this Item 9B is qualified in its entirety by reference to its terms, as detailed in Note 9, *Related Party Transactions*—which also includes the payment information—and as filed as Exhibit 10.47 to this Form 10-K.

Insider Trading Policies and Procedures

The Company maintains an Insider Trading and Confidentiality Policy to ensure compliance with federal securities laws, including SEC Rule 10b5-1 and Section 10(b) of the Securities Exchange Act of 1934. This Policy applies to employees, officers, directors, independent contractors, and consultants and is designed to prevent the unlawful use of material nonpublic information in securities trading. It outlines i) prohibited activities, including restrictions on trading and the sharing of material nonpublic information; ii) trading restrictions, which govern when and how Company securities may be traded, including pre-clearance requirements, blackout periods, and designated trading windows; and iii) compliance and enforcement measures, specifying adherence requirements, periodic reviews, and potential consequences for violations.

The Policy prohibits:

- Trading in Company securities while in possession of material nonpublic information.
- Tipping or sharing confidential Company information with third parties, including family and friends.
- Engaging in short sales, hedging transactions, or margin trading involving Company securities.

Trading Restrictions:

- Directors, executive officers, and designated employees (including vice presidents and above) may only trade during approved trading windows, which begin one full trading day after the public release of quarterly results and end ten trading days before the end of the subsequent quarter.
- Pre-clearance is required at least 48 hours in advance of any trade, and transactions must be executed within 48 hours of approval. If material nonpublic information is obtained before execution, the trade must not proceed.
- The Company may impose event-specific blackout periods to restrict trading when material developments are pending. These restrictions apply to all employees, officers, and directors with access to material nonpublic information.
- Trading under Rule 10b5-1 plans is permitted if established in good faith, at a time when the individual is not in possession of material nonpublic information, and is pre-approved by the Legal Department and Executive Chairperson (or designee).

Compliance & Enforcement:

- Violations may result in disciplinary action, termination, and potential civil or criminal penalties.
- Employees are required to acknowledge the Policy upon hiring and review it annually.
- The Legal Department and Executive Chairperson (or designee) are responsible for enforcing the Policy and monitoring compliance.
- The Policy is reviewed and updated by the Board of Directors as necessary to ensure compliance with evolving regulations and Company policies.

Insider Trading Arrangements

During the three months ended December 31, 2025, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" as such terms are defined under Item 408 of Regulation S-K.

Amendment to a certain securities purchase agreement

As previously disclosed under the current report on Form 8-K filed with the SEC on February 5, 2026, on February 4, 2026, the Company entered into a Securities Purchase Agreement (the "AIXC SPA Agreement") with an accredited investor (the "AIXC Investor"), pursuant to which the Company has agreed to sell, and the Investor has agreed to purchase, $10 million (the "Subscription Amount") of Class A Common Stock at a per share price equal to 100% of the closing price of Class A Common Stock (such per share price, the "Initial Price" and such number of shares of Common Stock issued thereunder, the "Subject Shares", together with the Class A Common Stock issuable upon conversion of the Warrant (as defined below), the "Securities") immediately prior to the closing date (the "AIXC Closing Date"). Pursuant to the AIXC SPA Agreement, the Company agreed to issue certain True-Up Shares to the Investor in the event of a Dilutive Issuance (a "True-Up Issuance"). Capitalized terms not defined herein shall have the meaning set forth in the Original Report..

Warrant

The Warrant will have a term of two years from the Closing Date and is exercisable immediately after completion of delivery of the 500th FX Super One vehicle to customers by the Company, at an exercise price of $1.50 per share (the "Warrant Shares").

Exercise Limitations

The AIXC Investor will not have the right to exercise any portion of the Warrant to the extent that, after giving effect to such exercise, the AIXC Investor (together with certain related parties) would beneficially own in excess of 9.99% of total number of shares of Class A Common Stock outstanding immediately after giving effect to such exercise.

At any time before the Company obtains stockholder approval in connection with the transaction contemplated under the AIXC SPA Agreement, or the financial viability exception pursuant to Nasdaq Rule 5635(d) for the issuance of the Securities under the AIXC SPA Agreement, then the Company may not issue Warrant Shares, which, when aggregated with the Subject Shares issued pursuant to the AIXC SPA Agreement (as amended by the Amendment), subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations, exceed the 19.99% of the total outstanding Class A Common Stock of the Company as of the date of the AIXC SPA Agreement.

The foregoing summaries of the Warrant and the Amendment do not purport to be complete and are subject to, and are qualified in their entirety by, the full text of the form of Warrant and the Amendment, which are filed as Exhibits 4.28 and 10.108, respectively, to this annual report on Form 10-K and are incorporated herein by reference.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated by reference to the definitive proxy statement for the Company's Annual Meeting of Stockholders, which the Company expects to file with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K.

We have an insider trading policy that governs the purchase, sale, and other disposition of our securities by our directors, officers, employees and other individuals associated with us, as well as by our Company itself, that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations, and listing standards applicable to us. A copy of our insider trading policy is filed as Exhibit 19.1 to this Form 10-K.

Item 11. Executive Compensation

The information required by this item is incorporated by reference to the definitive proxy statement for the Company's Annual Meeting of Stockholders, which the Company expects to file with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owner and Management and Related Stockholder Matters

The information required by this item is incorporated by reference to the definitive proxy statement for the Company's Annual Meeting of Stockholders, which the Company expects to file with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K.

Item 13. Certain Relationships and Related Person Transactions, and Director Independence

The information required by this item is incorporated by reference to the definitive proxy statement for the Company's Annual Meeting of Stockholders, which the Company expects to file with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K.

Item 14. Principal Accounting Fees and Services

The information required by this item is incorporated by reference to the definitive proxy statement for the Company's Annual Meeting of Stockholders, which the Company expects to file with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K.

Part IV

Item 15. Exhibits and Financial Statement Schedules

(a) (1) Financial Statements: Consolidated Financial Statements filed as part of this report are listed under Part II, Item 8 of this Form 10-K.

(2) Financial Statement Schedules: No schedules are required because either the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the Consolidated Financial Statements thereto filed as a part of this Form 10-K.

(3) Exhibits: The exhibits listed in the accompanying Exhibit Index are filed as part of this Form 10-K. The Index to Exhibits specifically identifies each management contract or compensatory plan required to be filed as an exhibit to this Form 10-K.

Item 16. Form 10-K Summary

None.

EXHIBIT INDEX

Exhibit No.	Description of Exhibits	Incorporation by Reference
2.1+	Agreement and Plan of Merger, dated as of January 27, 2021, by and among Property Solutions Acquisition Corp., PSAC Merger Sub Ltd., and FF Intelligent Mobility Global Holdings Ltd.	Annex A to Amendment No. 3 to Registration Statement on Form S-4 (File No. 333-255027) filed on June 23, 2021
2.2	First Amendment to Agreement and Plan of Merger, dated as of February 25, 2021, by and among Property Solutions Acquisition Corp., PSAC Merger Sub Ltd., and FF Intelligent Mobility Global Holdings Ltd.	Exhibit 2.2 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
2.3	Second Amendment to Agreement and Plan of Merger, dated as of May 3, 2021, by and among Property Solutions Acquisition Corp., PSAC Merger Sub Ltd., and FF Intelligent Mobility Global Holdings Ltd.	Exhibit 2.3 to Amendment No. 1 to Registration Statement on Form S-4 (File No. 333-255027) filed on June 1, 2021
2.4	Third Amendment to Agreement and Plan of Merger, dated as of June 14, 2021, by and among Property Solutions Acquisition Corp., PSAC Merger Sub Ltd., and FF Intelligent Mobility Global Holdings Ltd.	Exhibit 2.4 to Amendment No. 3 to Registration Statement on Form S-4 (File No. 333-255027) filed on June 23, 2021
2.5	Fourth Amendment to Agreement and Plan of Merger, dated as of July 12, 2021, by and among Property Solutions Acquisition Corp., PSAC Merger Sub Ltd., and FF Intelligent Mobility Global Holdings Ltd.	Exhibit 2.5 to the Current Report on Form 8-K filed on July 22, 2021.
3.1	Third Amended and Restated Certificate of Incorporation of the Company	Exhibit 3.1 to the Current Report on Form 8-K filed on February 7, 2024.
3.2	Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of the Company	Exhibit 3.1 to the Current Report on Form 8-K filed on February 7, 2024.
3.3	Second Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of the Company	Exhibit 3.1 to the Current Report on Form 8-K filed on February 26, 2024.
3.4	Certificate of Elimination of Series A Preferred Stock	Exhibit 3.2 to the Current Report on Form 8-K filed on August 1, 2024.
3.5	Third Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of the Company	Exhibit 3.1 to the Current Report on Form 8-K filed on August 1, 2024.
3.6	Fourth Certificate of Amendment to Third Amended and Restated Certificate of Incorporation of Faraday Future Intelligent Electric Inc.	Exhibit 3.2 to the Current Report on Form 8-K filed on August 15, 2024.
3.7	Amended and Restated Bylaws of the Company	Exhibit 3.2 to the Current Report on Form 8-K filed on June 16, 2023
3.8	Certificate of Designation of Preferences, Rights and Limitations of Series A Preferred Stock, dated January 22, 2025.	Exhibit 3.1 to the Current Report of Form 8-K filed on January 31, 2025
3.9	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Faraday Future Intelligent Electric Inc.	Exhibit 3.1 to the Current Report of Form 8-K filed on March 11, 2025
3.10	Certificate of Elimination of Series A Preferred Stock.	Exhibit 3.2 to the Current Report of Form 8-K filed on March 11, 2025
3.11	Form of Certificate of Designation of Preferences, Rights and Limitations of Series B Preferred Stock	Exhibit 3.1 to the Current Report of Form 8-K filed on March 24, 2025
3.12	Certificate of Designation of Preferences, Rights and Limitations of Series B Preferred Stock	Exhibit 3.1 to the Current Report on Form 8-K filed on April 9, 2025
3.13	Certificate of Correction of Certificate of Designation of Preferences, Rights and Limitations of Series B Preferred Stock	Exhibit 3.2 to the Current Report on Form 8-K filed on April 9, 2025
3.14	Certificate of Designation of Preferences, Rights and Limitations of Series A Preferred Stock, dated April 17, 2025	Exhibit 3.1 to the Current Report on Form 8-K filed on April 17, 2025
3.15	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Faraday Future Intelligent Electric Inc.	Exhibit 3.1 to the Current Report on Form 8-K filed on May 29, 2025
3.16	Certificate of Elimination of Series A Preferred Stock	Exhibit 3.2 to the Current Report on Form 8-K filed on May 29, 2025
3.17	Certificate of Designation of Preferences, Rights and Limitations of Series A Preferred Stock	Exhibit 3.1 to the Current Report on Form 8-K filed on August 8, 2025
3.18	Amendment No. 1 to Certificate of Designations, Preferences and Rights of Series B Preferred Stock of Faraday Future Intelligent Electric Inc.	Exhibit 3.1 to the Current Report on Form 8-K filed on August 22, 2025
3.19	Eighth Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of Faraday Future Intelligent Electric Inc.	Exhibit 3.1 to the Current Report on Form 8-K filed on September 25, 2025
3.20	Certificate of Elimination of Series A Preferred Stock of Faraday Future Intelligent Electric Inc.	Exhibit 3.2 to the Current Report on Form 8-K filed on September 25, 2025
3.21	Certificate of Designation of Preferences, Rights and Limitations of Series A Preferred Stock, dated December 19, 2025 (included as Exhibit A to the Exhibit 10.1)	Exhibit 3.1 to the Current Report on Form 8-K filed on December 29, 2025
3.22	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Faraday Future Intelligent Electric Inc.	Exhibit 3.1 to the Current Report on Form 8-K filed on February 20, 2026

3.23	Certificate of Elimination of Series A Preferred Stock	Exhibit 3.2 to the Current Report on Form 8-K filed on September 20, 2026
4.1*	Description of the Securities	N/A
4.2	Specimen Common Stock Certificate	Exhibit 4.2 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
4.3	Specimen Warrant Certificate	Exhibit 4.3 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
4.4	Warrant Agreement between Continental Stock Transfer & Trust Company and the Company	Exhibit 4.5 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
4.5	Form of Common Stock Purchase Warrant (under Securities Purchase Agreement, dated as of August 14, 2022)	Exhibit 4.1 to the Current Report on Form 8-K filed on August 15, 2022
4.6	Form of Common Stock Purchase Warrant (under Amendment No. 1 to the Securities Purchase Agreement and Convertible Senior Secured Promissory Notes, dated as of September 23, 2022)	Exhibit 4.1 to the Current Report on Form 8-K filed on September 26, 2022
4.7	Form of Adjustment Warrant (under Amendment No. 1 to Securities Purchase Agreement and Convertible Senior Secured Promissory Notes, dated as of September 23, 2022)	Exhibit 4.2 to the Current Report on Form 8-K filed on September 26, 2022
4.8	Form of Tranche C Warrant (under Amendment No. 6 to Securities Purchase Agreement, dated February 3, 2023)	Exhibit 4.1 to the Current Report on Form 8-K filed on February 6, 2023
4.9	Form of Replacement Warrant (under Amendment No. 6 to Securities Purchase Agreement, dated February 3, 2023)	Exhibit 4.2 to the Current Report on Form 8-K filed on February 6, 2023
4.10	Form of Common Stock Purchase Warrant (under Amendment No. 8 to Security Purchase Agreement, dated May 8, 2023)	Exhibit 4.1 to the Current Report on Form 8-K filed on May 10, 2023
4.11	Form of FFVV Common Stock Purchase Warrant.	Exhibit 4.1 to the Current Report on Form 8-K filed on June 27, 2023
4.12	Form of Senyun Common Stock Purchase Warrant.	Exhibit 4.2 to the Current Report on Form 8-K filed on June 27, 2023
4.13	Common Stock Purchase Warrant, dated August 4, 2023, issued to Streeterville Capital, LLC.	Exhibit 4.1 to the Current Report on Form 8-K filed on August 7, 2023
4.14	Common Stock Purchase Warrant, dated September 21, 2023, issued to FF Vitality Ventures LLC.	Exhibit 4.1 to the Current Report on Form 8-K filed on September 22, 2023
4.15	Form of Warrant	Exhibit 4.1 to the Current Report on Form 8-K filed on September 6, 2024.
4.16	Form of Incremental Warrant	Exhibit 4.2 to the Current Report on Form 8-K filed on September 6, 2024.
4.17	Form of Placement Agent Warrant	Exhibit 4.3 to the Current Report on Form 8-K filed on September 6, 2024.
4.18	Form of Secured Convertible Note	Exhibit 4.4 to the Current Report on Form 8-K filed on September 6, 2024.
4.19	Form of Warrant	Exhibit 4.1 to the Current Report of Form 8-K filed on December 23, 2024
4.20	Form of Incremental Warrant	Exhibit 4.2 to the Current Report of Form 8-K filed on December 23, 2024
4.21	Form of Unsecured Convertible Note	Exhibit 4.3 to the Current Report of Form 8-K filed on December 23, 2024
4.22	Form of Common Warrant	Exhibit 4.1 to the Current Report of Form 8-K filed on March 24, 2025
4.23	Form of Incremental Warrant	Exhibit 4.2 to the Current Report of Form 8-K filed on March 24, 2025
4.24	Form of Unsecured Note	Exhibit 4.3 to the Current Report of Form 8-K filed on March 24, 2025
4.25	Form of Placement Agent Warrant	Exhibit 4.4 to the Current Report of Form 8-K filed on March 24, 2025
4.26	Form of Unsecured Note	Exhibit 4.1 to the Current Report on Form 8-K filed on July 16, 2025
4.27	Form of Common Warrant	Exhibit 4.2 to the Current Report on Form 8-K filed on July 16, 2025
10.1	Amended and Restated Registration Rights Agreement between the Company and certain holders identified therein	Exhibit 10.1 to the Current Report on Form 8-K filed on July 22, 2021.

10.2	Form of Subscription Agreement between the Company and the subscribers party thereto	Exhibit 10.10 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
10.3	Amended and Restated Shareholder Agreement dated as of January 13, 2023, by and between the Company and FF Top Holding LLC.	Exhibit 10.1 to the Current Report on Form 8-K filed on January 17, 2023
10.4	Form of Support Agreement between FF Intelligent Mobility Global Holdings Ltd. and FF Top Holding Limited.	Exhibit 10.12 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
10.5	Form of Support Agreement between FF Intelligent Mobility Global Holdings Ltd. and Season Smart Limited.	Exhibit 10.13 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
10.6#	Faraday Future Intelligent Electric Inc. 2021 Stock Incentive Plan	Exhibit 10.10 to the Current Report on Form 8-K filed on July 22, 2021.
10.7	Ares Capital Corporation Priority Last Out Secured Promissory Note by Faraday&Future Inc., FF Inc., Faraday SPE, LLC	Exhibit 10.22 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
10.8	Ares Centre Street Partnership Priority Last Out Secured Promissory Note by Faraday&Future Inc., FF Inc., Faraday SPE, LLC	Exhibit 10.23 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
10.9	Ares Credit Strategies Priority Last Out Secured Promissory Note by Faraday&Future Inc., FF Inc., Faraday SPE, LLC	Exhibit 10.24 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
10.10	Ares Direct Finance I LP Priority Last Out Secured Promissory Note by Faraday&Future Inc., FF Inc., Faraday SPE, LLC	Exhibit 10.25 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
10.11#	Offer Letter dated October 10, 2018 between Tin Mok and Faraday&Future Inc.	Exhibit 10.29 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
10.12#	Sign On Bonus Addendum Letter dated March 26, 2019 between Chui Tin Mok and Faraday&Future Inc.	Exhibit 10.30 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
10.13#	Sign On Bonus Addendum Letter dated March 11, 2018 between Chui Tin Mok and Faraday&Future Inc.	Exhibit 10.31 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
10.14#	Smart King Ltd. Equity Incentive Plan, as Adopted on February 1, 2018, as Amended and Restated Effective February 1, 2018	Exhibit 10.32 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
10.15#	Form of Smart King Ltd. Equity Incentive Plan Option Award Agreement (United States)	Exhibit 10.33 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
10.16#	Form of Smart King Ltd. Equity Incentive Plan Option Award Agreement (China)	Exhibit 10.34 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
10.17#	Smart King Ltd. Special Talent Incentive Plan, as Adopted on May 2, 2019, as Amended on July 26, 2020	Exhibit 10.35 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
10.18#	Form of Smart King Ltd. Special Talent Incentive Plan Share Option Agreement (Individual)	Exhibit 10.36 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
10.19#	Form of Smart King Ltd. Special Talent Incentive Plan Share Option Agreement (Entity)	Exhibit 10.37 to Registration Statement on Form S-4 (File No. 333-255027) filed on April 5, 2021
10.20+^	Contract Manufacturing and Supply Agreement by and between Faraday&Future Inc. and Myoung Shin Co., Ltd. dated February 4, 2022	Exhibit 10.31 to Amendment No. 3 to Registration Statement on Form S-1 (File No. 333-258993) filed on August 30, 2022
10.21+	FF Global Partners LLC Second Amended and Restated Limited Liability Company Agreement dated as of May 16, 2022	Exhibit 10.32 to Amendment No. 3 to Registration Statement on Form S-1 (File No. 333-258993) filed on August 30, 2022
10.22^	Securities Purchase Agreement, dated as of August 14, 2022, among Faraday Future Intelligent Electric Inc., FF Simplicity Ventures LLC and the purchasers from time to time party thereto	Exhibit 10.1 to the Current Report on Form 8-K filed on August 15, 2022
10.23	Form of Convertible Senior Secured Promissory Note (under Securities Purchase Agreement, dated as of August 14, 2022)	Exhibit 10.2 to the Current Report on Form 8-K filed on August 15, 2022

10.24+	Amendment No. 1 to Securities Purchase Agreement and Convertible Senior Secured Promissory Notes, dated as of September 23, 2022, by and among Faraday Future Intelligent Electric Inc, the credit parties from time to time party thereto, the financial institutions or other entities from time to time party thereto and FF Simplicity Ventures LLC, as administrative and collateral agent	Exhibit 10.3 to the Current Report on Form 8-K filed on September 26, 2022
10.25	Form of Convertible Senior Secured Promissory Note (under Amendment No. 1 to Securities Purchase Agreement and Convertible Senior Secured Promissory Notes, dated as of September 23, 2022)	Exhibit 10.4 to the Current Report on Form 8-K filed on September 26, 2022
10.26	Joinder and Amendment Agreement, dated as of September 25, 2022, by and among Senyun International Ltd., FF Simplicity Ventures LLC, RAAJJ Trading LLC and Faraday Future Intelligent Electric Inc.	Exhibit 10.5 to the Current Report on Form 8-K filed on September 26, 2022
10.27	Warrant Exercise Agreement, dated as of September 23, 2022, among Faraday Future Intelligent Electric Inc. and the investors listed on the signature pages thereto	Exhibit 10.6 to the Current Report on Form 8-K filed on September 26, 2022
10.28+	Letter Agreement Regarding Advanced Approval, dated as of September 23, 2022, between Faraday Future Intelligent Electric Inc. and FF Top Holding LLC	Exhibit 10.7 to the Current Report on Form 8-K filed on September 26, 2022
10.29+	Letter Agreement Regarding Advanced Approval, dated as of September 23, 2022, between Faraday Future Intelligent Electric Inc. and Season Smart Limited	Exhibit 10.8 to the Current Report on Form 8-K filed on September 26, 2022
10.30	Heads of Agreement, dated as of September 23, 2022, by and among Faraday Future Intelligent Electric Inc., FF Global Partners LLC and FF Top Holding LLC	Exhibit 10.1 to the Current Report on Form 8-K filed on September 26, 2022
10.31	Mutual Release, dated as of September 23, 2022, among Faraday Future Intelligent Electric Inc., FF Global Partners LLC, FF Top Holding LLC and the other parties thereto	Exhibit 10.2 to the Current Report on Form 8-K filed on September 26, 2022
10.32	Exchange Agreement, dated October 10, 2022, by and among Faraday Future Intelligent Electric Inc., FF Aventuras SPV XI LLC, FF Venturas SPV X LLC, FF Ventures SPV IX LLC and FF Adventures SPV XVIII LLC	Exhibit 10.1 to the Current Report on Form 8-K filed on October 11, 2022
10.33	Exchange Agreement, dated as of October 19, 2022, by and among Faraday Future Intelligent Electric Inc., FF Aventuras SPV XI LLC, FF Venturas SPV X LLC, FF Ventures SPV IX LLC and FF Adventures SPV XVIII LLC	Exhibit 10.1 to the Current Report on Form 8-K filed on October 20, 2022
10.34	Summary of Amendment dated October 22, 2022 to the Letter Agreement Regarding Advanced Approval, dated as of September 23, 2022, between Faraday Future Intelligent Electric Inc. and FF Top Holding LLC	Exhibit 10.47 to Amendment No. 6 to Registration Statement on Form S-1 (File No. 333-258993) filed on November 8, 2022
10.35	Limited Consent and Third Amendment, dated as of October 24, 2022, by and among Senyun International Ltd., FF Simplicity Ventures LLC, RAAJJ Trading LLC and Faraday Future Intelligent Electric Inc.	Exhibit 10.1 to the Current Report on Form 8-K filed on October 25, 2022
10.37	Limited Consent and Amendment, dated as of November 8, 2022, by and among Senyun International Ltd., FF Simplicity Ventures LLC, RAAJJ Trading LLC and Faraday Future Intelligent Electric Inc.	Exhibit 10.1 to the Current Report on Form 8-K filed on November 8, 2022
10.38	Standby Equity Purchase Agreement, dated as of November 11, 2022, by and between YA II PN, Ltd. and Faraday Future Intelligent Electric Inc.	Exhibit 10.1 to the Current Report on Form 8-K filed on November 14, 2022
10.39	Letter Agreement, dated December 28, 2022, by and among Faraday Future Intelligent Electric Inc., Senyun International Ltd. and FF Simplicity Ventures LLC	Exhibit 10.1 to the Current Report on Form 8-K filed on December 29, 2022
10.40	Limited Consent and Amendment No. 5, dated January 25, 2023, by and among Faraday Future Intelligent Electric Inc., Senyun International Ltd. and FF Simplicity Ventures LLC	Exhibit 10.54 to Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-268972) filed on February 7, 2023
10.41+	Amendment No. 6 to Securities Purchase Agreement, dated February 3, 2023, by and among Faraday Future Intelligent Electric Inc., its subsidiaries party thereto, Senyun International Ltd., FF Top Holding LLC, FF Simplicity Ventures LLC and the other Purchasers party thereto	Exhibit 10.1 to the Current Report on Form 8-K filed on February 6, 2023
10.42	Form of Tranche C Note (under Amendment No. 6 to Securities Purchase Agreement, dated February 3, 2023)	Exhibit 10.2 to the Current Report on Form 8-K filed on February 6, 2023
10.43	Form of Replacement Note (under Amendment No. 6 to Securities Purchase Agreement, dated February 3, 2023)	Exhibit 10.3 to the Current Report on Form 8-K filed on February 6, 2023
10.44	Form of Exchange Note (under Amendment No. 6 to Securities Purchase Agreement, dated February 3, 2023)	Exhibit 10.4 to the Current Report on Form 8-K filed on February 6, 2023
10.45+	Exchange Agreement, dated as of February 3, 2023, by and between Faraday Future Intelligent Electric Inc. and Senyun International Ltd.	Exhibit 10.5 to the Current Report on Form 8-K filed on February 6, 2023

10.46+	Exchange Agreement, dated as of February 3, 2023, by and among Faraday Future Intelligent Electric Inc. and the affiliates of FF Simplicity Ventures LLC party thereto	Exhibit 10.6 to the Current Report on Form 8-K filed on February 6, 2023
10.47	Consulting Services Agreement, dated as of March 6, 2023, by and between Faraday Future Intelligent Electric Inc. and FF Global Partners LLC	Exhibit 10.62 to the Annual Report on Form 10-K/A filed on August 21, 2023
10.48	Amendment No. 7 to Securities Purchase Agreement, dated March 23, 2023, by and among Faraday Future Intelligent Electric Inc., FF Simplicity Ventures LLC, Senyun International Ltd., and FF Prosperity Ventures LLC	Exhibit 10.1 to the Current Report on Form 8-K filed on March 23, 2023
10.49	Amendment No. 8 to Securities Purchase Agreement, dated May 8, 2023, by and between Faraday Future Intelligent Electric Inc. and Senyun International Ltd.	Exhibit 10.1 to the Current Report on Form 8-K filed on May 10, 2023
10.50	Amendment to ATW Notes and Warrants, dated as of May 9, 2023, by and among Faraday Future Intelligent Electric Inc., FF Simplicity Ventures LLC and FF Prosperity Ventures LLC.	Exhibit 10.2 to the Current Report on Form 8-K filed on May 10, 2023
10.51+	Securities Purchase Agreement, dated as of May 8, 2023, among Faraday Future Intelligent Electric Inc. and the purchasers from time to time party thereto.	Exhibit 10.3 to the Current Report on Form 8-K filed on May 10, 2023
10.52	Form of Unsecured Convertible Senior Promissory Note.	Exhibit 10.4 to the Current Report on Form 8-K filed on May 10, 2023
10.53	Equity Commitment Letter, dated as of May 8, 2023, by and among FF Global Partners Investment LLC, Metaverse Horizon Limited and Faraday Future Intelligent Electric Inc.	Exhibit 10.5 to the Current Report on Form 8-K filed on May 10, 2023
10.54	Equity Commitment Letter, dated as of May 8, 2023, by and among V W Investment Holding Limited, Lijun Jin and Faraday Future Intelligent Electric Inc.	Exhibit 10.6 to the Current Report on Form 8-K filed on May 10, 2023
10.55	Amendment No. 1 to Securities Purchase Agreement, dated as of June 26, 2023, among Faraday Future Intelligent Electric Inc. and the Unsecured SPA Purchasers party thereto.	Exhibit 10.1 to the Current Report on Form 8-K filed on June 27, 2023
10.56	Joinder and Amendment Agreement, dated as of June 26, 2023, among Faraday Future Intelligent Electric Inc. and FF Vitality Ventures LLC.	Exhibit 10.2 to the Current Report on Form 8-K filed on June 27, 2023
10.57	Second Joinder and Amendment Agreement, dated as of June 26, 2023, among Faraday Future Intelligent Electric Inc. and Senyun International Ltd.	Exhibit 10.3 to the Current Report on Form 8-K filed on June 27, 2023
10.58	Form of FFVV Unsecured Convertible Senior Promissory Note.	Exhibit 10.4 to the Current Report on Form 8-K filed on June 27, 2023
10.59	Form of Senyun International Ltd. Unsecured Convertible Senior Promissory Note.	Exhibit 10.5 to the Current Report on Form 8-K filed on June 27, 2023
10.60	Securities Purchase Agreement, dated as of August 4, 2023, among Faraday Future Intelligent Electric Inc. and Streeterville Capital, LLC.	Exhibit 10.1 to the Current Report on Form 8-K filed on August 7, 2023
10.61	Unsecured Convertible Senior Promissory Note, dated August 4, 2023, issued to Streeterville Capital, LLC.	Exhibit 10.2 to the Current Report on Form 8-K filed on August 7, 2023
10.62	Amendment No. 9 to Securities Purchase Agreement, dated August 4 2023, by and between Faraday Future Intelligent Electric Inc. and FF Vitality Ventures LLC.	Exhibit 10.3 to the Current Report on Form 8-K filed on August 7, 2023
10.63	Amendment No. 10 to Securities Purchase Agreement, dated August 4, 2023, by and between Faraday Future Intelligent Electric Inc. and Senyun International Ltd.	Exhibit 10.4 to the Current Report on Form 8-K filed on August 7, 2023
10.64	Waiver and Amendment Agreement, dated as of August 4, 2023, among Faraday Future Intelligent Electric Inc. and FF Vitality Ventures LLC.	Exhibit 10.5 to the Current Report on Form 8-K filed on August 7, 2023
10.65	Form of Salary Deduction and Stock Purchase Agreement.	Exhibit 10.1 to the Current Report on Form 8-K filed on September 22, 2023
10.66	Amendment Agreement, dated as of September 21, 2023, among Faraday Future Intelligent Electric Inc. and FF Vitality Ventures LLC.	Exhibit 10.1 to the Current Report on Form 8-K filed on September 22, 2023
10.67	Unsecured Convertible Senior Promissory Note, dated September 21, 2023, issued to FF Vitality Ventures LLC.	Exhibit 10.2 to the Current Report on Form 8-K filed on September 22, 2023
10.68	Lease Agreement dated October 19, 2023	Exhibit 10.1 to the Current Report on Form 8-K filed on October 19, 2023
10.69	Guaranty of Lease dated October 19, 2023	Exhibit 10.2 to the Current Report on Form 8-K filed on October 19, 2023
10.70	Purchase Agreement, dated December 21, 2023, by and between the Company and Matthias Aydt.	Exhibit 10.1 to the Current Report on Form 8-K/A filed on December 28, 2023
10.71^	Settlement Agreement, dated March 11, 2024, by and between the Faraday Future Intelligent Electric Inc. and Palantir Technologies, Inc.	Exhibit 10.88 on Form 10-K filed on May 28, 2024

10.72	Master Lease Agreement, dated July 11, 2024, between Faraday&Future Inc. and Utica Leaseco, LLC ***	Exhibit 10.1 to the Current Report on Form 8-K filed on July 13, 2024.
10.73	Rider No. 1 to Master Lease Agreement, dated July 11, 2024, by and between Faraday&Future Inc. and Utica Leaseco, LLC	Exhibit 10.2 to the Current Report on Form 8-K filed on July 13, 2024.
10.74	Rider No. 2 to Master Lease Agreement, dated July 11, 2024, by and between Faraday&Future Inc. and Utica Leaseco, LLC	Exhibit 10.3 to the Current Report on Form 8-K filed on July 13, 2024.
10.75	Master Lease Guaranty, dated July 11, 2024, by and between Faraday Future Intelligent Electric Inc. and Utica Leaseco, LLC	Exhibit 10.4 to the Current Report on Form 8-K filed on July 13, 2024.
10.76	Equipment Schedule to the Master Lease Agreement ***	Exhibit 10.5 to the Current Report on Form 8-K filed on July 13, 2024.
10.77	Rider No. 1 to Equipment Schedule, dated July 11, 2024	Exhibit 10.6 to the Current Report on Form 8-K filed on July 13, 2024.
10.78	Post-Closing Agreement, dated July 11, 2024, by and between Faraday&Future Inc. and Utica Leaseco, LLC	Exhibit 10.7 to the Current Report on Form 8-K filed on July 13, 2024.
10.79	Amendment No. 11 to the Securities Purchase Agreement, dated July 11, 2024, by and among Faraday Future Intelligent Electric Inc. and FF Vitality Ventures LLC	Exhibit 10.8 to the Current Report on Form 8-K filed on July 13, 2024.
10.80	Amendment No. 12 to the Securities Purchase Agreement, dated July 11, 2024, by and among Faraday Future Intelligent Electric Inc. and Senyun International Ltd.	Exhibit 10.9 to the Current Report on Form 8-K filed on July 13, 2024.
10.81	Faraday Future Intelligent Electric Inc. Amended and Restated 2021 Stock Incentive Plan, effective June 20, 2024	Exhibit 10.1 to the Current Report on Form 8-K filed on August 1, 2024.
10.82	Form of Waiver Agreement, dated August 2, 2024, by and between the Company and the holders party thereto	Exhibit 10.1 to the Current Report on Form 8-K filed on August 5, 2024.
10.83	Securities Purchase Agreement, dated September 5, 2024, by and between the Company and parties thereto	Exhibit 10.1 to the Current Report on Form 8-K filed on September 6, 2024.
10.84	Form of Security Agreement	Exhibit 10.2 to the Current Report on Form 8-K filed on September 6, 2024
10.85	Subordination and Intercreditor Agreement, dated September 5, 2024, by and among Faraday Future Intelligent Electric Inc. and the parties thereto	Exhibit 10.3 to the Current Report on Form 8-K filed on September 6, 2024
10.86	Offer Letter with Koti Meka, dated September 17, 2024	Exhibit 10.1 to the Current Report on Form 8-K filed on September 18, 2024
10.87	Letter Amendment to Settlement Agreement dated August 9, 2024, by and between Faraday&Future, Inc. and Palantir Technologies, Inc.	Exhibit 10.16 to the Form 10-Q filed on November 6, 2024
10.88	First Amendment to Lease Agreement, dated March 14, 2024, by and between 10701 Idaho Owner, LLC and Faraday&Future Inc.	Exhibit 10.17 to the Form 10-Q filed on November 6, 2024
10.89	Second Amendment to Lease Agreement, dated August 27, 2024, by and between 10701 Idaho Owner, LLC and Faraday&Future Inc.	Exhibit 10.18 to the Form 10-Q filed on November 6, 2024
10.90	Securities Purchase Agreement, dated December 21, 2024, by and among Faraday Future Intelligent Electric Inc. and the parties thereto.	Exhibit 10.1 to the Current Report of Form 8-K filed on December 23, 2024
10.91	September Letter Agreement, dated January 28, 2025, by and between the Company and the purchasers party thereto.	Exhibit 10.1 to the Current Report of Form 8-K filed on January 31, 2025
10.92	December Letter Agreement, dated January 28, 2025, by and between the Company and the purchasers party thereto.	Exhibit 10.2 to the Current Report of Form 8-K filed on January 31, 2025
10.93	Purchase Agreement dated January 28, 2025, by and between the Company and Matthias Aydt.	Exhibit 10.3 to the Current Report of Form 8-K filed on January 31, 2025
10.94	Securities Purchase Agreement, dated March 21, 2025, by and among Faraday Future	Exhibit 10.1 to the Current Report of Form 8-K filed on March 24, 2025
10.95	Placement Agency Agreement, dated March 21, 2025, by and between Faraday Future	Exhibit 10.2 to the Current Report of Form 8-K filed on March 24, 2025
10.96	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
10.97	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
10.98	Form of SPA Waiver	Exhibit 10.1 to the Current Report on Form 8-K filed on May 15, 2025
10.99	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
10.100	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

10.101	Form of Subscription Agreement	Exhibit 10.1 to the Current Report on Form 8-K filed on September 25, 2025
10.102	Lead Investor Agreement	Exhibit 10.2 to the Current Report on Form 8-K filed on September 25, 2025
10.104	Registration Rights Agreement	Exhibit 10.3 to the Current Report on Form 8-K filed on September 25, 2025
10.105	Purchase Agreement dated December 22, 2025, by and between the Company and Matthias Aydt.	Exhibit 10.1 to the Current Report on Form 8-K filed on December 29, 2025
10.106	Securities Purchase Agreement, dated January 30, 2026, by and between Faraday Future Intelligent Electric Inc. and the Investor.	Exhibit 10.1 to the Current Report on Form 8-K filed on February 5, 2026
16.1	Letter from Macias Gini & O'Connell LLP, Newly Appointed Independent Registered Public Accounting Firm, Regarding Change in Certifying Accountant	Exhibit 16.1 to the Current Report on Form 8-K filed on June 25, 2024
16.2	Letter from Macias Gini & O'Connell LLP	Exhibit 16.1 to the Current Report on Form 8-K filed on December 12, 2025
19.1*	Insider's Trading Policy	N/A
21.1*	Subsidiaries of the Registrant	N/A
23.1*	Consent of HTL International, LLC, independent registered public accounting firm of the Company	N/A
23.2*	Consent of Macias Gini & O'Connell LLP, former independent registered public accounting firm of the Company	N/A
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
97.1*	Clawback Policy	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.	
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).	

* Filed herewith.

*** Furnished herewith.

\+ The schedules and exhibits to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the SEC upon request.

\# Indicates management contract or compensatory plan or arrangement.

^ Portions of this exhibit have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

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: March 31, 2026 By: **/s/ Matthias Aydt**
Matthias Aydt
Global Co-Chief Executive Officer
(Principal Executive Officer)

Date: March 31, 2026 By: ***/s/ Koti Meka***
Koti Meka
Chief Financial Officer
(Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Faraday Future Intelligent Electric Inc and in the capacities and on the date indicated.

Signature/Name	Title	Date
/s/ Matthias Aydt Matthias Aydt	Global Co-Chief Executive Officer and Director *(Principal Executive Officer)*	March 31, 2026
/s/ Koti Meka Koti Meka	Chief Financial Officer *(Principal Financial and Accounting Officer)*	March 31, 2026
/s/ Chad Chen Chad Chen	Director	March 31, 2026
/s/ Chui Tin Mok Chui Tin Mok	Director	March 31, 2026
/s/ Lev Peker Lev Peker	Director	March 31, 2026
/s/ Jie Sheng Jie Sheng	Director	March 31, 2026

Exhibit 4.1

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

Faraday Future Intelligent Electric, Inc. ("us", "our," "we" or the "Company") has two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"): (1) our Class A common stock, par value $0.0001 per share ("Class A Common Stock"), and (2) our redeemable public warrants sold as part of the units sold in our initial public offering (the "public warrants").

The following descriptions of our capital stock and certain provisions of Certificate of Incorporation, as amended (the "Charter"), our Amended and Restated Bylaws (the "Bylaws") and Delaware law are summaries. You should also refer to the text of our Charter and our Bylaws, which are filed as exhibits to this Annual Report.

Authorized and Outstanding Capital Stock

The Charter, as amended, authorizes the issuance of up 114,245,313 shares, consisting of two classes of stock: (i) 104,245,313 shares Common Stock, and (ii) 10,000,000 shares of Preferred Stock $0.0001 par value per share (the "Preferred Stock"). The class of Common Stock shall be divided into two series of stock composed of (i) 99,815,625 shares of Class A Common Stock (the "Class A Common Stock"), and (ii) 4,429,688 shares of Class B Common Stock (the "Class B Common Stock"). For the avoidance of doubt, the Class A Common Stock and Class B Common Stock are separate series within a single class of Common Stock, and are referred to herein together as the "Common Stock."

Common Stock

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. Upon and after the occurrence of a Qualifying Equity Market Capitalization, the holders of shares of Class B Common Stock shall be entitled to ten votes for each such share on each matter properly submitted to the stockholders on which the holders of the Common Stock are entitled to vote. Except as otherwise required by law or the Charter, the holders of shares of the Common Stock shall at all times vote together as one class on all matters submitted to a vote of the stockholders of the Company. The term "Qualifying Equity Market Capitalization" means the Company, for any consecutive period of 20 trading days, having a volume weighted average total equity market capitalization of at least $20 billion as determined, in good faith by the Board of Directors (the "Board"), for each trading day by multiplying the closing sale price per share of Class A Common Stock of the Company on The Nasdaq Stock Market ("Nasdaq") (or such other securities exchange on which the Company's securities are then listed for trading) on such trading day (as reported by Bloomberg through its "HP" function or, if not available on Bloomberg, as reported by Morningstar) by the then total number of issued and outstanding shares of Class A Common Stock, Class B Common Stock and other shares of the Company on such trading day.

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.

There is no cumulative voting with respect to the election of directors, with the result that the holders of more than 50% of the voting power represented by shares of Common Stock voted for the election of directors can elect all of the directors.

Holders of Common Stock will not have any conversion, preemptive or other subscription rights and there will be no sinking fund or redemption provisions applicable to the Common Stock.

Subject to the rights, if any, of the holders of any outstanding series of Preferred Stock, holders of our Common Stock shall be entitled to receive dividends out of any of our funds legally available when, as and if declared by the

Board. Shares of Class A Common Stock and Class B Common Stock shall be treated equally, identically and ratably, on a per share basis, with respect to any dividend paid by the Company, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and by the affirmative vote of the holders of a majority of the outstanding shares of Class B Common Stock, each voting separately as a class.

Upon the dissolution, liquidation or winding up of the company, subject to the rights, if any, of the holders of our Preferred Stock, the holders of our Common Stock shall be entitled to receive the assets of the company available for distribution to its stockholders ratably in proportion to the number of shares held by them. Shares of Class A Common Stock and Class B Common Stock shall be treated equally, identically and ratably, on a per share basis, with respect to any such distribution paid by the Company, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and by the affirmative vote of the holders of a majority of the outstanding shares of Class B Common Stock, each voting separately as a class.

Except as set forth above related to the Class B Common Stock, holders of Common Stock will not have preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to our Common Stock.

Preferred Stock

The Charter authorizes the issuance of 10,000,000 shares of Preferred Stock with 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. In addition, the Preferred Stock could be utilized as a method of discouraging, delaying or preventing a change in control of the Company.

Description of Warrants

Public Warrants

Each outstanding whole public warrant represents the right to purchase one share of Class A Common Stock at a price of $110,400 per share, subject to adjustment as discussed below.

No public warrant will be exercisable for cash unless there is an effective and current registration statement covering the shares of Class A Common Stock issuable upon exercise of the public warrants and a current prospectus relating to such shares of Class A Common Stock. Notwithstanding the foregoing, if a registration statement covering the shares of Class A Common Stock issuable upon exercise of the public warrants is not effective within a specified period following the consummation of the initial business combination, public warrant holders may, until such time as there is an effective registration statement and during any period when the Company shall have failed to maintain an effective registration statement, exercise public warrants on a cashless basis pursuant to the exemption provided by Section 3(a)(9) of the Securities Act, provided that such exemption is available. If that exemption, or another exemption, is not available, holders will not be able to exercise their public warrants on a cashless basis. In the event of such cashless exercise, each holder would pay the exercise price by surrendering the Warrants for that number of shares of Class A Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of Class A Common Stock underlying the public warrants, multiplied by the difference between the exercise price of the public warrants and the “fair market value” (defined below) by (y) the fair market value. The “fair market value” for this purpose will mean the average reported last sale price of the shares of Class A Common Stock for the 5 trading days ending on the trading day prior to the date of exercise. The public warrants will expire on the fifth anniversary of completion of the initial business combination (or July 21, 2026), at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

The Company may call the public warrants for redemption, in whole and not in part, at a price of $0.01 per public warrant,

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

The right to exercise will be forfeited unless the public warrants are exercised prior to the date specified in the notice of redemption. On and after the redemption date, a record holder of a Warrant will have no further rights except to receive the redemption price for such holder's public warrants upon surrender of such public warrants.

If the Company calls the public warrants for redemption as described above, its management will have the option to require all holders that wish to exercise public warrants to do so on a "cashless basis." In such event, each holder would pay the exercise price by surrendering the public warrants for that number of shares of Class A Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of Class A Common Stock underlying the public warrants, multiplied by the difference between the exercise price of the public warrants and the "fair market value" (defined below) by (y) the fair market value. The "fair market value" shall mean the average reported last sale price of the shares of Class A Common Stock for the five trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of public warrants.

The exercise price and number of shares of Class A Common Stock issuable on exercise of the public warrants may be adjusted in certain circumstances including in the event of a share dividend, extraordinary dividend or the Company's recapitalization, reorganization, merger or consolidation. However, the public warrants will not be adjusted for issuances of shares of Class A Common Stock at a price below their respective exercise prices.

The public warrants may be exercised upon surrender of the Warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the public warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price, by certified or official bank check payable to us, for the number of public warrants being exercised. The public warrant holders do not have the rights or privileges of holders of shares of Class A Common Stock and any voting rights until they exercise their public warrants and receive shares of Class A Common Stock. After the issuance of shares of Class A Common Stock upon exercise of the public warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by stockholders.

Public warrants holders may elect to be subject to a restriction on the exercise of their public warrants such that an electing public warrant holder would not be able to exercise their public warrants to the extent that, after giving effect to such exercise, such holder would beneficially own in excess of 9.8% of the shares of Class A Common Stock outstanding.

No fractional shares will be issued upon exercise of the public warrants. If, upon exercise of the public warrants, a holder would be entitled to receive a fractional interest in a share, the Company will, upon exercise, round up to the nearest whole number of shares of Class A Common Stock to be issued to the public warrant holder.

Continental Stock Transfer & Trust Company, acts as warrant agent for the public warrants pursuant to a warrant agreement between Continental Stock Transfer & Trust and us. The warrant agreement provides that the terms of the public warrants may be amended without the consent of any holder (i) to cure any ambiguity or correct any mistake, including to conform the provisions of the public warrant agreement to the description of the terms of the public warrant and the warrant agreement, or to cure, correct or supplement any defective provision, or (ii) to add or change any other provisions with respect to matters or questions arising under the warrant agreement as the parties to the warrant agreement may deem necessary or desirable and that the parties deem to not adversely affect the interests of the registered holders of the public warrants. The warrant agreement requires the approval, by written consent or

vote, of the holders of at least 50% of the then outstanding public warrants in order to make any change that adversely affects the interests of the registered holders.

Anti-Takeover Effects of Certain Provisions of Our Charter, Our Bylaws, and Delaware Law

Under the Charter, the Company has certain anti-takeover provisions in place as follows:

Special Meeting of Stockholders

The Bylaws provide that special meetings of stockholders may be called only by (i) the Chairperson of the Board, (ii) the chief executive officer or (iii) a majority vote of the Board.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

The Bylaws provide that stockholders seeking to bring business before the Company's special meeting of stockholders, or to nominate candidates for election as directors at the Company's special meeting of stockholders, must provide timely notice of their intent in writing subject to certain exceptions for FF Top Board designees under that certain amended shareholder agreement with FF Global Partners LLC ("FF Global"), a shareholder of the Company (only with respect to the amendment of the Heads of Agreement) and FF Top Holding Ltd ("FF Top") dated January 13, 2023 (the "Amended Shareholder Agreement"). To be timely, a stockholder's notice will need to be received by the Company's secretary at the Company's principal executive offices no later than the close of business on the 90th day nor earlier than the open of business on the 120th day prior to the anniversary date of the immediately preceding special meeting of stockholders. Pursuant to Rule 14a-8 of the Exchange Act, proposals seeking inclusion in the Company's annual proxy statement must comply with the notice periods contained therein. The Bylaws also specify certain requirements as to the form and content of a stockholders' meeting. These provisions may preclude the Company's stockholders from bringing matters before the special meeting of stockholders or from making nominations for directors at the Company's special meeting of stockholders.

Authorized but Unissued Shares

The Company's authorized but unissued Common Stock and Preferred Stock will be available for future issuances without stockholder approval and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved Common Stock and Preferred Stock could render more difficult or discourage an attempt to obtain control of the Company by means of a proxy contest, tender offer, merger or otherwise.

Exclusive Forum Selection

The Charter requires, to the fullest extent permitted by law, that derivative actions brought in the Company's name, actions against directors, officers and employees for breach of fiduciary duty and other similar actions may be brought only in the Court of Chancery in the State of Delaware and, if brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to service of process on such stockholder's counsel except any action (A) as to which the Court of Chancery in the State of Delaware determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within 10 days following such determination), (B) which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery or (C) for which the Court of Chancery does not have subject matter jurisdiction. The Charter also requires that the federal district courts of the United States of America be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, and/or the Securities Exchange Act of 1934, as amended. Any person or entity purchasing or otherwise acquiring any interest in shares of Class A Common Stock shall be deemed to have notice of and consented to the forum provisions in the Charter.

This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with the Company or any of the Company's directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims. The Company cannot be certain that a court will decide that this provision is either applicable or enforceable, and if a court were to find the choice of forum provision contained in the Charter to be inapplicable or unenforceable in an action, the Company may incur

additional costs associated with resolving such action in other jurisdictions, which could harm the Company's business, operating results and financial condition.

The Charter provides that the exclusive forum provision will be applicable to the fullest extent permitted by applicable law.

Limitation on Liability and Indemnification of Directors and Officers

The Charter provides that directors and officers will be indemnified by the Company to the fullest extent authorized by Delaware law as it now exists or may in the future be amended.

The Bylaws also permit the Company to secure insurance on behalf of any officer, director or employee for any liability arising out of his or her actions, regardless of whether Delaware law would permit indemnification. The Company has purchased a policy of directors' and officers' liability insurance that insures the Company's directors and officers against the cost of defense, settlement or payment of a judgment in some circumstances and insures the Company against its obligations to indemnify the directors and officers.

These provisions may discourage stockholders from bringing a lawsuit against the Company's directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit the Company and the Company's stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent the Company pays the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. We believe that these provisions, the insurance and the indemnity agreements are necessary to attract and retain talented and experienced directors and officers.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to the Company's directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, the Company has been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

Our Transfer Agent and Warrant Agent

The transfer agent for our Class A Common Stock and warrant agent for our public warrants is Continental Stock Transfer & Trust Company.

Listing of our Securities

Our shares of Class A Common Stock and public warrants are currently traded on Nasdaq under the symbols "FFIE" and "FFIEW," respectively.

FARADAY FUTURE INTELLIGENT ELECTRIC INC.

INSIDER TRADING AND CONFIDENTIALITY POLICY

This Policy confirms procedures which employees, directors, independent contractors and consultants ("***you***") of Faraday Future Intelligent Electric Inc., including its controlled affiliates ("***FFIE***" or the "***Company***") must follow. This policy is subject to modification from time to time as the Company's Board of Directors (the "***Board***") deems necessary or advisable. In this policy, "***FFIE***" the "***Company***," "***we***," "***us***" and "***our***" refer to Faraday Future Intelligent Electric Inc. and its subsidiaries, unless the context otherwise requires.

1. Prohibition Against Trading on Material Nonpublic Information

During the course of your service at FFIE, you may become aware of material nonpublic information. It is difficult to describe exhaustively what constitutes "***material***" information, but you should assume that any information, positive or negative, which might be of significance to an investor, as part of the total mix of available information, in determining whether to purchase, sell or hold Company securities would be material. Information may be significant for this purpose even if it would not alone determine the investor's decision. Examples of "***material***" information include:

- financial results or internal financial information;
- projected sales, earnings, losses or other financial projections;
- significant changes or anticipated changes in operating or financial performance, such as major write-offs or special or extraordinary charges against earnings or capital;
- a significant expansion or curtailment of operations;
- major changes in lines of business, including significant new services or products;
- significant pricing changes;
- significant developments regarding customers or suppliers, such as entry into or termination of a significant agreement;
- changes in control;
- matters relating to cash dividends, stock repurchases or stock splits;
- a change in dividend policy;
- stock buybacks;
- significant financing transactions or borrowings, such as a significant drawdown on a credit facility or a securities offering;
- major transactions, such as mergers, tender offers or acquisitions of other companies, or major purchases or sales of assets;
- major litigation, expected major litigation and related developments;
- significant internal or external investigations, including government investigations, and related developments;
- capital investment plans or significant capital expenditures;
- significant labor disputes or significant hiring freezes;
- change in the auditor or a significant notification from an auditor;

- major changes in directors or senior management;
- impending bankruptcy or financial liquidity problems;
- significant cybersecurity incidents or risks, including vulnerabilities and breaches; and
- deficiencies or related developments with respect to the Company's trading market.

Note that this list is merely illustrative and not exhaustive.

"***Nonpublic***" information is any information which has not yet been disclosed generally to the marketplace. Information received about a company under circumstances which indicate that it is not yet in general circulation should be considered nonpublic. As a rule, you should be able to point to some fact to show that the information is generally available; for example, issuance of a press release by the Company or announcement of the information in *The Wall Street Journal* or other news publication. Even after the Company has released information to the press or the information has been reported, at least one full Trading Day must elapse before you trade in the Company securities. For the purposes of this policy, a "***Trading Day***" shall mean any day on which the Nasdaq Stock Market ("***Nasdaq***") is open for trading. For example, if the Company issues a press release containing material information at 6:00 p.m. on a Tuesday, and the Nasdaq is open for trading on Wednesday, persons subject to this policy shall not be permitted to trade in Company stock until Thursday. If the Company issues a press release containing material information at 6:00 p.m. on a Friday, and the Nasdaq is open for trading on Monday, persons subject to this policy shall not be permitted to trade in Company stock until Tuesday.

If you are aware of material nonpublic information regarding the Company you are prohibited from trading in Company securities, unless such trade is made pursuant to a properly qualified, adopted and submitted Rule 10b5-1 trading plan. Rule 10b5-1 trading plans are discussed in Section 2 of this Policy. You also are prohibited from giving "tips" on material nonpublic information, that is directly or indirectly disclosing such information to any other person, including family members and relatives, so that they may trade in Company securities. Furthermore, if you learn material nonpublic information about another company with which the Company does business, such as a supplier, customer or joint venture partner, or you learn that the Company is planning a major transaction with another company (such as an acquisition), you must not trade in the securities of either the Company or the other company until such information has been made public for at least one full Trading Day.

The policy against trading securities when in possession of material nonpublic information applies to all employees, directors, consultants and independent contractors of the Company ("***Company Personnel***") as well as to family members in cases where such family member is (i) directed by such Company Personnel and/or (ii) subject to the influence or control of such Company Personnel, including entities over which company personnel and family members have influence or control. It also applies to former employees and directors and to family members who share their households.

Any exception or waiver to this policy may only be granted by our Global General Counsel (the "***General Counsel***") or the Board of Directors, as appropriate. In no event can a waiver be granted that would run contrary to Section 1 of this policy, and any exception or waiver to this policy will require the affirmative representations that the requesting party does not possess any material nonpublic information regarding the Company or its subsidiaries or affiliates and understands that any exception or waiver will only be valid so long as such representation remains accurate. Furthermore, any exception or waiver granted must also comply with Section 4 of this policy.

1. Rule 10b5-1 Trading Plans

Rule 10b5-1 under the Securities Exchange Act of 1934 provides an affirmative defense against a claim of insider trading if an insider's trades are made pursuant to a written plan that was adopted in good faith at a time when the insider was not aware of material nonpublic information. It is the Company's policy that employees and directors may make trades pursuant to a Rule 10b5-1 plan provided that (i) such plan meets the requirements of Rule 10b5-1, (ii) such plan was adopted at a time when the employee or director would otherwise have been able to trade under Section 3 of this policy and (iii) with respect to any plan adopted by a Specified Person (as defined below) of the Company, adoption of the plan was expressly authorized by the Company's Legal Department and the Executive Chairperson or her designee. Note that trades made pursuant to Rule 10b5-1 plans by Specified Persons must still be reported to the Company's Legal Department pursuant to the second paragraph of Section 4 below.

1. Permitted Trading Periods for Non-Rule 10b5-1 Trades

Company executive officers and directors and all other employees, and family members of all of the above who share their households may only trade Company securities during the period commencing one full Trading Day following a release of quarterly results, and ending on the date that is ten Trading Days prior to the end of the subsequent quarter. Nonetheless, as mentioned above, no trade of Company securities may be made during these periods if the person covered by this policy possesses material nonpublic information which has not been disseminated in the public market for at least one full Trading Day.

From time to time, upon prior notice to the persons affected, the Company may impose event-specific special blackout periods during which persons subject to this Section 3 are prohibited from trading in Company securities.

The trading restrictions set forth in this Section 3 do not apply to any trades made pursuant to properly qualified, adopted and submitted Rule 10b5-1 trading plans.

1. Preclearance; Reporting Trades

In addition to complying with the prohibition on trading during scheduled and event- specific special blackout periods, the Company's executive officers, directors, controller, vice president or above level employees, and such other employees as designated by the Company's Legal Department ("***Specified Persons***") must first obtain

pre-clearance from the Company's Legal Department and the Executive Chairperson or her designee before engaging in any transaction in securities of the Company. A request for pre-clearance should be submitted to the Legal Department at least 48 hours in advance of the proposed transaction. If a proposed transaction receives pre-clearance, the pre-cleared trade must be effected within 48 hours of receipt of pre-clearance. If the person becomes aware of material nonpublic information before the trade is executed, the pre-clearance is void and the trade must not be completed.

Transactions not effected within the time limit become subject to pre-clearance again. If a person seeks pre-clearance and permission to engage in the transaction is denied, then he or she should refrain from initiating any transaction in securities of the Company, and should not inform any other person of the restriction.

We require that all Specified Persons submit to the Company's Legal Department and the Executive Chairperson or her designee a copy of any trade order or confirmation or similar communication relating to the purchase or sale of Company securities within one business day of any such transaction. This information is necessary to enable us to monitor trading by executive officers and directors and ensure that all such trades are properly reported. Your adherence to this policy is vital to your protection as well as the Company's.

1. Hedging Transactions; Short Sales

Hedging transactions may insulate you from upside or downside price movement in Company stock which can result in the perception that you no longer have the same interests as the Company's other stockholders. Accordingly, you and your family members who share your household may not enter into hedging or monetization transactions or similar arrangements with respect to Company stock, including the purchase or sale of options (puts or calls) or the use of any other derivative instruments and/or the contribution of Company securities into an exchange fund or swap fund.

In addition, you and your family members who share your household may not, under any circumstances, sell "short" the Company stock.

1. Margin Accounts and Pledging

Securities held in a margin account or pledged as collateral for a loan may be sold without your consent by the broker if you fail to meet a margin call or by the lender in foreclosure if you default on the loan. A margin or foreclosure sale that occurs when you are aware of material nonpublic information may, under some circumstances, result in unlawful insider trading. Because of this danger, you may not hold Company securities in a margin account nor pledge Company securities as collateral for a loan.

1. Exercise of Company Stock Options

The trading restrictions set forth in Sections 1, 3 and 4 do not apply to the exercise of Company stock options (excluding broker-assisted cashless exercise of Company stock options).

1. Confidentiality

Serious problems could be caused for the Company and you by unauthorized disclosure of internal information about FFIE, whether or not for the purpose of facilitating improper trading in Company securities. Therefore, Company personnel should not discuss internal matters or developments with anyone outside of FFIE, except as required in the performance of regular job requirements.

This prohibition applies specifically (but not exclusively) to inquiries about the Company which may be made by customers (except for ordinary-course customer-sales representative discourse), the press, investment analysts or others in the financial community. It is important that all such communications on behalf of the Company be made in accordance with Company policy. Unless you are expressly authorized to the contrary, if you receive any inquiries of this nature, you should decline comment and refer the inquiry to the Executive Chairperson or her designee.

* * *

THESE ARE VERY SERIOUS MATTERS. INSIDER TRADING IS ILLEGAL AND CAN RESULT IN JAIL SENTENCES AS WELL AS CIVIL PENALTIES, INCLUDING TRIPLE DAMAGES. EMPLOYEES, INDEPENDENT CONTRACTORS OR CONSULTANTS WHO VIOLATE THIS POLICY MAY BE SUBJECT TO DISCIPLINARY ACTION BY THE COMPANY, INCLUDING DISMISSAL OR TERMINATION OF ANY BUSINESS RELATIONSHIP FOR CAUSE. IF YOU HAVE ANY QUESTION OR DOUBT ABOUT THE APPLICABILITY OR INTERPRETATION OF THIS POLICY OR THE PROPRIETY OF ANY DESIRED ACTION, PLEASE SEEK CLARIFICATION FROM OUR EXECUTIVE CHAIRPERSON, HER DESIGNEE OR LEGAL DEPARTMENT. DO NOT TRY TO RESOLVE UNCERTAINTIES ON YOUR OWN.

ACKNOWLEDGMENT

The undersigned acknowledges that he/she has read this Insider Trading and Confidentiality Policy and agrees to comply with the restrictions and procedures contained herein.

_____ _____
Signature Date

_____
Name (Please Print)

FARADAY FUTURE INTELLIGENT ELECTRIC INC.
DIRECT AND INDIRECT SUBSIDIARIES

ENTITY NAME	JURISDICTION OF ORGANIZATION	SHAREHOLDER/MEMBER
FF Intelligent Mobility Global Holdings Ltd.	Cayman Islands	Faraday Future Intelligent Electric Inc.
Smart Technology Holdings Ltd.	Cayman Islands	FF Intelligent Mobility Global Holdings Ltd.
FF Inc.	California	Smart Technology Holdings Ltd.
Faraday&Future Inc.	California	FF Inc.
Faraday SPE, LLC	California	Faraday&Future Inc
Eagle Prop Holdco LLC	Delaware	FF Inc.
FF Equipment LLC	Delaware	Eagle Prop Holdco LLC
FF Sales Americas, LLC	Delaware	FF Inc.
FF ECO Sales Company, LLC	Delaware	FF Sales Americas, LLC
FF Manufacturing LLC	Delaware	FF Inc.
Faraday X aiEV Inc.	Delaware	Smart Technology Holdings Ltd.
FX Sales North America LLC	Delaware	Faraday X aiEV Inc.
FX ECO Sales California LLC	Delaware	FX Sales North America LLC
Future AIHER AI Hybrid Extended-Range Electric Powertrain System Inc.	Delaware	Smart Technology Holdings Ltd.
Faraday Finance Inc.	Delaware	Smart Technology Holdings Ltd.
Faraday Future EAI Robotics Inc.	California	Smart Technology Holdings Ltd.
FF AI-Robotics Inc.	Delaware	Faraday Future EAI Robotics Inc.
FF AI-Robotics Trading LLC	California	FF AI-Robotics Inc.
FF AI-Robotics ECO Sales LLC	California	FF AI-Robotics Inc.
FF AI-Robotics Limited	Hong Kong	FF AI-Robotics Inc.
Faraday & Future Netherlands B.V.	Netherlands	FF Inc
FF Europe GmbH	Germany	Smart Technology Holdings Ltd.
GlobeX AI Hong Kong Holding Limited (HK)	Hong Kong	Faraday X aiEV Inc.
Faraday Future Middle East FZ-LLC	United Arab Emirates	Smart Technology Holdings Ltd.
FF Hong Kong Holding Limited	Hong Kong	Smart Technology Holdings Ltd.
FF Automotive (Zhuhai) Co., Ltd.	People's Republic of China	FF Hong Kong Holding Limited
FF Automotive (Hubei) Co., Ltd.	People's Republic of China	FF Hong Kong Holding Limited
FF Automotive (China) Co. Ltd.	People's Republic of China	FF Hong Kong Holding Ltd. (99%), LeSEE Auto Technology (Beijing) Co., Ltd. (1%)
Ruiyu Automotive (Beijing) Co. Ltd.	People's Republic of China	FF Automotive (China) Co. Ltd.
Shanghai Faran Automotive Technology Co. Ltd.	People's Republic of China	FF Automotive (China) Co. Ltd. (99%), LeSee Zhile Technology (Beijing) Co., Ltd. (1%)
LeSee Automotive (Beijing) Co., Ltd.	People's Republic of China	LeSee Automotive (Beijing) Co., Ltd.
Letv New Energy Automotive Technology (deqing) co., LTD	People's Republic of China	LeSEE Automotive (Zhejiang) Co., Ltd.
Chengdu xinneng dianzhuang technology co., LTD	People's Republic of China	LeSee Automotive (Beijing) Co., Ltd. (19.72%)[2], Yue Xian (32.08%), Liang Zhao (17.14%), Jiong Pan (11.43%)
Beijing Dianzhuang Technology co., LTD	People's Republic of China	LeSee Automotive (Beijing) Co., Ltd. (19.7143%), Yue Xian (55.7408%), Beijing Xinneng Chuangzhan Investment Management Center (Limited) Partnership) (15.9735%), Nanning Yangliu Venture Capital Management Center (Limited Partnership) (8.5714%)

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-1 of of Faraday

Future Intelligent Electric Inc. and its subsidiaries (the "Company") of our report dated March 31, 2026, relating to the consolidated balance sheet of the Company as of December 31, 2025, and the related consolidated statements of operations and comprehensive loss, stockholders' equity (deficit), and cash flows for the year then ended, and the related notes, included in Faraday Future Intelligent Electric Inc.'s Annual Report on Form 10-K for the year ended December 31, 2025.

We also consent to the reference of HTL International, LLC, as an independent registered public accounting firm, as expert in matters of accounting and auditing.

/s/ HTL International, LLC
HTL International, LLC
Houston, Texas
March 31, 202

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We herby consent to the incorporation by reference in the Registration Statements on the Form S-1 (No. 333-284613, 333-290189, and 333-292741), the Forms S-3 (No. 333-272354, No. 333-272745, and No. 333-274247), and the Forms S-8 (No. 333-282175, No. 333-274248, No. 333-271662, and No. 333-266901) of Faraday Future Intelligent Electric Inc. of our report dated March 31, 2025, relating to the consolidated financial statements of Faraday Future Intelligent Electric Inc. as of and for the year ended December 31, 2024, appearing in this Annual Report on Form 10-K of Faraday Future Intelligent Electric Inc. for the year ended December 31, 2025. Our report contains an explanatory paragraph regarding the Company's ability to continue as a going concern.

/s/ Macias Gini & O'Connell LLP

Irvine, California
March 31, 2026

Exhibit 31.1

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 Annual Report on Form 10-K 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;

   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: March 31, 2026

/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 Annual Report on Form 10-K 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;

   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: March 31, 2026

/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 Annual Report of Faraday Future Intelligent Electric Inc. (the "Company") on Form 10-K for the year ended December 31, 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: March 31, 2026

/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 Annual Report of Faraday Future Intelligent Electric Inc. (the "Company") on Form 10-K for the year ended December 31, 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: March 31, 2026

/s/ Koti Meka
Koti Meka
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 97.1

Policy Regarding the Recoupment of Certain Compensation Payments

As Adopted by the Compensation Committee

Of the Board of Directors Effective as of October 2, 2023

In the event Faraday Future Intelligent Electric Inc. (the "Company") is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws (including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period), the Company shall recover reasonably promptly the amount of any erroneously awarded Incentive-Based Compensation from each Covered Individual unless an exception (set forth below) applies.

Incentive-Based Compensation shall be considered "erroneously awarded" under this policy to the extent such Incentive-Based Compensation (1) is received by the Covered Individual on or after the effective date of Rule 5608 of The Nasdaq Stock Market LLC ("Nasdaq") Rules and while the Company has a class of securities listed on a national securities exchange or a national securities association, (2) is received by the Covered Individual during the three completed fiscal years immediately preceding the date that the Company is required to prepare the accounting restatement (and any transition period applicable to a change in the Company's fiscal year as required by Nasdaq listing rules), and (3) the amount of such received Incentive-Based Compensation exceeds the amount of the Incentive-Based Compensation that would have been received by the Covered Individual had it been determined based on the restated financial results (with such Incentive-Based Compensation computed in each case without regard to any taxes paid). For purposes of this policy, the date that the Company is required to prepare the accounting restatement is the earlier to occur of (A) the date the Company's Board of Directors (the "Board"), or a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare such accounting restatement, or (B) the date a court, regulator, or other legally authorized body directs the Company to prepare such accounting restatement.

For purposes of this policy, Incentive-Based Compensation is considered "received" by a Covered Individual in the Company's fiscal period during which the Financial Reporting Measure applicable to the Incentive-Based Compensation is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that fiscal period. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in an accounting restatement, the amount of erroneously awarded compensation will be determined by the Compensation Committee of the Board (the "Committee") based on a reasonable estimate of the effect of the accounting restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received. The Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to Nasdaq as required by Nasdaq listing rules. If the erroneously awarded Incentive-Based Compensation consists of shares (including share-denominated equity awards) or options that are still held by the Covered Individual at the time of recovery, the recoverable amount is the number of shares or options received in excess of the number of shares or options that would have been received based on the accounting restatement (or the value of that excess number). If the options have been exercised but the underlying shares have not been sold, the recoverable amount is the number of shares underlying the excess options based on the restatement (or the value thereof). If the shares have been sold, the recoverable amount is the proceeds that were received in connection with the sale of the excess number of shares. Amounts credited under plans (other than tax-qualified plans for which the exception set forth below applies) based on erroneously awarded Incentive-Based Compensation and any accrued earnings thereon are also recoverable under this policy.

The Company shall not be required under this policy to recover erroneously awarded Incentive- Based Compensation if the Committee has made a determination that recovery would be impracticable and either of the following conditions are met: (1) after making a reasonable attempt to recover such erroneously awarded Incentive-Based Compensation, the Committee determines that the direct expense paid to a third party to assist in enforcing this policy would exceed the amount to be recovered (documentation evidencing the reasonable attempt to recover the erroneously awarded Incentive-Based Compensation must be maintained and provided to Nasdaq as required by Nasdaq listing rules), or (2) the recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Internal Revenue Code Section 401(a)(13) or Internal Revenue Code Section 411(a) and the regulations thereunder.

For purposes of this policy, the following definitions will apply:

- "Covered Individual" means any current or former officer of the Company who is or was subject to Section 16 of the Securities Exchange Act of 1934, as amended, at any time during the applicable performance period for the relevant Incentive-Based Compensation, regardless of whether such individual continues to hold such position or continues to be employed by the Company or any of its subsidiaries.
- "Incentive-Based Compensation" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.
- "Financial Reporting Measures" means measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures (including, for purposes of this policy, stock price and total shareholder return). A Financial Reporting Measure need not be presented within the Company's financial statements or included in a filing with the Securities and Exchange Commission.

This policy is intended to comply with the requirements of Rule 10D-1 promulgated by the Securities and Exchange Commission and the related listing rules of Nasdaq, and the terms hereof shall be construed consistent with that intent. This policy does not limit any other remedies the Company may have available to it in the circumstances, which may include, without limitation, dismissing an employee or initiating other disciplinary procedures. The provisions of this policy are in addition to (and not in lieu of) any rights to repayment the Company may have under Section 304 of the Sarbanes-Oxley Act of 2002 (applicable to the Chief Executive Officer and Chief Financial Officer only) and other applicable laws. The Company shall not indemnify any Covered Individual against the loss of erroneously-awarded Incentive- Based Compensation that is recovered by the Company pursuant to this policy.

The Committee shall have the sole authority to construe and interpret this policy and to make all determinations required to be made pursuant to this policy. Any such construction, interpretation or determination by the Committee shall be final and binding.

The Committee may revise this policy from time to time.