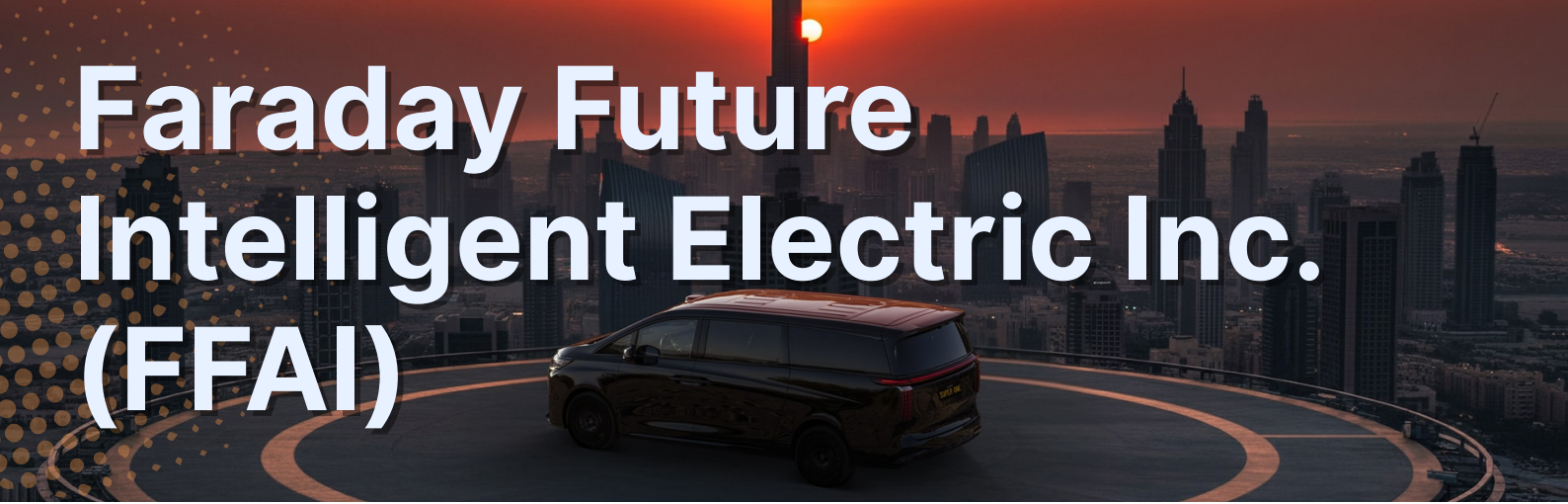




Faraday Future Intelligent Electric Inc. (FFAI)

Investment Thesis

FFAI presents a high-risk, high-reward opportunity: a struggling EV company cracking its cost curve and securing new strategic pivots that could catalyze a dramatic turnaround if execution holds.

Company Overview

Faraday Future Intelligent Electric Inc. (Ticker: FFAI) is a U.S.-listed electric vehicle (“EV”) manufacturer originally focused on luxury electric cars. Its mission is to deliver technology-infused smart electric mobility, combining high-end vehicle design with next-gen features. While historically constrained by funding and execution, the company is repositioning for accelerated growth and operational stability.

The Problem & The Solution

The Problem

The EV sector is intensely capital-intensive, facing production scaling challenges, funding constraints, and competition from both legacy automakers and newer entrants — and Faraday has struggled with low volumes, mounting losses, and production delays.

The Solution

Faraday is pursuing a dual strategy: (1) focus on volume vehicles via its “FX” platform and cost-efficient manufacturing, and (2) secure non-dilutive financing and strategic assets to stabilize the business. Recent actions include a pivot into crypto/Web3 via an investment in Qualigen Therapeutics, Inc. (to be rebranded as AlxCrypto) and restructuring around vehicle production and cost discipline.

Market Opportunity

The global electric vehicle market is estimated in the hundreds of billions of dollars and is still in an early growth phase. Faraday targets both luxury (premium EVs) and more affordable segments, providing a larger market runway. While specific numbers for Faraday’s addressable market aren’t spelled out in recent filings, the luxury EV segment alone is large and growing, and capturing a slice of this could yield outsized returns if operations scale.

The market is attractive for turnaround plays because many early-stage EV companies either fail or get acquired — thus, a successful pivot could generate outsized upside.

Business Model

Faraday generates revenue primarily by manufacturing and selling electric vehicles (vehicle sales). It also invests in adjacent strategic assets (e.g., Web3/crypto) that may yield ancillary revenue or provide liquidity. Key revenue streams:

- Vehicle sales of its FF 91 luxury EV and planned FX platform vehicles.
- Strategic investments and asset monetization (crypto/web3 stake).
- Potential vehicle financing/lifecycle services (announced as part of dual flywheel strategy).

Key customers: early adopters of premium EVs, and eventually broader EV buyer segments once volume ramps.

Competitive Positioning

Faraday’s “moat” lies in its combination of:

- Advanced design and luxury positioning (FF 91) which enhances brand credibility.
- A pivot to a more scalable FX platform (promising lower-cost production).
- Strategic diversification: the Web3/crypto move (though unconventional) provides optionality — if it works, it may reduce dependence on pure vehicle sales for growth.
- Leaner operations: Recent disclosure shows R&D, marketing and general expenses were meaningfully reduced in 2024 vs 2023. While competition is fierce (e.g., legacy OEMs, Tesla, Chinese EV makers), Faraday stands out as a micro-cap EV fighter with a turnaround narrative — that can attract speculative capital if milestones hit.

Financial Snapshot & Traction

- **Revenue (Latest Fiscal Year)**
 - For the year ended December 31 2024, company reported minimal revenue and a significant loss; cost of revenue increased by US \$41.4 m compared to 2023.
- **Profitability/Margins**
 - Not profitable; large net losses and mounting interest and debt-related charges. For example, interest expense for 2024 was US \$7.9 m compared to US \$2.3 m in 2023.
- **Key KPIs:**
 - R&D expense decreased ~80.9% in 2024 versus 2023 (US \$25.2 m vs US \$132.0 m) as the company shifted from development to production.
 - Company filed an NT 10-Q for the quarter ended Sept 30 2025 due to delays integrating newly acquired business information — a sign of operational complexity but also acquisition activity.
- **Balance Sheet Health**
 - Cash is extremely constrained; as of Dec 31 2023 only US \$4 m cash (restricted US \$2 m) and production guidance was withdrawn. While financials are weak, the near-term pivot (reduced expenses, asset acquisition, strategic diversification) suggests a pathway to stabilization if financing and execution align.

Investment Highlights

Turnaround narrative with leverage	A micro-cap EV player with large downside risk but the potential for meaningful upside if execution improves.
Scalable platform ahead	The shift to the “FX” scalable vehicle strategy and luxury positioning offers a chance to ramp volume if production follows.
Strategic diversification/optional assets	The Web3/crypto move (via Qualigen/AlxCrypto) adds optionality beyond pure automotive — it’s unconventional, but in a turnaround scenario optionality is valuable.
Lean cost base	Significant reduction in R&D and overhead spending suggests management is focused on efficiency and execution rather than broad heavy R&D.
Speculative upside potential	With consensus analyst targets showing large upside (e.g., MarketBeat consensus target ~\$5, ~355% upside from ~\$1.10) despite very high risk.

The Vision

Over the next 12–24 months, Faraday aims to transition from a prototype/low-volume luxury EV maker into a lean, asset-efficient player with an expandable vehicle platform and diversified revenue streams. The vision: deliver meaningful vehicle volume, secure strategic non-automotive revenue or asset monetization, and position itself as a speculative micro-cap EV turnaround with asymmetric upside. If production hurdles are cleared, financing is secured, and volume begins to grow, the company could re-rate significantly.

Thus, the thesis hinges on execution: turn early losses into demonstrable volume growth, stabilize the balance sheet, and deliver consistent progress. For investors ready to accept high risk for potentially large reward, FFAI offers a compelling micro-cap narrative.