

Risk Factors Comparison 2025-02-27 to 2024-02-29 Form: 10-K

Legend: **New Text** ~~Removed Text~~ ~~Unchanged Text~~ **Moved Text** **Section**

Summary of Risk Factors An investment in our securities involves risks and uncertainties. The following summarizes the material factors that make an investment in us speculative or risky, all of which are more fully described in the Risk Factors section below. We operate in a changing environment that involves numerous known and unknown risks and uncertainties that could materially adversely affect our operations. Any of the following risks could materially and adversely affect our business, financial condition, results of operations or prospects. The selected risks described below are not the only risks facing us. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition, results of operations or prospects. In such a case, the trading price of our securities could decline and you may lose all or part of your investment in us.

Operational Business and Market Risks • **Related to Our Business** **Industry is cyclical and adverse changes in general and local economic conditions could reduce the demand for homes.** • If we are not able to develop communities successfully and in a timely manner, we may be adversely impacted. • ~~We are subject to warranty and liability claims arising in the ordinary course of business that can be significant.~~ • ~~We may suffer uninsured losses or suffer material losses in excess of insurance limits.~~ • The long-term sustainability and growth in our number of homes delivered depends in part upon our ability to acquire lots that are either developed or have the approvals necessary for us to develop them. • ~~If the market~~ **Elevated inflation or interest rates, or future increases in inflation or interest rates, could adversely affect our business and financial results.** • **The homebuilding industry is highly competitive and, our competitors may be more successful or offer better value of to customers.** • **Our geographic concentration could adversely affect us.** • **We may not be successful in completing our or integrating acquisitions** ~~developed lot and home inventory decreases,~~ **expanding into new markets our or inventory could be impaired implementing our growth strategies.** • Increases in our cancellation rate may adversely impact our revenue and homebuilding margins. • **Tightening of mortgage lending standards and mortgage financing requirements and elevated interest rates have adversely affected and could continue to affect the availability of mortgage loans for potential purchasers of our homes, and increases in property and other local taxes could prevent customers from purchasing homes.** • **Any limitation on, or reduction or elimination of, tax benefits associated with homeownership could adversely affect us.** • Third-party lenders may not complete mortgage loan originations for our homebuyers in a timely manner or at all, which can lead to cancellations and a lesser backlog of orders, or significant delays in our closing homes sales. • Difficulties with appraisal valuations in relation to the proposed sales price of our homes could force us to reduce prices. • **Adverse weather and geological conditions may increase costs, cause project delays and reduce consumer demand for housing.** • Our business and results of operations are dependent on the availability, skill, and performance of subcontractors. • We rely on third-party skilled labor, suppliers and long supply chains. • Fluctuating materials prices may adversely impact our results of operations efforts. **We may not be successful in completing or integrating acquisitions, expanding into new markets or implementing our growth strategies.** • **Adverse weather and geological conditions may increase costs, cause project delays and reduce consumer demand for housing.** • **Poor relations with the residents of our key personnel communities could negatively impact sales.** • ~~Widespread illnesses~~ **We may be required to take write-downs or write-offs, restructuring and impairment** ~~or other charges significant public health crises have had, and may again have, a material adverse effect on us.~~ • **Legal, Regulatory, and Compliance Risks** **Related to Our Business** • An adverse outcome in litigation to which we are or become a party could materially and adversely affect us. • ~~We are subject to warranty and liability claims arising in the ordinary course of business that can be significant.~~ • ~~We may suffer uninsured losses or suffer material losses in excess of insurance limits.~~ • New and existing laws and regulations or other governmental actions may increase our expenses, limit the number of homes that we can build or delay completion of our projects. • ~~An information systems interruption or breach in security of our systems could adversely affect us.~~ • We are subject to environmental laws and regulations, which may increase our costs, result in liabilities, limit the areas in which we can build homes and delay completion of our projects. • A major health and safety incident relating to our business could be costly in terms of liabilities and **reputational damage.** • We could be adversely affected by efforts to impose joint employer liability for labor law violations committed by subcontractors. • **We may not be successful in completing..... of liabilities and reputational damage.** • Our activities and disclosures related to sustainability expose us to numerous risks. • Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our financial condition and results of operations. **Landsea Homes Corp. | 2024 Form 10-K | 14** • Changes in accounting rules, assumptions or judgments could materially and adversely affect us. **Risks Related to Our Organization and Structure** • Landsea Green can determine the outcome of major corporate transactions that require the approval of our stockholders and may take actions that conflict with the interests of other of our stockholders. • We are a “controlled company” within the meaning of Nasdaq rules and, as a result, may qualify for, and may choose to rely on, exemptions from certain corporate governance requirements. • The CFIUS may modify, delay or prevent our future acquisition or investment activities, and certain laws or regulations may make it more difficult for us to operate in the United States. **Landsea Homes Corp. | 2023 Form 10-K | 15** • We are the managing member in certain joint venture limited liability companies, and may be liable for joint venture obligations. **Financial and Liquidity Risks** **Related to Our Industry** • ~~Our industry is cyclical and adverse changes~~ **Because homes are relatively illiquid, our ability to promptly sell one or more properties for reasonable prices in general and local response to changing economic, financial and investment conditions could reduce the demand may be limited.** • **We may not be able to access sufficient capital on favorable terms, for or at**

all, which could result in an inability to acquire lots, increase homes— home construction costs or delay home construction entirely. • If the market value of our developed lot and home inventory decreases, our inventory could be impaired. • We may be required to take write-downs or write-offs, restructuring and impairment or other charges. • We have outstanding indebtedness and may incur additional debt in the future. • A breach of the covenants under any of the agreements governing our indebtedness could result in an event of default . • The agreements governing homebuilding industry is highly competitive and, our competitors may be more successful or our offer better value to customers debt impose operating and financial restrictions. • We may be unable Our geographic concentration could adversely affect us if the homebuilding industry in our current markets experiences a decline. • Tightening of mortgage lending standards and mortgage financing requirements and rising interest rates have adversely affected and could continue to obtain suitable performance affect the availability of mortgage loans for potential purchasers of our homes. payment and increases in property completion surety bonds and letters other local taxes could prevent customers from purchasing homes. • Any limitation on, or reduction or elimination of credit, tax benefits associated with homeownership could adversely affect us. • Our quarterly operating results fluctuate due to the seasonal nature of our business. Risks Related to Debt and Liquidity the Ownership of Our Securities • Because Landsea Green holds a significant percentage of homes are relatively illiquid, our ability to promptly sell one or our common stock more properties for reasonable prices in response to changing economic, financial and investment conditions may be limited. • We may not be able to access sufficient capital on favorable terms, or at all, which could result in an and inability-is party to a stockholder's acquire lots, increase home construction costs or delay home construction entirely. • We have outstanding indebtedness and may incur additional debt in the future. • A breach of the covenants under any of the agreements— agreement governing our indebtedness could result in with us, it may influence the outcome of major corporate decisions, an and event—the interests of Landsea Green default. • The agreements governing our debt impose operating and its affiliates financial restrictions. • We may be unable to obtain suitable performance, including certain payment and completion surety bonds and letters of credit. Risks Related to our directors, may conflict with the interests of our the other stockholders. Ownership of Our Securities • A significant portion of our total outstanding shares may be sold into the market in the near future . • We previously identified a material weakness in our internal control over financial reporting, and we could experience material weaknesses in the future. Additionally, internal control over financial reporting may not prevent or detect all errors or fraud. • We are a “ smaller reporting company ” subject to reduced disclosure and governance requirements. • The exercise of our public warrants may result in dilution to our stockholders. • Our warrants may not be in the money at times, they may expire worthless and the terms of the warrants may be amended in a manner that may be adverse to holders of our warrants. • We may redeem unexpired warrants prior to their exercise at a time that is disadvantageous to a warrant holder. • Nasdaq may delist our securities from trading on its exchange. • Certain anti- takeover defenses and applicable law may limit the ability of a third- party to acquire control of us. • The Court of Chancery of the State of Delaware is the sole and exclusive forum for certain stockholder litigation matters. • We do not intend to pay dividends on our common stock for the foreseeable future. General Risk Factors • Landsea Homes Corp. | 2024 Form 10- K | 15 Our ability to be successful will depend upon industry is cyclical and adverse changes in general and local economic conditions could reduce the demand for homes and, as a result, could efforts of our key personnel. • Significant public health crises have had, and may again have, a material adverse effect on us. The residential homebuilding industry is cyclical and highly sensitive to changes in general and local economic, real estate or other business conditions that are outside of our control and could reduce the demand for homes, including changes in: • An information— overall consumer confidence and the confidence of potential homebuyers in particular; • U. S. and global political and financial systems interruption or breach in security, macroeconomic conditions, market volatility and credit market stability, including the effects of inflation, recessions, interest rate fluctuations, government shutdowns our— or systems could adversely affect us— defaults or other changes or uncertainty in fiscal or monetary policy, actual or anticipated military, political, or trade conflicts (including the ongoing conflicts between Russia and Ukraine and the Middle East and tensions across the Taiwan Strait) and their respective regional and global ramifications, political or civil unrest, acts of terrorism, public health events, or similar events, globally or in any of our markets; • Changes in inflation— employment levels and job and personal income growth; • availability and pricing of financing or for homebuyers; • short and long- term interest rates could— term, including the effects of elevated interest rates; • demographic trends; • changes in energy prices; • housing demand from population growth, household formation and other demographic changes, among other factors; • private party and governmental residential consumer mortgage loan programs, and federal and state regulation of lending and appraisal practices; • federal and state personal income tax rates and provisions, government actions, policies, programs and regulations directed at or affecting the housing market, tax benefits associated with purchasing and owning a home, and the standards, fees and size limits applicable to the purchase or insuring of mortgage loans by government- sponsored enterprises and government agencies; • the supply of and prices for available new or existing homes, including lender- owned homes acquired through foreclosures and short sales and homes held for sale by investors and speculators, and other housing alternatives, such as apartments and other residential rental property; • homebuyer interest in our current or new product designs and community locations, and general consumer interest in purchasing a home compared to choosing other housing alternatives; and • real estate taxes. Adverse changes in these or other— as well as general and local economic or business conditions may affect our business nationally or in particular regions or localities. For example, During— during past the most recent economic downturn— downturns , several of the markets we serve, and the U.S. housing market as a whole, experienced a prolonged decrease— decreases in demand for new homes, as well as an oversupply— oversupplies of new and existing homes available for sale. Demand for new homes is affected by weakness in the resale market because many new homebuyers need to sell their existing homes in order to buy a home from us. In addition, demand may be adversely affected by alternatives— adversely affect— affected by alternatives to new homes, such as rental properties and existing homes. In the event of another economic downturn our— or business if general economic conditions should worsen, our home sales could

decline and we could be required to write down or dispose of assets or restructure our operations or debt, any of which could have a material adverse effect on our financial results. Adverse changes in economic or business conditions have caused and could continue to cause increased home order cancellation rates, diminished demand and prices for our homes, and diminished value of our real estate investments. These changes can also cause us to take longer to build homes and make it more costly to do so. We may not be able to recover any of the increased costs by raising prices because of weak market conditions and increasing pricing pressure. Additionally, the price of each home we sell is usually set several months before the home is delivered, as many homebuyers sign their home purchase contracts before or early in the construction process. The potential difficulties described above could impact homebuyers' ability to obtain suitable financing and cause some homebuyers to cancel or refuse to honor their home purchase contracts altogether. Landsea Homes Corp. | 2023-2024 Form 10-K | 16

If we are not able to develop communities successfully and in a timely manner, our revenues, financial condition and results of operations may be adversely impacted. Before a community generates any revenue, time and material expenditures are required to acquire land, obtain or renew permits and development approvals and construct significant portions of project infrastructure, amenities, model homes and sales facilities. At times, we have experienced a significant lag from the time we acquire land or options for land for development or developed home sites and the time we can bring the communities to market and sell homes. Our ability to process a significant number of transactions (which include, among other things, evaluating the site purchase, designing the layout of the development, sourcing materials and subcontractors and managing contractual commitments) efficiently and accurately is important to our success. Errors by employees, failure to comply with or changes in regulatory requirements and conduct of business rules, failings or inadequacies in internal control processes, equipment failures, extreme weather and natural disasters or the failure of external systems, including those of suppliers or counterparties, could result in delays and operational issues that could adversely affect our business, financial condition and operating results and relationships with customers. We can also experience, and have experienced at times, significant delays in obtaining permits, development approvals, entitlements, and local, state or federal government approvals, utility company constraints or delays in a land seller's lot deliveries or delays resulting from rights or claims asserted by third parties, which may be outside of our control. Additionally, we may also have to renew existing permits and there can be no assurances that these permits will be renewed. Delays in the development of communities also expose us to the risk of changes in market conditions for homes. A decline in our ability to develop and market communities successfully and to generate positive cash flow from these operations in a timely manner could have a material adverse effect on our business and results of operations and on our ability to service our debt and to meet our working capital requirements. As a homebuilder, we are subject..... our consolidated financial statements and results. Our future growth depends upon our ability to successfully identify and acquire attractive lots ready for development of homes at reasonable prices and with terms that meet our underwriting criteria. Our ability to acquire lots for new homes may be adversely affected by changes in the general availability of lots, restrictions on zoning or land ownership, the willingness of land sellers to sell lots at reasonable prices, competition for available lots, availability of financing to acquire lots, zoning and other market conditions. We currently depend primarily on the Arizona, California, Florida, and Texas greater Phoenix area markets and the availability of lots in those markets at reasonable prices is limited. If the supply of lots appropriate for development of homes is limited because of these factors, or for any other reason, our ability to grow could be significantly limited, and the number of homes that we build and sell could decline. Additionally, our ability to begin new projects could be impacted if we elect not to purchase lots under option contracts. To the extent that we are unable to purchase lots timely or enter into new contracts for the purchase of lots at reasonable prices, our home sales revenue and results of operations could be negatively impacted or we may be required to decrease our operations in a given market. Elevated inflation has increased, and future increases in inflation could further increase, the costs of land, raw materials and labor needed to operate our business, which in turn requires us to increase home selling prices in an effort to maintain satisfactory housing gross margins. Inflation typically also accompanies higher interest rates, which could increase interest costs on new and existing variable-rate debt, adversely impacting our ability to finance operations, acquire and develop properties and refinance existing debt, and could adversely impact potential customers' ability to obtain financing on favorable terms, thereby further decreasing demand. Moreover, interest rate increases may have adverse impacts on our ability to raise funds through the offering of our securities or through the issuance of debt due to higher debt capital costs, diminished credit availability and less favorable equity markets. As a result, the effect of inflation on interest rates could increase our financing costs over time. We currently do not hedge against interest rate fluctuations. Additionally, elevated interest rates may also result in less liquid property markets, limiting our ability to sell existing assets. If we are unable to raise the prices of our homes to offset the increasing costs of our operations, our margins could decrease. Furthermore, if we need to lower the prices of our homes to meet demand, the value of our land inventory may decrease. Depressed land values may cause us to abandon and forfeit deposits on land option contracts and the other similar contracts if we cannot satisfactorily renegotiate the purchase price of the subject land. We may record charges against our earnings for inventory impairments if the value of our owned inventory, including land we decide to sell, is reduced, or for land option contract abandonments if we choose not to exercise land option contracts or other similar contracts, and these charges may be substantial. Inflation may also raise our costs of capital and decrease our purchasing power, making it more difficult to maintain sufficient funds to operate our business. Landsea Homes Corp. | 2024 Form 10-K | 17

The homebuilding industry is highly competitive and, if our competitors are more successful or offer better value to customers, it may materially and adversely affect our business and financial condition. We operate in a very competitive environment that is characterized by competition from a number of other homebuilders and land developers in each geographical market value of our developed lot in which we operate. There are relatively low barriers to entry into the homebuilding business. We compete with numerous large national and regional homebuilding companies and with smaller local homebuilders and land developers for home inventory decreases, among other things, homebuyers,

desirable land parcels, financing, raw materials and skilled management and labor resources. If we are unable to compete effectively in our results of operations markets, our business could decline disproportionately to the businesses of our competitors and our financial condition could be materially and adversely affected. Increased competition could hurt our business by preventing us from impairments of inventory. The market value of our land and housing inventories depends on market conditions. We acquire acquiring attractive land for expansion into new markets and for replacement of land inventory and expansion within our current markets. There is an inherent risk that the value of the land we own or control may decline after purchase. The risks inherent in purchasing and developing land parcels increase as consumer demand for housing decreases. As a result, we may buy and develop land parcels on which to build homes build homes or making acquisitions more expensive, hindering our market share expansion and causing us to increase selling incentives and reduce prices. Additionally, an oversupply of homes available for sale or a discounting of home prices could materially and adversely affect pricing for homes in the markets in which we operate. We Over the past several years, we have embarked on a strategy strategically to expand expanded our product offerings to include more affordably- priced homes to reach a deeper pool of qualified buyers and grow our overall community count. We anticipate that we will continue to Landsea Homes Corp. | 2023 Form 10-K | 27 build more affordably- priced homes. We believe there is more competition among homebuilding companies in more affordable product offerings than in the luxury and move- up segments. We also compete with the resale, or “ previously owned,” home market, the size of which may change significantly as a result of changes in the rate of home foreclosures, which is affected by changes in economic conditions both nationally and locally. We may be at a competitive disadvantage with regard to certain large national and regional homebuilding competitors whose operations are more geographically diversified, as these competitors may be better able to withstand any future regional downturn downturns in the housing market. We compete directly with a number of large national and regional homebuilders that may have longer operating histories and greater financial and operational resources than we do, including a lower cost of capital. Many of these competitors also have longstanding relationships with subcontractors, local governments and suppliers in the markets in which we operate or in which we may operate in the future. This, at times, gives our competitors an advantage in securing materials and labor at lower prices, marketing their products and allowing their homes to be delivered to customers more quickly and at more favorable prices. This competition In addition, the homebuilding industry has been subject to increasing consolidation. Consolidation in our industry could reduce our result in existing competitors increasing their market share and limit our ability to expand our, encourage the creation of new competitors through business combinations or otherwise result in stronger competitors. Our geographic concentration could materially We may be unable to compete successfully in and an increasingly consolidated adversely affect us if the homebuilding industry in our, and cannot be profitably built predict with certainty how industry consolidation will affect us. Any of the foregoing forms of competition could reduce our market share and limit our ability to expand our business. Our geographic concentration could materially and adversely affect us if the homebuilding industry in our current markets should experience a decline. The valuation Our current business involves the design, construction and sale of property innovative detached and attached homes in planned communities in major metropolitan areas in Arizona, California, Colorado, Florida, Metro New York, and Texas. Because our operations are concentrated in these areas, a prolonged economic downturn downturns affecting one or more of these areas, or affecting any sector sectors of employment on which the residents of such area are dependent, could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations, and a disproportionately greater impact on us than other homebuilders with more diversified operations. For example, much of the employment base in the San Francisco Bay Area is inherently subjective dependent upon the technology sector. During the downturn from 2007 to 2011, and land based land values, the demand for new homes and home prices declined substantially in California. Additionally, in the past the state of California has experienced severe budget shortfalls and taken measures such as raising taxes and increasing fees to offset the deficit. Accordingly, our sales, results of operations, financial condition and business would be negatively impacted by a decline in the economy, the job sector or the homebuilding industry in the Western U.S. regions in which our operations are concentrated. Our In addition, our ability to acquire land parcels for new homes has, and may in the future, also be adversely affected by changes in the general availability of land parcels, the willingness of land sellers to sell land parcels at reasonable prices, competition for available land parcels, availability of financing to acquire land parcels, restrictions on zoning or land ownership and the other individual characteristics of each property. When market conditions . If the supply of, such as increases in interest rates, drive land values down parcels appropriate for development of homes is limited because of these factors, or for any other reason, our ability to grow could be significantly limited, land and the number of homes that we have purchased or option agreements we have previously entered into may become less desirable because we may not be able to build and sell could decline homes profitably, at which time we may elect to sell the land or, in the case of options contracts, to forego pre-acquisition costs and forfeit deposits and terminate the agreements. Land parcels, building lots, and housing inventories are illiquid assets, and we may not be able to dispose of them efficiently or at all if we or the housing market and general economy are in financial distress. Factors such as changes in regulatory requirements and applicable laws (including in relation to building regulations, taxation and planning), political conditions, the Landsea Homes Corp. | 2023-2024 Form 10-K | 18 condition From 2019 through 2024, Landsea Homes acquired five separate homebuilding companies, as well as certain assets of Richfield, a Colorado-based homebuilder. We have in the past and may in the future consider growth or expansion of our operations in our current markets or in new markets, whether through strategic acquisitions of homebuilding companies or otherwise. The magnitude, timing and nature of any future expansion will depend on a number of factors, including our ability to identify suitable additional markets or acquisition candidates, the negotiation of acceptable terms, our financial capabilities and general economic and business conditions. Our expansion into new or existing markets, whether through acquisition or otherwise both local and national economic conditions, the could have a material adverse effect on our business, prospects, liquidity, financial condition or results of customers operations. Acquisitions also involve numerous

risks, including difficulties in the assimilation of the acquired company's operations, the incurrence of unanticipated liabilities or expenses, the risk of impairing inventory and other assets related to the acquisition, the potentially-- potential adverse tax consequences loss of key employees of the acquired company, the diversion of management's attention and resources from interest and inflation rate fluctuations subject the other business concerns, risks associated with entering market markets value of land owned, controlled or optioned by us to uncertainty. For example, since March 2022, the Federal Reserve has raised, and may continue to raise, interest rates in an effort to curb inflation. During periods of increasing interest rates, demand for land and our housing inventories has generally decreased, which can result in lower sales proceeds from future dispositions. Moreover, all valuations are made on the basis of assumptions that may not prove to reflect economic or demographic reality. If housing demand decreases below what we anticipated when we **have limited or no direct experience and the potential loss of key employees of the acquired company** the inventory, our results of operations and financial conditions may be adversely affected and we may not be able to recover our costs when we build and sell houses. In connection with the sale of a home, we collect a deposit from the homebuyer that is a small percentage of the total purchase price. During the years ended December 31, **2024 and 2023 and 2022**, Landsea Homes experienced cancellation rates of **12-11.3 % and 26-12.43 %**, respectively. Cancellations negatively impact the number of closed homes, net new home orders, home sales revenue and our results of operations, as well as the number of homes in backlog. Home order cancellations can result from a number of factors, including but not limited to declines or slow appreciation in the market value of homes, increases in the supply of homes available to be purchased, increased competition, **higher-elevated** mortgage interest rates, buyer's remorse, homebuyers' inability to sell their existing homes, homebuyers' inability to obtain suitable financing --including providing sufficient down payments, and adverse changes in economic conditions. Many of these factors are beyond our control. Increased levels of home order cancellations, such as those seen in the second half of 2022, have had, and could continue to have, a negative impact on our home sales revenue and financial and operating results. **Tightening of mortgage lending standards and mortgage financing requirements and elevated interest rates have adversely affected and could continue to affect the availability of mortgage loans for potential purchasers of our homes, and increases in property and other local taxes could prevent customers from purchasing homes, which could adversely affect our business or financial results.**

Generally, housing demand is negatively impacted by the unavailability of mortgage financing, as a result of tightening of mortgage lending standards and mortgage financing requirements, in addition to factors that increase the cost of financing a home such as **elevated increases in** interest rates, down payment requirements, insurance premiums or limitations on mortgage interest deductibility. A substantial percentage of our buyers finance their home purchases with mortgage financing. Additionally, deterioration in credit quality among subprime and other nonconforming loans has caused most lenders to eliminate subprime mortgages and most other loan products that do not conform to Federal National Mortgage Association ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac"), Federal Housing Administration (the "FHA"), or Veterans Administration (the "VA") standards. In addition, **as a result of the turbulence in the credit markets and mortgage finance industry during the last significant economic downturn, in July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law.** This legislation provided for a number of new requirements relating to residential mortgages and mortgage lending practices that reduce the availability of loans to borrowers or increase the costs to borrowers to obtain such loans --**have historically resulted in, and could in the future result in, fewer-fewer** loan products and tighter loan qualifications, in turn, **make-making** it more difficult for a borrower to finance the purchase of a new home or the purchase of an existing home from a potential "move-up" buyer who wishes to purchase one of our homes. The foregoing may also hinder our ability to realize our backlog because our home purchase contracts provide customers with a financing contingency. Financing contingencies allow customers to cancel their home **Landsea Homes Corp. | 2023 Form 10-K | 28** purchase contracts in the event that they cannot arrange for adequate financing. As a result, **rising-elevated** interest rates, stricter underwriting standards, and a reduction of loan products, among other similar factors, can contribute to a decrease in our home sales. Any of these factors could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations. The federal government has also taken on a significant role in supporting mortgage lending through its conservatorship of Fannie Mae and Freddie Mac, both of which purchase home mortgages and mortgage-backed securities originated by mortgage lenders, and its insurance of mortgages originated by lenders through the FHA and the VA. The availability and affordability of mortgage loans, including interest rates for such loans, could be adversely affected by a curtailment or cessation of the federal government's mortgage-related programs or policies. Additionally, the FHA may continue to impose stricter loan qualification **Landsea Homes Corp. | 2024 Form 10-K | 19** standards, raise minimum down payment requirements, impose higher mortgage insurance premiums and other costs, or limit the number of mortgages it insures. Due to federal budget deficits, the U.S. Treasury may not be able to continue supporting the mortgage-related activities of Fannie Mae, Freddie Mac, the FHA and the VA at present levels, or it may **significantly** revise **significantly** the federal government's participation in and support of the residential mortgage market. Because the availability of Fannie Mae, Freddie Mac, FHA and VA-backed mortgage financing is an important factor in marketing and selling many of our homes, especially as they move down in price point, any limitations, restrictions or changes in the availability of such government-backed financing could reduce our home sales, which could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations. Current federal income tax laws cap individual state and local tax deductions at \$ 10,000 for the aggregate of state and local real property and income taxes or state and local sales taxes, and cap mortgage interest deduction to \$ 750,000 of debt (\$ 1,000,000 after 2025) for mortgages taken out after December 15, 2017. **Additionally, limits-Limits** on deductibility of mortgage interest and property taxes may increase the after-tax cost of owning a home for some individuals. Any increases in personal income tax rates or additional tax deduction limits could adversely impact demand for new homes, including homes we build, which could adversely affect our results of operations. Furthermore, increases in real estate taxes and other local government fees, such as fees imposed on developers to fund schools, open space, and road improvements, or

provide low- and moderate- income housing, could increase our costs and have an adverse effect on our operations. In addition, increases in local real estate taxes as well as the limitation on deductibility of such costs could adversely affect our potential home buyers, who may consider those costs in determining whether to make a new home purchase and decide, as a result, not to purchase one of our homes or not purchase a resale, which would negatively impact homebuyers that need to sell their home before they purchase one of ours. Any limitation on, or reduction or elimination of, tax benefits associated with homeownership would have an adverse effect upon the demand for homes, which could be material to our business. Current federal income tax laws include limits on federal tax deductions individual taxpayers may take on mortgage loan interest payments and on state and local taxes, including real estate taxes, that are lower than historical limits. These changes could reduce the perceived affordability of homeownership, and therefore the demand for homes, or have a moderating impact on home sales prices in areas with relatively high housing prices or high state and local income taxes and real estate taxes, including in certain of our served markets in California and New York. In addition, if the federal government further changes, or a state government changes, its income tax laws by eliminating or substantially reducing the income tax benefits associated with homeownership, the after-tax cost of owning a home could measurably increase. Any increases in personal income tax rates or tax deduction limits or restrictions enacted at the federal or state levels could adversely impact demand for or selling prices of new homes, including our homes, and the effect on our consolidated financial statements could be adverse and material. Our quarterly operating results generally fluctuate by season. We typically achieve our highest. Third-party lenders may not complete mortgage loan originations for our homebuyers in a timely manner or at all, which can lead to cancellations and a lesser backlog of orders, or significant delays in our closing homes sales and recognizing revenues from those homes. Our buyers may obtain mortgage financing for their home purchases from any lender or other provider of their choice, including an unaffiliated lender. If, due to credit or consumer lending market conditions, regulatory requirements, or other factors or business decisions, these lenders refuse or are unable to provide mortgage loans to our buyers, the number of homes that we deliver and our consolidated financial statements may be materially and adversely affected. We can provide no assurance as to a lenders' ability or willingness to complete, in a timely fashion or at all, the mortgage loan originations they start for our homebuyers. Such inability or unwillingness may result in mortgage loan funding issues that slow deliveries of our homes or cause cancellations, which in each case may have a material adverse effect on our consolidated financial statements. In addition, mortgage loan disclosure requirements to consumers may potentially delay lenders' completion of the mortgage loan funding process for borrowers. Specifically, the Consumer Financial Protection Bureau has adopted a rule governing the content and timing of mortgage loan disclosures to borrowers, commonly known as TILA- RESPA Integrated Disclosures ("TRID"). Lender compliance with TRID could result in delays in loan closings and the delivery of homes that materially and adversely affect our financial results and operations. Landsea Homes Corp. | 2024 Form 10- K | 20 Difficulties with appraisal valuations in relation to the proposed sales price of our homes could force us to reduce the price of our homes for sale. Each of our home sales may require an appraisal of the home value before closing. These appraisals are professional judgments of the market value of the property and are based on a variety of market factors. If our internal valuations of the market and pricing do not line up with the appraisal valuations and appraisals are not at or near the agreed upon sales price, we may be forced to reduce the sales price of the home to complete the sale. These appraisal issues could have a material adverse effect on our business economic and business conditions. Our expansion into new or existing markets, whether through acquisition or otherwise, could have a material adverse effect on our business, prospects, liquidity, financial condition or results of operations. Acquisitions also involve numerous risks, including difficulties in the assimilation of the acquired company's operations, the incurrence of unanticipated liabilities or expenses, the risk of impairing inventory and other assets related to the acquisition, the potential loss of key employees of the acquired company, the diversion of management's attention and resources from other business concerns, risks associated with entering markets in which we have limited or no direct experience and the potential loss of key employees of the acquired company. The completion of the Antares Acquisition is subject to customary closing conditions, and may not be completed within the expected timeframe, or at all. Adverse weather and geological conditions may increase costs, cause project delays and reduce consumer demand for housing, all of which could materially and adversely affect us. As a homebuilder and land developer, we are subject to the risks associated with numerous weather- related and geologic events, many of which are beyond our control. These weather- related and geologic events include but are not limited to droughts, floods, hurricanes, wildfires, tornadoes, landslides, freeze events in warmer climates, soil subsidence and, earthquakes and others. The occurrence of any of these events (including those weather- related events which are caused or exacerbated by climate change) could damage our land parcels and projects, cause delays in the completion of our projects, reduce consumer demand for housing and cause shortages and price increases in labor or raw materials, any of which could harm our sales and profitability. Our California markets are in areas which have historically experienced significant earthquake activity, seasonal and, in 2024, various parts of our markets (including California) suffered severe damage from hurricanes, wildfires, and related power outages, droughts and water shortages, among other events. In addition to directly damaging our land or projects, such weather- related and earthquakes, floods, landslides, wildfires or other-geologic events could damage roads and highways providing access to those projects, thereby adversely affecting our ability to market homes in those areas and possibly increasing the costs of completion. Adverse weather- related and geologic events also have indirect effects on our business by increasing the costs of energy, water and maintenance at our properties. Adverse weather- related and geological conditions in markets where we operate, such as wildfires in California or hurricanes in Florida, could increase the perceived frequency or severity of negative weather- related events in certain markets and impact demand and pricing of our homes in such markets which could result in adverse impacts to our financial results. Further, Many of our properties are located in a number of west coast coastal markets in the United States, together with Texas and Florida. To the extent that climate change impacts changes in weather patterns, our such markets could experience increases in extreme weather and rising sea levels. Further, Many many of our assets are in zones that have been impacted by drought and, as such, face the risk of increased water

costs and potential fines and / or penalties for high consumption. **For example, state and local governments in the western U.S. region often take a number of steps to preserve potable water supplies, including, among others, restricting, delaying the issuance of or proscribing new water connection permits for homes, increasing the costs for securing such permits (either directly or by requiring participation in impact mitigation programs), adopting higher efficiency requirements for water- using appliances or fixtures, limiting or banning the use of water for construction activities and imposing stricter requirements or allowing less appealing options as to plant materials and irrigation for outdoor landscaping. Intensifying natural disasters, climate change and extreme weather events, coupled with the current economic climate, have also directly affected the availability of insurance, premiums, deductibles and the capacity that insurers are willing to underwrite, and we may not purchase insurance under certain circumstances if the cost of insurance exceeds, in our judgment, the value of the coverage relative to the risk of loss, and as a result we may determine to self- insure more of our exposures, absorb more below deductible losses, and look for alternative means of risk transfer.** Over time, these conditions could result in declining demand for our homes. **Climate change may also have indirect effects on our business by increasing the cost of, or decreasing the availability of, Landsea Homes Corp. | 2023 Form 10- K | 21 property insurance on terms we find acceptable or at all, or by increasing the cost of energy or water.** There can be no assurance that **adverse weather and geological conditions, including as a result of** climate change, will not have a material adverse effect on our business, prospects, financial condition and results of operations. **Poor relations with the residents of our communities could negatively impact sales, which could cause our revenue or results of operations to decline. Residents of communities we develop may look to us to resolve issues or disputes that may arise in connection with the operation or development of their communities. Efforts we make to resolve these issues or disputes could be** and results of operations. Our business and results of operations are dependent on the availability and skill of subcontractors, as substantially all construction work is done by subcontractors with us acting as the general contractor. Accordingly, the timing and quality of construction depend on the availability and skill of unaffiliated, third party subcontractors. We have previously experienced and may again experience skilled labor shortages. Throughout the homebuilding cycle, we have experienced shortages of skilled labor in a **Landsea Homes Corp. | 2023 Form 10- K | 19** number of our markets which has led to increased labor costs and increased the cycle times of completion of home construction and our ability to convert home sales into closings. The cost of labor may also be adversely affected by shortages of qualified tradespeople, changes in laws and regulations relating to union activity, and changes in immigration laws and trends in labor migration, **among other factors**. We cannot be assured that there will be a sufficient supply of, or satisfactory performance by, these unaffiliated third- party consultants and subcontractors, which could have a material adverse effect on our business. **Landsea Homes Corp. | 2024 Form 10- K | 21** The residential construction industry also experiences labor shortages and disruptions from time to time, including: work stoppages, labor disputes, shortages in qualified tradespeople, lack of availability of adequate utility infrastructure and services, our need to rely on local subcontractors who may not be adequately capitalized or insured, and delays in availability of building materials. Additionally, we could experience labor shortages as a result of subcontractors going out of business or leaving the residential construction market due to low levels of housing production and volumes. Any of these circumstances could give rise to delays in the start or completion of our communities, increase the cost of developing one or more of our communities and increase the construction cost of our homes. To the extent that market conditions prevent the recovery of increased costs, including, among other things, subcontracted labor, finished lots, building materials, and other resources, through higher sales prices, our gross margins from home sales and results of operations could be adversely affected. In addition, some of the subcontractors we engage are represented by labor unions or are subject to collective bargaining arrangements that require the payment of prevailing wages that are typically higher than normally expected on a residential construction site. A strike or other work stoppage involving any of our subcontractors could also make it difficult for us to retain subcontractors for their construction work. In addition, union activity could result in higher costs for us to retain our subcontractors. Access to qualified labor at reasonable rates may also be affected by other circumstances beyond our control, including: shortages of qualified tradespeople, such as carpenters, roofers, electricians and plumbers; high inflation; changes in laws relating to employment, **immigration,** and union organizing activity; changes in trends in labor force migration; and increases in contractor, subcontractor and professional services costs. The inability to contract with skilled contractors and subcontractors at reasonable rates on a timely basis could materially and adversely affect our financial condition and operating results. Further, the enactment and implementation of federal, state or local statutes, ordinances, rules or regulations **requiring the payment of prevailing wages- wage on private residential developments levels or work eligibility would could** materially increase our costs of development and construction, which **could would** materially and adversely affect our results of operations and financial conditions. We rely on third- party suppliers and long supply chains, and if we fail to identify and develop relationships with a sufficient number of qualified suppliers, or if there is a significant interruption in our supply chains, our ability to timely and efficiently access raw materials that meet our standards for quality could be adversely affected. Our ability to identify and develop relationships with qualified suppliers who can satisfy our standards for quality and our need to access products and supplies in a timely and efficient manner is a significant challenge. We may be required to replace a supplier if their products do not meet our quality or safety standards. In addition, our suppliers could discontinue selling products at any time for reasons that may or may not be in our control or the suppliers' control. Our operating results and inventory levels could suffer if we are unable to promptly replace a supplier who is unwilling or unable to satisfy our requirements with a supplier providing similar products. Our suppliers' ability to deliver products may also be affected by financing constraints caused by credit market conditions, which could negatively impact our revenue and cost of products sold, at least until alternate sources of supply are arranged. The residential construction industry experiences raw material shortages from time to time, including shortages in supplies of insulation, drywall, cement, steel and lumber. These raw material shortages can be more severe during periods of strong demand for housing or during periods where the regions in which we operate experience **weather- related events or** natural disasters that have a significant impact on existing residential

and commercial structures. The costs of raw materials such as lumber have and could again increase during periods of shortage or high elevated inflation. During the economic downturn downturns in 2007 to 2011, we have experienced a large number of qualified trade partners went going out of business or otherwise exited exiting the market into new fields. A reduction in available trade partners exacerbates shortages as demand for new housing increases. Shortages and price increases could cause delays in and increase our costs of home construction, which we may not be able to recover by raising home prices due to market demand and because the price for each home is typically set prior to its delivery pursuant to the agreement of sale with the homebuyer. In addition, the there federal government is currently significant uncertainty about the future relationship between the United States and various other countries, most significantly China, with respect to trade policies, treaties, tariffs and taxes. The current U. S. administration has called for substantial changes to U. S. foreign trade policy with respect to China and other countries. at various times, imposed including significant new and increased tariffs on goods a variety of imports imported into from foreign countries and may impose additional tariffs in the future United States . Significant tariffs or other restrictions placed on raw materials that we use in our homebuilding operation, such as lumber or steel, could cause the cost of home construction to increase, which we may not be able to recover by raising home prices or which could slow our absorption due to being constrained by market demand. As a result, shortages or increased costs of raw materials could have a material adverse effect on our business, prospects, financial condition, and results of operations. Landsea Homes Corp. | 2023-2024 Form 10-K | 20 increase 22 Poor relations with the residents of our communities could negatively impact sales , which could cause our revenue or results of operations to decline. Residents of communities we develop may look to us to resolve issues or disputes that may arise in connection with the operation or development of their communities. Efforts we make to resolve these issues or disputes, which may in some cases include political or social disputes, could be deemed unsatisfactory by the affected residents, and subsequent actions by these residents could adversely affect our sales or reputation. In addition, we could be required to make material expenditures related to the settlement of such issues or disputes or to modify our community development plans, which could adversely affect our results of operations. Our ability to be successful will depend upon the efforts of our key personnel. The loss of key personnel could negatively impact the operations and profitability of our business and our financial condition could suffer as a result. Our success depends to a significant degree upon the continued contributions of certain key management personnel. It is possible that we will lose some key management personnel in the future, some of whom would be difficult to replace. The loss of key management personnel could negatively impact the operations and profitability of our business. Our ability to retain key management personnel or to attract suitable replacements should any member (s) of our management team leave is dependent on the culture our leadership team fosters and on the competitive nature of the employment market. The loss of services from key management personnel or a limitation in their availability could materially and adversely impact our business, prospects, liquidity, financial condition and results of operations. Further, such a loss could be negatively perceived in the capital markets. We have not obtained key management life insurance that be able to recover by raising home prices or which could would slow provide us with proceeds in the event of death our or disability of any of absorption due to being constrained by market demand. As a result, shortages or our increased costs key management personnel. Experienced employees in the homebuilding, developed lot acquisition and construction industries are fundamental to our ability to generate, obtain and manage opportunities. In particular, relevant licenses and qualifications, local knowledge and relationships are critical to our ability to source attractive lot acquisition opportunities. Experienced employees working in the homebuilding and construction industries are highly sought after. Failure to attract and retain such personnel or to ensure that their experience and knowledge is not lost when they leave the business through retirement, redundancy or otherwise may adversely affect the standards of raw materials could our service and may have an adverse impact on our business, prospects, liquidity, financial condition and results of operations. Widespread illnesses or other significant public health crises have had, and may again have, a material adverse effect on our business, prospects, financial condition, and results of operations. As a homebuilder, we are subject to construction defect, product liability, home warranty, and other claims, arising in the ordinary course of business or otherwise. There can be no assurance that our general liability insurance and other insurance rights or the indemnification arrangements with subcontractors and design professionals and other indemnities will be collectible or adequate to cover any or all construction defect and warranty claims for which we may be liable. Some claims may not be covered by insurance or may exceed applicable coverage limits. We may not be able to renew our insurance coverage, maintain the same terms of coverage, or renew it at reasonable rates and may incur significant costs or expenses (including repair costs and litigation expenses) surrounding possible construction defects, product liability claims, weather-related and geologic events, soil subsidence or building related claims. Some claims may arise out of uninsurable events or circumstances not covered by insurance or that are not subject to effective indemnification agreements with our trade partners. In addition, we typically act as the general contractor for the homes we build for third party landowners on fee. In connection with these fee building agreements, we indemnify the landowner for liabilities arising from our work. There can be no assurance that our general liability insurance (procured by us or the landowner) or indemnification arrangements with subcontractors will be collectible and some claims may arise out of uninsurable events or circumstances not covered by insurance. Furthermore, most insurance policies have some level of a self-insured retention that we are required to satisfy per occurrence in order to access the underlying insurance, which levels can be significant. In addition, we may not purchase insurance under certain circumstances if the cost of insurance exceeds, in our judgment, the value of the coverage relative to the risk of loss, and as a result we may determine to self-insure more of our exposures, including as a result of intensifying natural disasters, climate change and extreme weather events. Any such claims or self-insured retentions can be costly and could result in significant liability. With respect to certain general liability exposures, including construction defects and related claims and product liability claims, interpretation of underlying current and future trends, assessment of claims and the related liability and reserve estimation process require us to exercise significant

judgment due to the complex nature of these exposures, with each exposure often exhibiting unique circumstances. Furthermore, once claims are asserted against us for construction defects, it is difficult to determine the extent to which the assertion of these claims will expand. Plaintiffs may seek to consolidate multiple parties in one lawsuit or seek class action status in some of these legal proceedings with potential class sizes that vary from case to case. Consolidated and class action lawsuits can be costly to defend and, if we were to lose any consolidated or certified class action suit, it could result in substantial liability. We also expend resources to repair items in homes we have sold to fulfill the warranties we have issued to homebuyers. Additionally, construction defect claims can be costly to defend and resolve in the legal system. Warranty and construction defect matters can also result in negative publicity in the media and on the internet, which can damage our reputation and adversely affect our ability to sell homes. **Landsea Homes Corp. | 2023 Form 10- K | 17** In addition, we conduct business in California, one of the most highly regulated and litigious jurisdictions in the United States, which imposes a ten-year, strict liability tail on many construction liability claims. As a result, our potential losses and expenses due to litigation, new laws and regulations may be greater than those of competitors who have smaller California operations as a percentage of the total enterprise. In addition to difficulties with respect to claim assessment and liability and reserve estimation, some types of claims may not be covered by our insurance or may exceed our applicable coverage limits. We may also be responsible for applicable self-insured retentions with respect to our insurance policies ~~including as a result of intensifying natural disasters, climate change and extreme weather events.~~ **Furthermore** In addition, contractual indemnities with contractors and subcontractors can be difficult to enforce and we include our subcontractors on our general liability insurance which may significantly limit our ability to seek indemnity for insured claims. Furthermore, any product liability or warranty claims made against us, whether or not they are viable, may lead to negative publicity, which could impact our reputation and future home sales. **In addition**, and manufactured product defects may result in delays, additional costs and remediation efforts which could have a negative impact on our new home deliveries and financial and operating results. ~~Landsea Homes Corp. | 2024 Form 10- K | 24~~ Our insurance for construction defect claims, subject to applicable self-insurance retentions, may not be available or adequate to cover all liability for damages, the cost of repairs, or the expense of litigation surrounding current claims, and future claims may arise out of events or circumstances not covered by our insurance and not subject to effective indemnification agreements with subcontractors. Because of **the uncertainties inherent in litigation, we cannot provide assurance that our insurance coverage, indemnity arrangements and reserves will be adequate to cover liability for any damages, the cost of repairs and litigation, or any other related expenses surrounding the current claims to which we are subject or any future claims that may arise. Such damages and expenses, to the extent that they are not covered by our insurance or redress against contractors and subcontractors, could materially and adversely affect our consolidated financial statements and results.** Several other homebuilders have received inquiries from regulatory agencies concerning whether homebuilders using contractors are deemed to be employers of the employees of such contractors under certain circumstances. Contractors are independent of the homebuilders that contract with them under normal management practices and the terms of trade contracts and subcontracts within the homebuilding industry; however, if regulatory agencies reclassify the employees of contractors as employees of homebuilders, homebuilders using contractors could be responsible for wage and hour labor laws, workers' compensation and other employment-related liabilities of their contractors. Even if we are not deemed to be a joint employer with our contractors, we may be subject to legislation that requires us to share liability with our contractors for the payment of wages and the failure to secure valid workers' compensation coverage. In addition, under California law, direct construction contractors are required to assume and be liable for unpaid wages, fringe or other benefit payments or contributions, including interest, incurred by a subcontractor at any tier for contracts entered into on or after January 1, 2018, which may result in increased costs. **From 2019 through 2022, Landsea Homes..... 2023 Form 10- K | 23** Our business may face increased scrutiny from investors and other stakeholders related to our sustainability activities, including our ability to comply with evolving disclosure rules and regulations. ~~For instance, it is anticipated that the SEC will issue a climate change disclosure rule in 2024, which, if implemented as proposed, would significantly expand climate-related disclosure obligations.~~ The State of California has enacted legislation that ~~will require~~ **requires** large U. S. companies doing business in California to make broad-based climate-related disclosures, and other states ~~have also enacted or~~ **are also** considering new climate change disclosure requirements. We are assessing our obligations under these proposed and enacted rules and expect that compliance could require substantial effort in the future. In addition, standards for tracking and reporting on sustainability matters, including climate-related matters, have not been harmonized and changes in such standards may also require us to alter our accounting or operational policies and to implement new or enhance existing systems to reflect new reporting obligations. We will likely need to be prepared to contend with overlapping, yet distinct, climate-related disclosure approaches, frameworks and requirements. Our ability to compete could also be affected by changing customer preferences and requirements, such as growing stakeholder demand to establish validated emissions targets or growing customer demand to offer more sustainable homes. Our 2022 Sustainability Report is available on our website. If our sustainability practices or disclosures do not meet, or are perceived not to meet, evolving regulatory, investor and other stakeholder (including proxy advisory firm) expectations and standards, our reputation, our ability to attract or retain employees, and our attractiveness as an investment or business partner could be negatively affected. Similarly, our failure, or perceived failure, to pursue or fulfill any sustainability-focused goals, targets, or objectives, to comply with ethical, environmental, or other standards, regulations, or expectations, or to satisfy various reporting standards with respect to these matters, within the timelines we announce, or at all, could adversely affect our business or reputation, as well as expose us to government enforcement actions and private litigation. At the same time, ~~some~~ **an increasing number of** stakeholders, **lawmakers** and regulators have expressed or pursued contrary views, ~~legislation policy~~, and investment expectations with respect to sustainability, including the enactment or proposal of "anti-ESG" legislation or ~~policies~~ **regulation**, which may expose us to additional legal, **financial** or reputational risks based upon our sustainability commitments and disclosures. While we monitor a broad range of sustainability matters, we cannot be certain that we will

manage such matters successfully, or that we will successfully meet the expectations of investors, employees, customers, governments and other stakeholders. We are subject to income taxes in the United States, and our domestic tax liabilities are subject to the allocation of expenses in differing jurisdictions. Our effective tax rates could be subject to volatility or adversely affected by a number of factors, including: • changes in the valuation of our deferred tax assets and liabilities; • expected timing and amount of the release of any tax valuation allowances; • tax effects of stock-based compensation; • costs related to intercompany restructurings; • changes in tax laws, regulations or interpretations thereof; ~~or~~ • lower than anticipated future earnings in jurisdictions where we have lower statutory tax rates and higher than anticipated future earnings in jurisdictions where we have higher statutory tax rates ; ~~or~~ • our qualification for tax credits. **Landsea Homes Corp. | 2024 Form 10-K | 27**

In addition, we may be subject to audits of our income, sales and other transaction taxes by U. S. federal and state authorities. Outcomes from these audits could have an adverse effect on our financial condition and results of operations. Changes in accounting rules, assumptions or judgments could materially and adversely affect us, including recent statements from the SEC regarding SPAC-related companies. Accounting rules and interpretations for certain aspects of our financial reporting are highly complex and involve significant assumptions and judgment. These complexities could lead to a delay in the preparation and dissemination of our financial statements. Furthermore, changes in accounting rules and interpretations or in our accounting assumptions or judgments, such as asset impairments and contingencies are likely to significantly impact our financial statements. In some cases, we could be required to apply a new or revised standard retroactively, resulting in restating financial statements from prior period (s). Any of these circumstances could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations. ~~Landsea Homes Corp. | 2023 Form 10-K | 24~~ For example, on April 12, 2021, the Staff of the SEC issued the “ Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies (“ SPACs ”) ” (the “ SEC Statement ”). The SEC Statement emphasized the potential accounting implications of certain terms that may be common in warrants issued by SPACs that could result in the warrants being classified as a liability measured at fair value, with non-cash fair value adjustments reported in earnings at each reporting period. After considering the SEC Statement, the Company concluded that there was a material misstatement related to the accounting for the warrants in the historical financial statements of the Company for the periods presented in our Annual Report on Form 10-K for the year ended December 31, 2020. The resulting restatement of the Company’s historical financial statements may subject the Company to additional risks and uncertainties, including, among others, increased professional fees and expenses and time commitment that may be required to address matters related to a restatement, and scrutiny of the SEC and other regulatory bodies which could cause investors to lose confidence in the Company’s reported financial information and could subject the Company to civil or criminal penalties or shareholder litigation. The Company could face monetary judgments, penalties or other sanctions that could have a material adverse effect on its business, financial condition and results of operations and could cause its stock price to decline. ~~Landsea Green currently holds, indirectly, a majority of the voting rights in us. As long as Landsea Green holds such majority of voting rights, Landsea Green will have the ability to exercise control in our business, and may cause us to take actions that are not in, or conflict with, the interests of other stockholders such as incurring additional indebtedness, selling assets or other actions that negatively affect our net assets. Similarly, Landsea Green will be able to control our major policy decisions by controlling the selection of senior management, determining the timing and amount of approving annual budgets, deciding on increases or decreases in stock capital, determining issuances of new securities, approving disposals of assets or business, and amending our articles of association. These actions may be taken even if they are opposed by other stockholders. Our stockholder structure may negatively affect our ability to obtain financing required for opportunistic investments or to offset periods of net losses or financial distress. We cannot assure you that we would be able to obtain additional financing in a timely fashion or at all. If we were unable to obtain such financing, we may be unable to take advantage of business opportunities or may be unable to avoid defaults under our obligations. We are a “ controlled company ” within the meaning of Nasdaq rules and, as a result, may qualify for, and may choose to rely on, exemptions from certain corporate governance requirements. Landsea Green beneficially owns a majority of the voting power of all outstanding shares of our common stock, making us a “ controlled company. ” Pursuant to Nasdaq listing standards, a “ controlled company ” may elect not to comply with certain Nasdaq listing standards that would otherwise require it to have: (i) a board of directors comprised of a majority of independent directors; (ii) compensation of our executive officers determined by a majority of the independent directors or a compensation committee comprised solely of independent directors; (iii) a compensation committee charter which, among other things, provides the compensation committee with the authority and funding to retain compensation consultants and other advisors; and (iv) director nominees selected, or recommended for the board’s selection, either by a majority of the independent directors or a nominating committee comprised solely of independent directors. We intend to rely on the exemptions described in clauses (i), (ii), (iii) and (iv) above. Accordingly, our stockholders do not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance requirements. In addition, on June 20, 2012, the SEC passed final rules implementing provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 pertaining to compensation committee independence and the role and disclosure of compensation consultants and other advisers to the compensation committee. The SEC’s rules direct each of the national securities exchanges (including Nasdaq) to develop listing standards requiring, among other things, that: (i) compensation committees be composed of fully independent directors, as determined pursuant to new independence requirements; (ii) compensation committees be explicitly charged with hiring and overseeing compensation consultants, legal counsel and other committee advisors; and (iii) compensation committees be required to consider, when engaging compensation consultants, legal counsel or other advisors, certain independence factors, ~~Landsea Homes Corp. | 2023 Form 10-K | 25~~ including factors that examine the relationship between the consultant or advisor’s employer and us. As a “ controlled company, ” we are not subject to these compensation committee independence requirements. The CFIUS may modify, delay or prevent our future acquisition or investment activities, and U. S. state or federal laws or regulations may make it more difficult for us to operate in the United States. For ~~so~~ **as** long as~~

Landsea Green retains ~~an a material~~ ownership interest in us, **it is possible that we will could** be deemed a “ foreign person ” under the regulations relating to CFIUS. As such, acquisitions of or investments in U. S. businesses, including foreign businesses with U. S. subsidiaries, may be subject to CFIUS review, the scope of which includes, among other things, certain non- passive, non- controlling investments (including certain investments in entities that hold or process personal information about U. S. nationals), certain acquisitions of real estate even with no underlying U. S. business, transactions the structure of which is designed or intended to evade or circumvent CFIUS jurisdiction , and any transaction resulting in a “ change in the rights ” of a foreign person in a U. S. business if that change could result in either control of the business or a covered non- controlling investment. The Foreign Investment Risk Review Modernization Act of 2018 (“ FIRRMA ”) also subjects certain categories of investments to mandatory filings. If a particular proposed acquisition or investment in a U. S. business falls within CFIUS’ s jurisdiction, we may determine that we are required to make a mandatory filing or that we will submit to CFIUS review on a voluntary basis, or to proceed with the transaction without submitting to CFIUS and risk CFIUS intervention, before or after closing the transaction. CFIUS may decide to block or delay an acquisition or investment by us, impose conditions with respect to such acquisition or investment or order us to divest all or a portion of a U. S. business that we acquired without first obtaining CFIUS approval, which may limit the attractiveness of or prevent us from pursuing certain acquisitions or investments that we believe would otherwise be beneficial to us and our stockholders. In addition, among other things, FIRRMA authorizes CFIUS to ~~prescribe regulations defining “ foreign person ” differently in different contexts~~ **consider the facts and circumstances unique to each transaction that it reviews**, which could result in less favorable treatment for investments and acquisitions by companies from countries of ~~“ special concern that, in the U. ”~~ **S. government’ s view, raise unique national security considerations.** If such future regulations impose additional burdens on acquisition and investment activities involving PRC and PRC- controlled entities, our ability to consummate transactions falling within CFIUS’ s jurisdiction that might otherwise be beneficial to us and our stockholders may be hindered. In addition, U. S. state or federal laws or regulations may restrict our normal business operations in the United States for so long as any ~~Chinese citizen~~ **China- domiciled individual** or ~~Chinese investors~~ **entities with their principal places of business in China** (including Mr. Martin Tian and Landsea Green), own a significant percentage of our outstanding shares of common stock . ~~A number of states have passed legislation or have pending bills that restrict foreign ownership of U. S. land that could,~~ **which could limit** in addition to CFIUS, restrict future acquisition or investment activities ~~growth in such jurisdictions~~ . For example, a law that recently became effective in Florida prohibits, with limited exemptions, certain China- related persons **and entities** from, directly or indirectly, owning, having a controlling interest in, or acquiring certain real estate in Florida, including agricultural land or property located ~~within in~~ **proximity of to** military installations or critical infrastructure facilities. While **we believe that the reduction of Landsea Green’ s ownership to below 20 % of our Landsea Homes Corp. | 2024 Form 10- K | 28 common stock and other steps taken to insulate decisions with respect to Florida real property from Landsea Green’ s influence will be sufficient to prevent us from being subject to restrictions under** this law ~~and similar state laws,~~ **are which is also** subject to ongoing ~~administrative interpretation and~~ court challenges, **it could limit these steps may be determined not to be sufficient, and our operations and** future growth in ~~these Florida, or in any other jurisdictions-~~ **jurisdiction which enacts a similar law, could be curtailed** . We are the managing member in certain joint venture limited liability companies, and therefore may be liable for joint venture obligations. Certain of our active joint ventures are organized as limited liability companies. We are the managing member in some of these. As a managing member or general partner, we may be liable for a joint venture’ s liabilities and obligations should the joint venture fail or be unable to pay these liabilities or obligations. These risks include, among others, that a partner in the joint venture may fail to fund its share of required capital contributions, that a partner may make poor business decisions or delay necessary actions, or that a partner may have economic or other business interests or goals that are inconsistent with ours. ~~Our industry is cyclical and adverse changes.....~~ 2023 Form 10- K | 29 Because homes are relatively illiquid, our ability to promptly sell one or more properties for reasonable prices in response to changing economic, financial and investment conditions may be limited and we may be forced to hold non- income producing properties for extended periods of time. Homes are relatively difficult to sell quickly. As a result, our ability to promptly sell one or more properties in response to changing economic, financial and investment conditions is limited and we may be forced to hold non- income producing assets for an extended period of time. We cannot predict whether we will be able to sell any property for the price or on the terms that we set or whether any price or other terms offered by a prospective purchaser would be acceptable. We also cannot predict the length of time needed to find a willing purchaser and to close the sale of a property. The homebuilding industry is capital- intensive and requires significant up- front expenditures to acquire land and begin development. There is no assurance that cash generated from our operations, borrowings incurred under credit agreements or project- level financing arrangements, or proceeds raised in capital markets transactions will be sufficient to finance our capital projects or otherwise fund our liquidity needs. If our future cash flows from operations and other capital resources are insufficient to finance our capital projects or otherwise fund our liquidity needs, we may be forced to: • reduce or delay business activities, land acquisitions and capital expenditures; • sell assets; • obtain additional debt or equity capital; or • restructure or refinance all or a portion of our debt on or before maturity. These alternative measures may not be successful and we may not be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of our existing debt will limit our ability to pursue these alternatives. ~~Further~~ **In addition**, **future adverse developments with respect to specific financial institutions or the broader financial services industry may lead to market- wide liquidity shortages, and the failure of any bank with which we do business could** ~~may seek additional capital in~~ **turn reduce** the amount of cash we have available ~~form-~~ **for our operations or delay our ability** of project- level financing from time to ~~access such~~ time. The availability of borrowed funds, especially ~~which could cause delays for-~~ **or other issues in meeting our financial** ~~land-~~ **and operational obligations** acquisition and construction financing, may be greatly reduced nationally, and the lending community may require increased amounts of equity to be invested in a project by borrowers in connection with both new loans and the extension of existing loans.

Land acquisition, development and construction activities may be adversely affected by any shortage or increased cost of financing or the unwillingness of third parties to engage in joint ventures. Any difficulty in obtaining sufficient capital for planned development expenditures could cause project delays and any such delay could result in cost increases and may adversely affect our **business, financial condition**, sales and future results of operations and cash flows. **If the market value of our developed lot and home inventory decreases, our results of operations could be adversely affected by impairments of inventory.** The market value of our land and housing inventories depends on market conditions. We acquire land for expansion into new markets and for replacement of land inventory and expansion within our current markets. There is an inherent risk that the value of the land we own or control may decline after purchase. The risks inherent in purchasing and developing land parcels increase as consumer demand for housing decreases. As a result, we may buy and develop land parcels on which homes cannot be profitably built and sold. Landsea Homes Corp. | 2024 Form 10- K | 29

The valuation of property is inherently subjective and based on the individual characteristics of each property. When market conditions, such as elevated interest rates, drive land values down, land we have purchased or option agreements we have previously entered into may become less desirable because we may not be able to build and sell homes profitably, at which time we may elect to sell the land or, in the case of options contracts, to forego pre- acquisition costs and forfeit deposits and terminate the agreements. Land parcels, building lots, and housing inventories are illiquid assets, and we may not be able to dispose of them efficiently or at all if we or the housing market and general economy are in financial distress. Factors such as changes in regulatory requirements and applicable laws (including in relation to building regulations, taxation and planning), political conditions, the condition of financial markets, both local and national economic conditions, the financial condition of customers, potentially adverse tax consequences, and interest and inflation rate fluctuations subject the market value of land owned, controlled or optioned by us to uncertainty. During periods of elevated or increasing interest rates, demand for land and our housing inventories has generally decreased, which results in lower sales proceeds from future dispositions. Moreover, all valuations are made on the basis of assumptions that may not prove to reflect economic or demographic reality. If housing demand decreases below what we anticipated when we acquired the inventory, our results of operations and financial conditions may be adversely affected and we may not be able to recover our costs when we build and sell houses. We may be required to take write-downs or write- offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and our stock price, which could cause you to lose some or all of your investment. We may be forced to write down or write off assets, including intangible assets such as goodwill, restructure operations, or incur impairment or other charges that could result in losses, including due to factors outside of our business and outside of our control. For example, we have recorded intangible assets, including goodwill, in connection with the acquisitions of Pinnacle West, Garrett Walker, Vintage, Hanover, and Antares. If we were to determine that a significant impairment of any such intangible assets has occurred, we would be required to write- off the impaired portion of intangible assets, which could have a material adverse effect on our results of operations in the period in which the write- off occurs. Further, unexpected risks may arise and previously known risks may materialize in a manner not consistent with our risk analysis. Even though these charges may be non- cash items and 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. Accordingly, our securities could suffer a reduction in value. Our securityholders are unlikely to have a remedy for such reduction in value, unless stockholders are able to successfully claim that the reduction in stock value was due to the breach by our officers or directors of a duty of care or other fiduciary duty owed to them, or if they are able to bring a private claim that the proxy statement relating to the Merger contained an actionable material misstatement or material omission.

We have outstanding indebtedness and our ability to incur additional indebtedness under our credit facility is subject to and potentially restricted by customary requirements and borrowing base formulas. As of December 31, 2023-2024, Landsea Homes had approximately \$ 565-749 . 0 million outstanding under its credit facility and, the 8. 875 % Senior Notes (as defined below), both and the 11. 0 % Senior Notes (as defined below) all of which are unsecured indebtedness, with approximately \$ 262-184 . 6-5 million of additional borrowing capacity, subject to customary borrowing base requirements. Our indebtedness could have detrimental consequences, including the following: • our ability to obtain additional financing as needed for working capital, land acquisition costs, building costs, other capital expenditures, or general corporate purposes, or to refinance existing indebtedness before its scheduled maturity, may be limited; • we will need to use a portion of cash flow from operations to pay interest and principal on our indebtedness, which will reduce the funds available for other purposes; • if we are unable to comply with the terms of the agreements governing our indebtedness, the holders of that indebtedness could accelerate that indebtedness and exercise other rights and remedies against us; and • the terms of any refinancing may not be as favorable as the debt being refinanced, if at all. We cannot be certain that cash flow from operations will be sufficient to allow us to pay principal and interest on our debt, support operations and meet other obligations. If we do not have the resources to meet our obligations, we may be required to **refinance all or part of our outstanding debt, sell assets or borrow more money. We may not be able to do so on acceptable terms, in a timely manner, or at all. If we are unable to refinance our debt on acceptable terms, we may be forced to dispose of our assets on** Landsea Homes Corp. | 2023-2024 Form 10- K | 30 **refinance all or part of our outstanding debt, sell assets or borrow more money. We may not be able to do so on acceptable terms, in a timely manner, or at all. If we are unable to refinance our debt on acceptable terms, we may be forced to dispose of our assets on** disadvantageous terms, potentially resulting in losses. Defaults under our debt agreements could have a material adverse effect on our business, prospects, liquidity, financial condition or results of operations. A default under any of the agreements governing our indebtedness may allow our creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross- acceleration or cross- default provision applies. In addition, an event of default under the credit agreement governing our credit facility would permit the lenders thereunder to terminate all commitments to

extend further credit under the applicable facility. Furthermore, if we elect to enter into any collateralized indebtedness agreements in the future and are unable to repay the amounts due and payable, those lenders could proceed against the collateral granted to them to secure that indebtedness subject to the terms of any such agreement. In the event our lenders or the holders of our notes accelerate the repayment of our borrowings, we cannot assure that we would have sufficient assets to repay such indebtedness. As a result of these restrictions, we may be: • limited in how we conduct our business; • unable to raise additional debt or equity financing to operate during general economic or business downturns; or • unable to compete effectively or to take advantage of new business opportunities. These restrictions may affect our ability to grow or continue our existing operations. The agreements governing our debt impose operating and financial restrictions, which may prevent us from capitalizing on business opportunities and taking some corporate actions. The agreements governing our debt impose operating and financial restrictions. These restrictions limit our ability, among other things, to: • incur or guarantee additional indebtedness or issue certain equity interests; • pay dividends or distributions, repurchase equity or prepay subordinated debt; • make certain investments; • incur liens; • create certain restrictions on the ability of restricted subsidiaries to transfer assets; • enter into transactions with affiliates; • create unrestricted subsidiaries; and • consolidate, merge or sell all or substantially all of our assets. As a result of these restrictions, our ability to obtain additional financing as needed for working capital, land acquisition costs, building costs, other capital expenditures, or general corporate purposes, or to refinance existing indebtedness before its scheduled maturity, may be limited. In addition, our credit facility currently contains certain financial covenants with which we must test compliance periodically. Failure to have sufficient borrowing base availability in the future or to **comply be in compliance** with our financial covenants under our credit facility could have a material adverse effect on our operations and financial condition. In addition, we may in the future enter into other agreements refinancing or otherwise governing indebtedness which impose yet additional restrictions and covenants, including covenants limiting our ability to incur additional debt, make certain investments, reduce liquidity below certain levels, make distributions to stockholders and otherwise affect our operating policies. These restrictions may adversely affect our ability to finance future operations or capital needs or to pursue available business opportunities. A breach of any of these covenants could result in a default in respect of the related indebtedness. If a default occurs, the relevant lenders could elect to declare the indebtedness, together with accrued interest and other fees, to be immediately due and payable and proceed against any collateral securing that indebtedness. **We may be unable to obtain suitable performance, payment and completion surety bonds and letters of credit, which could limit our future growth or impair our results of operations. We provide bonds in the ordinary course of business to governmental authorities and others to ensure the completion of our projects or in support of obligations to build community improvements such as roads, sewers, water systems and other utilities, and to support similar development activities by certain of our joint ventures. As a result of the deterioration in market conditions during the** Landsea Homes Corp. | 2023 **2024** Form 10- K | 31 ~~We may be unable to obtain suitable performance, payment and completion surety bonds and letters of credit, which could limit our future growth or impair our results of operations. We provide bonds in the ordinary course of business to governmental authorities and others to ensure the completion of our projects or in support of obligations to build community improvements such as roads, sewers, water systems and other utilities, and to support similar development activities by certain of our joint ventures. As a result of the deterioration in market conditions during the~~ recent downturn, surety providers became increasingly reluctant to issue new bonds and some providers were requesting credit enhancements (such as cash deposits or letters of credit) in order to maintain existing bonds or to issue new bonds, which trends may continue. We may also be required to provide performance bonds or letters of credit to secure our performance under various escrow agreements, financial guarantees and other arrangements. If we are unable to obtain performance bonds or letters of credit when required or the cost or operational restrictions or conditions imposed by issuers to obtain them increases significantly, we may not be able to develop or may be significantly delayed in developing a community or communities or may incur significant additional expenses, and, as a result, our business, prospects, liquidity, financial condition or results of operation could be materially and adversely affected. **Our quarterly operating results generally fluctuate by season. We typically achieve our highest new home sales orders in the spring and summer, although new homes sales order activity is also highly dependent on the number of active selling communities and the timing of new community openings. Because it typically takes us four to eight months to construct a new home, we deliver a greater number of homes in the second half of the calendar year as sales orders convert to home deliveries. As a result, our revenues from homebuilding operations are typically higher in the second half of the year, particularly in the fourth quarter, and we generally experience higher capital demands in the first half of the year when we incur construction costs. If, due to construction delays or other causes, including delays or other effects of extreme weather events, we cannot close our expected number of homes in the second half of the year, our financial condition and full year results of operations may be adversely affected. Landsea Green currently holds, indirectly, approximately 16.9 % of our common stock, and we are party to an amended and restated stockholder' s agreement with Landsea Holdings Corporation, a wholly owned, indirect subsidiary of Landsea Green. As a result, Landsea Green may be able to influence matters requiring approval by our stockholders or our board of directors, including the election of directors, the selection of senior management, disposals of assets or business, amendments to our certificate of incorporation and bylaws, and the size and timing of annual budgets, increases or decreases in stock capital and issuances of new securities. Landsea Green may have interests that are different from, and potentially adverse to, our other stockholders and may vote in a way with which our other stockholders disagree. In addition, certain of our directors are currently affiliated with Landsea Green, and, as a result, may have real or apparent conflicts of interest on matters affecting both us and Landsea Green, which in some cases may have interests adverse to ours. Landsea Green' s ownership could also negatively affect our ability to obtain financing required for opportunistic investments or to offset periods of net losses or financial distress, or have the effect of delaying a change in control or otherwise discouraging a potential acquirer from attempting to obtain control of us, which could prevent us from taking advantage of business**

opportunities, decrease our ability to avoid defaults under our obligations or cause the market price of our common stock to decline.

A significant portion of our total outstanding shares may be sold into the market in the near future, which could depress the market price of our common stock. Pursuant to the registration rights agreement, dated June 19, 2018, by and between the Company and the Holders (as defined in the registration rights agreement), the Holders are entitled to registration of shares representing more than 5 % of our outstanding common stock. Further, lock- up agreements which previously covered the Stock Consideration expired on January 7, 2022. ~~On February 9, 2024, Landsea Green announced a proposal, subject to approval by its shareholders, to sell up to 4.8 million shares of the Company's common stock, held by Landsea Holdings, over a period of six months from such approval.~~ Significant resales of shares of our common stock as a result of the exercise of registration rights or the expiration of the lock- up agreements, including as part of the proposed transaction discussed above, or the perception that such sales may occur, may depress the market price of our common stock or public warrants. ~~We previously identified a material weakness in our internal control over financial reporting, and we could experience other material weaknesses in the future. Additionally, internal control over financial reporting may not prevent or detect all errors or acts of fraud. We maintain disclosure controls and procedures designed to ensure that we timely report information as specified in the rules and regulations of the SEC. We also maintain a system of internal control over financial reporting. However, these controls may not achieve, and in some cases have not achieved, their intended objectives. Control processes that involve human diligence and compliance, such as our disclosure controls and procedures and internal control over financial reporting, are subject to lapses in judgment and breakdowns resulting from human failures. Controls can also be circumvented by collusion or improper management override of such controls. Because of such limitations, there are risks that material misstatements due to error or fraud may not be prevented or detected, and that information may not be reported on a timely basis. The failure of our controls to be effective could materially and adversely affect our business, financial condition and results of operations, including the market for our common stock, and could subject us to regulatory scrutiny and penalties. We have previously identified material weaknesses in internal control over financial reporting, and certain of these material weaknesses involved the design of controls and failure of controls to operate effectively. Though we consider these material weaknesses remediated, there can be no assurance that we will not suffer other material weaknesses in the future. If we are unable to adequately manage our internal control over financial reporting in the future, we may be unable to produce accurate or timely financial information. As a result, we may be unable to meet our ongoing reporting obligations or comply with applicable legal requirements, which could lead to the imposition of sanctions or further investigation by regulatory authorities. Any such action or other negative results caused by our inability to meet our reporting requirements or comply with legal and regulatory requirements could lead investors and other users to lose confidence in our financial data and could adversely affect our business and the trading price of our common stock. Significant deficiencies or material weaknesses in our internal controls over financial reporting could also reduce our ability to obtain financing or could increase the cost of any financing we obtain.~~ Landsea Homes Corp. | 2023-2024 Form 10- K | 32 We are a “ smaller reporting company ” and, as a result of the reduced disclosure and governance requirements applicable to smaller reporting companies, our common stock may be less attractive to investors. We are a “ smaller reporting company ” because we had public float of less than \$ 250 million on the applicable measurement date. As a smaller reporting company, we are subject to reduced disclosure obligations in our periodic reports and proxy statements. We cannot predict whether investors will find our common stock less attractive as a result of our taking advantage of these exemptions. If some investors find our common stock less attractive as a result of our choices, there may be a less active trading market for our common stock and our stock price may be more volatile. We issued warrants to purchase 15, 525, 000 shares of Common Stock as part of our Initial Public Offering (“ IPO ”) and, on the IPO closing date, we issued private placement warrants (the “ Private Placement Warrants ”) (i) to the Sponsor to purchase 7, 760, 000 shares of Common Stock (of which 2, 260, 000 Private Placement Warrants were forfeited in connection with the Merger and 2, 200, 000 were transferred to the Seller in connection with the Merger) and (ii) to BlackRock Credit Alpha Master Fund L. P., to purchase 550, 440 shares of Common Stock, in each case at \$ 11. 50 per share. In June 2022, we repurchased all outstanding Private Placement Warrants. The **These** public warrants are exercisable for one- tenth of one share at an exercise price of \$ 1. 15 per one- tenth share (\$ 11. 50 per whole share) pursuant to the Warrant Amendment. The shares of Common Stock issued upon exercise of our warrants will result in dilution to the then existing holders of Common Stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could adversely affect the market price of our Common Stock or **such** public warrants. Our warrants may not be in the money at times, they may expire worthless and the terms of the warrants may be amended in a manner that may be adverse to holders of our warrants with the approval by the holders of at least 65 % of the then outstanding public warrants. As a result, the exercise price of the warrants could be increased, the warrants could be converted into cash or stock (at a ratio different than initially provided), the exercise period could be shortened and the number of shares of our Common Stock purchasable upon exercise of a warrant could be decreased, all without a warrant holder's approval. The public warrants may not be in the money at times, and they may expire worthless. Our warrants were issued in registered form under the warrant agreement between Continental Stock Transfer & Trust Company and us (the “ Warrant Agreement ”). The Warrant Agreement provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 65 % of the then outstanding public warrants to make any change that adversely affects the interests of the registered holders of public warrants. Accordingly, we may amend the terms of the public warrants in a manner adverse to a holder if holders of at least 65 % of the then outstanding public warrants approve of such amendment. Although our ability to amend the terms of the public warrants with the consent of at least 65 % of the then outstanding public warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the warrants, convert the warrants into cash or stock (at a ratio different than initially provided), shorten the exercise period or decrease the number of shares of our Common Stock purchasable upon exercise of a warrant. We may redeem unexpired warrants prior to their exercise at a time that is

disadvantageous to a warrant holder, thereby making the warrants worthless. We have the ability to redeem outstanding warrants at any time and prior to their expiration, at a price of \$ 0. 01 per warrant, provided that the last reported sales price of our Common Stock equals or exceeds \$ 18. 00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30 trading- day period ending on the third trading day prior to the date we send the notice of redemption to the warrant holders. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding warrants could force warrant holders to: (1) exercise their warrants and pay the exercise price therefor at a time when it may be disadvantageous to do so (2) sell their warrants at the then- current market price when they might otherwise wish to hold their warrants; or (3) accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, is likely to be substantially less than the market value of the warrants. ~~Landsea Homes Corp. | 2023 Form 10- K | 33~~ Nasdaq may delist our securities from trading on its exchange, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions. Our Common Stock and public warrants are listed on Nasdaq. There is no guarantee that these securities will remain listed on Nasdaq. There can be no assurance that these securities will continue to be listed on Nasdaq in the future. In order to continue listing our securities on Nasdaq, we must maintain certain financial, distribution and share price levels. In general, we must maintain a minimum number of holders of our securities. **Landsea Homes Corp. | 2024 Form 10- K | 33** If Nasdaq delists any of our securities from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over- the- counter market. If this were to occur, we could face significant material adverse consequences, including: • a limited availability of market quotations for our securities; • reduced liquidity for our securities; • a determination that the Common Stock is a “ penny stock ” which will require brokers trading in our Common Stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities; • a limited amount of news and analyst coverage; and • a decreased ability to issue additional securities or obtain additional financing in the future. If our securities are not listed on, or become delisted from, Nasdaq for any reason, and are quoted on the OTC Bulletin Board or OTC Pink, an inter- dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of our securities may be more limited than if we were quoted or listed on Nasdaq or another national securities exchange. Nasdaq listing requirements require us to have 400 round lot holders with respect to the warrants. In the event we do not have an adequate number of round lot holders to maintain the listing of the warrants, the warrants will be delisted from Nasdaq. You may be unable to sell your securities unless a market can be sustained. The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as “ covered securities. ” Because the Common Stock and public warrants are listed on Nasdaq, they will be covered securities. However, if we are no longer listed on Nasdaq, our securities would not be covered securities, and we would be subject to regulation in each state in which we offer our securities. Anti- takeover provisions contained in our Second Amended and Restated Certificate of Incorporation and Second Amended and Restated Bylaws, as well as provisions of Delaware law, could impair a takeover attempt, which could limit the price investors might be willing to pay in the future for our common stock. Our Second Amended and Restated Certificate of Incorporation contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. We are also subject to anti- takeover provisions under Delaware law, which could delay or prevent a change of control. Together, these provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. These provisions include: • a prohibition on stockholder action by written consent once the company is no longer controlled, which forces stockholder action to be taken at an annual or special meeting of our stockholders; • a vote of 25 % required for stockholders to call a special meeting; • a “ synthetic ” anti- takeover provision in lieu of the statutory protections of Section 203 of the Delaware General Corporation Law; • a vote of 80 % required to approve a merger as long as the majority stockholder owns at least 20 % of our stock; • a vote of 70 % required to approve certain amendments to the Second Amended and Restated Certificate of Incorporation and the Second Amended and Restated Bylaws; • a provision allowing the directors to fill any vacancies on the **Board of directors**, including vacancies that result from an increase in the number of directors, subject to the rights of the holders of any outstanding series of preferred stock to elect directors under specified circumstances; and • the designation of Delaware as the exclusive forum for certain disputes. ~~Landsea Homes Corp. | 2023 Form 10- K | 34~~ Our Second Amended and Restated Certificate of Incorporation provides that the Court of Chancery of the State of Delaware is the sole and exclusive forum for certain stockholder litigation matters, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders. Our Second Amended and Restated Certificate of Incorporation provides that, unless we select or consent in writing to the selection of an alternative forum, the sole and exclusive forum, to the fullest extent permitted by law, and subject to applicable jurisdictional requirements, shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have or declines to accept jurisdiction, another state court or a federal court located within the State of Delaware) for any complaint asserting **Landsea Homes Corp. | 2024 Form 10- K | 34** claims, including any derivative action or proceeding brought on our behalf, based upon a violation of a duty by a current or former director, officer, employee or stockholder in such capacity, any action as to which the DGCL confers jurisdiction upon the Court of Chancery, or any other action asserting a claim that is governed by the internal affairs doctrine as interpreted by Delaware state courts. In addition, our Second Amended and Restated Certificate of Incorporation provides that the sole and exclusive forum for any complaint asserting a cause of action arising under the Securities Act, to the fullest extent permitted by law, shall be the federal district courts of the United States, but the forum selection provision will not apply to claims brought to enforce a duty or liability created by the Exchange Act. Any person or entity purchasing or otherwise acquiring or holding any interest in our stock shall be deemed to have notice of and consented to the forum provision in our Second Amended and Restated Certificate of Incorporation. 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 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 Second 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. For example, under the Securities Act, federal courts have concurrent jurisdiction over all suits brought to enforce any duty or liability created by the Securities Act, and investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Accordingly, there is uncertainty as to whether a court would enforce such a forum selection provision as written in connection with claims arising under the Securities Act. We currently intend to retain our future earnings to finance the development and expansion of our business and, therefore, do not intend to pay cash dividends on our common stock for the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in any financing instruments, applicable legal requirements and such other factors as our board of directors deems relevant. Accordingly, stockholders may need to sell their shares of our common stock to realize a return on investment and may not be able to sell shares at or above the price paid for them. Our ability to be successful will depend upon the efforts of our key personnel. The loss of key personnel could negatively impact the operations and profitability of our business and our financial condition could suffer as a result. Our success depends to a significant degree upon the continued contributions of certain key management personnel. It is possible that we will lose some key management personnel in the future, some of whom would be difficult to replace. The loss of key management personnel could negatively impact the operations and profitability of our business. Our ability to retain key management personnel or to attract suitable replacements should any member(s) of our management team leave is dependent on the culture our leadership team fosters and on the competitive nature of the employment market. The loss of services from key management personnel or a limitation in their availability could materially and adversely impact our business, prospects, liquidity, financial condition and results of operations. Further, such a loss could be negatively perceived in the capital markets. We have not obtained key management life insurance that would provide us with proceeds in the event of death or disability of any of our key management personnel. Experienced employees in the homebuilding, developed lot acquisition and construction industries are fundamental to our ability to generate, obtain and manage opportunities. In particular, relevant licenses and qualifications, local knowledge and relationships are critical to our ability to source attractive lot acquisition opportunities. Experienced employees working in the homebuilding and construction industries are highly sought after. Failure to attract and retain such personnel or to ensure that their experience and knowledge is not lost when they leave the business through retirement, redundancy or otherwise may adversely affect Landsea Homes Corp. | 2023 Form 10-K | 35 the standards of our service and may have an adverse impact on our business, prospects, liquidity, financial condition and results of operations. Significant public health crises have had, and may again have, a material adverse effect on our business, financial condition, and results of operations. Our business operations and supply chains may be negatively impacted by regional or global public health crises, including measures taken by national or local governments in response. For example, the COVID-19 pandemic adversely affected, and future significant public health crises may adversely affect, the economies and financial markets of many countries, including those in which we operate or which are part of our supply chain. This resulted, and could again result, in an economic downturn that affects the supply or demand for our products and services, as well as significant broader market and economic volatility. Furthermore, the COVID-19 pandemic adversely affected, and future significant public health crises may adversely affect, our operations, resulting in significant slowing and/or ceasing of construction, sales, warranty, and administrative support in our markets. In addition, depending on the specific jurisdiction, we have been and could again be required to implement certain safety protocols and procedures that could materially impact our ability to develop communities, maintain sales velocity, build homes, timely deliver homes, and service customers. The COVID-19 pandemic had and future significant public health crises may have, a material impact on cycle times, cancellation rates, availability of trades, costs, supplies, and new home demand. We rely on information technology and other computer resources to perform important operational and marketing activities as well as to maintain our business and employee records and financial data. Our computer systems are subject to damage or interruption from power outages, computer attacks by hackers, viruses, catastrophes, hardware and software failures and breach of data security protocols by our personnel or third-party service providers. Computer intrusion efforts are becoming increasingly sophisticated and the controls that we have installed might be breached. Further, many of these computer resources are provided to us or are maintained on our behalf by third-party service providers pursuant to agreements that specify certain security and service level standards, but which are ultimately outside of our control. If we were to experience a significant period of disruption in information technology systems that involve interactions with customers or suppliers, it could result in the loss of sales and customers and significant incremental costs, which could adversely affect our business. Additionally, security breaches of information technology systems could result in the misappropriation or unauthorized disclosure of proprietary, personal, and confidential information, including information related to employees, counter-parties, and customers, which could result in significant financial or reputational damage and liability under data privacy laws and regulations, including the California Consumer Privacy Act. We have experienced, and expect to continue to experience, efforts by hackers and other third parties to gain unauthorized access or deny access to, or otherwise disrupt, our information technology systems and networks. We are not aware of any material losses relating to cyber attacks or any material impact on our operations to date, however there can be no assurance that we will not suffer such losses in the future, and future incidents could have a material adverse effect on our business, financial condition, results of operations or liquidity. Moreover, cyber and other security threats are constantly evolving, thereby making it more difficult to successfully defend against them or to implement adequate preventative measures. We may not have the current capability to detect certain vulnerabilities, which may allow those vulnerabilities to persist in our systems over long periods of time. As cyber threats continue to evolve, we may be required to expend significant additional

resources to continue to modify or enhance our protective measures or to investigate and remediate any cyber vulnerabilities. Inflation could adversely affect us by increasing the costs of land, raw materials and labor needed to operate our business, which in turn requires us to increase home selling prices in an effort to maintain satisfactory housing gross margins. Inflation typically also accompanies higher interest rates, which could adversely impact potential customers' ability to obtain financing on favorable terms, thereby further decreasing demand. For example, in March 2022, the Federal Reserve began to raise interest rates in an effort to curb inflation. As a result, the effect of inflation on interest rates could increase our financing costs over time. We currently do not hedge against interest rate fluctuations. If we are unable to raise the prices of our homes to offset the increasing costs of our operations, our margins could decrease. Furthermore, if we need to lower the prices of our homes to meet demand, the value of our land inventory may decrease. Depressed land values may cause us to abandon and forfeit deposits on land option contracts and other similar contracts if we cannot satisfactorily renegotiate the purchase price of the subject land. We may record charges against our Landsea Homes Corp. | 2023 Form 10-K | 36 earnings for inventory impairments if the value of our owned inventory, including land we decide to sell, is reduced, or for land option contract abandonments if we choose not to exercise land option contracts or other similar contracts, and these charges may be substantial. Inflation may also raise our costs of capital and decrease our purchasing power, making it more difficult to maintain sufficient funds to operate our business.