

Risk Factors Comparison 2025-04-01 to 2024-05-07 Form: 10-K

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

Investing in our common stock involves a high degree of risk. You should consider carefully the following risks, together with all the other information in this Annual Report, including the section titled “ Forward- Looking Statements, ” and ~~Part II, Item 7-~~ “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations ” and our consolidated financial statements and the accompanying notes included elsewhere in this Annual Report. The risks described below are not the only ones we face. Any of the following risks could materially and adversely affect our business. If any of the following risks actually materializes, our operating results, financial condition and liquidity could be materially adversely affected. As a result, the trading price of our common stock could decline and you could lose part or all of your investment. Our business, financial condition and results of operations could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material. Risks Relating to our Financial Position and Capital Requirements. From time to time, we have, and may in the future experience a shortfall in cash, and our ability to obtain additional financing on acceptable terms, if at all, may be limited. If we are not successful in our efforts to increase sales or raise capital, we could experience a shortfall in cash over the next twelve months, and our ability to obtain additional financing on acceptable terms, if at all, will be limited. At December 31, **2024 and** ~~2023 and 2022~~, we had cash and cash equivalents and a short- term investment, collectively, of \$ ~~17,375, 448,873 and \$ 582,14, 776,212~~, respectively. However, during the fiscal years ended December 31, **2024 and** ~~2023 and 2022~~, we reported a net loss of \$ **16,979,682 and \$ 26,757,282, 533,906 and \$ 7,089,242**, respectively, and used \$ ~~7,10, 141,898, 754,755 and \$ 5-6, 630,735, 614,017~~ of cash for operations, respectively. As result of our continued losses, our cash resources have not been sufficient to sustain our operations, and we have continued to depend on financing transactions to generate sufficient cash to stay in operation. With limited cash available to fund our operating expenses, we have deferred or delayed payments to vendors, suppliers and service providers, opting instead to prioritize payments for personnel and essential resources. Although we are attempting to curtail our expenses, there is no guarantee that such curtailment will cure our liquidity problem. ~~On December 15, 2023, Mr. Galvin voluntarily deferred his salary for the December 15, 2023 and December 31, 2023 pay periods as a cost saving measure. In addition, on December 14, 2023, Mr. Galvin loaned \$ 75,000 to the Company. The loan will be interest free (subject, however to any interest which may be imputed under applicable income tax laws) and is due and payable by December 14, 2024.~~ Our cash used in operations for the year ended December 31, ~~2023-2024~~ was \$ **10 (6, 722, 898, 755,435)** primarily due to our net loss. During the year ended December 31, ~~2023-2024~~, we financed our operations from proceeds of short- term notes payables and warrants. Subsequent to the end of the quarter we have continued to finance our operations from the issuance of **additional** notes ~~such as the Debentures in addition to cash advance agreements such as the Cash Advance Agreement pursuant to which SG Building and SG Echo, LLC sold to the lender \$ 300,000 of their future receivables for a purchase price of \$ 200,000, less underwriting fees and expenses paid, for net funds provided of \$ 190,000.~~ Unless and until we are able to increase our revenues or raise sufficient capital, our lack of cash will continue to constrain our business and subject us to significant risks, including the following: (i) being unable to make the necessary investment in personnel, raw materials or other resources to effectively pursue our business plan, (ii) our suppliers, vendors and service providers slowing down or stopping to supply raw materials or services, and (iii) being forced to reduce or suspend our operations. Any delay in the receipt of raw materials due to payment issues could result in our inability to fulfill purchase orders and negatively impact our ability to generate revenue ~~. In March of 2024, the Company laid off approximately 65 employees of SG Echo. These employees are being brought back to work in April of 2024, starting with 10 employees re- hired as of April 8, 2024 and 30 employees are scheduled to return to work between April 15th and April 30th, 2024.~~ We may also seek to obtain debt or additional equity financing to meet any cash shortfalls both in the public company or our subsidiaries. The type, timing and terms of any financing we may select will depend on, among other things, our cash needs, the availability of other financing sources and prevailing conditions in the financial markets. However, there can be no assurance that we will be able to secure additional funds if needed and that, if such funds are available, the terms or conditions would be acceptable to us, especially in light of the fact that our ability to sell securities registered on our registration statement on Form S- 3 will be limited until such time the market value of our voting securities held by non- affiliates is \$ 75 million or more. If we are unable to secure additional financing, a further reduction in operating expenses might need to be substantial in order for us to ensure enough liquidity to sustain our operations. Any equity financing would be dilutive to our stockholders. If we incur debt, we will likely be subject to restrictive covenants that significantly limit our operating flexibility and require us to encumber our assets. If we fail to raise sufficient funds and continue to incur losses, our ability to fund our operations, take advantage of strategic opportunities, or otherwise respond to competitive pressures will be significantly limited. Any of the above limitations could force us to significantly curtail or cease our operations, and you could lose all of your investment in our common stock. These circumstances have raised substantial doubt about our ability to continue as a going concern, and continued cash losses may risk our status as a going concern. Our consolidated financial statements do not include any adjustments that might be necessary should we be unable to continue as a going concern. Our independent registered public accounting firm has expressed doubt about our ability to continue as a going concern. The report of our independent registered public accounting firm contains a note stating that the accompanying financial statements have been prepared assuming we will continue as a going concern. At December 31, **2024 and** ~~2023 and 2022~~, we had cash and cash equivalents and a short- term investment, collectively, of \$ **375, 873 and \$ 17, 448 and \$ 582, 776**, respectively. During the fiscal years ended December 31, **2024 and** ~~2023 and 2022~~, we reported a net loss of \$ **16,979,682 and \$ 26,757,282, 533,906 and \$ 7,089,242**, respectively, and used \$ **10,898,755 and \$**

6, 722, 735, 017, 435 and \$ 5, 630, 614 of cash for operations, respectively and . Until we begin generating expect to incur additional net losses in future periods. Our ability to continue as a going concern is dependent upon our ability to raise additional capital, and there can be no assurance that such capital will be available in sufficient revenue amounts, on there is a timely basis, on acceptable terms, or at all. This raises substantial doubt about our ability to continue as a going concern through December 31 within one year after the date hereof. The accompanying consolidated financial statements have been prepared on a going concern basis . 2024 which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business and do not include any adjustments that might result from the outcome of this uncertainty. If we cannot continue as a going concern, our stockholders would likely lose most or all of their investment in us . We have incurred net losses in prior periods, and there can be no assurance that we will generate income in the future, or that we will be able to successfully achieve or maintain our growth strategy. Our ability to achieve profitability will depend upon our ability to generate and sustain substantially increased revenues. We may continue to incur operating losses in the future as we execute our growth strategy. The likelihood that we will generate net income in the future must be considered in light of the difficulties facing the construction and real estate development industry as a whole, economic conditions and the competitive environment in which we operate. Our operating results for future periods are subject to numerous uncertainties, and we may not achieve sufficient revenues to sustain or increase profitability. In addition, we may be unable to successfully achieve or maintain our growth strategy, including our ability to expand into new geographic markets. To date we have not generated revenue from SG DevCorp or SG Environmental and there can be no assurance that we will be able to do so in the future. In 2021, we formed SG DevCorp. to develop real estate properties and in 2022 we formed SG Environmental to manage waste removal. To date neither subsidiary SG Environmental has not generated any revenue from its operations and there can be no assurance that either it will do so in the future. Each business is subject We expect SG Environmental to all of incur operating losses for the foreseeable future, and the there risks associated with a new business can be no assurance that it will be able to generate revenues, or that any revenues generated will be sufficient for it to become profitable or thereafter maintain profitability . An impairment of goodwill has had a material adverse effect on our financial condition and results of operations. As December 31, 2023-2024 , our goodwill has been fully impaired. We performed an impairment test of our goodwill annually during the fourth quarter of our fiscal year or when events occur or circumstances change that would more- likely- than- not indicate that goodwill might be impaired. Factors that may be considered a change in circumstances, indicating that the carrying value of our goodwill may not be recoverable, include a decline in stock price and market capitalization, reduced future cash flow estimates and slower growth rates in our industry. Our annual impairment tests resulted in \$ 0 1, 309, 330 impairment of goodwill during fiscal 2023-2024 and \$ 0 1, 309, 330 during fiscal 2022-2023 . Deterioration in estimated future cash flows in our reporting unit could result in further future goodwill impairment. Changes to our business strategy, changes in industry or market conditions, changes in operating performance or other indicators of impairment could cause us to record a significant impairment charge during the period in which the impairment is determined, negatively impacting our results of operations and financial position. We will need to raise additional capital to fund our existing operations. If we or our subsidiaries are unable to raise capital when needed, we would be compelled to delay, reduce or eliminate our development or commercialization efforts. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. However, we have estimated our current additional funding needs based on assumptions that may prove to be wrong. Additionally, changing circumstances may cause us to consume capital significantly faster than we currently anticipate, and we may need to spend more money than currently expected because of circumstances beyond our control. Additional capital may not be available to us at such times or in the amounts we need. Even if capital is available, it might be available only on unfavorable terms. Until such time, if ever, as we can generate substantial revenue, we expect to finance our operations through a combination of public or private equity offerings, debt financings, governmental funding, collaborations, strategic partnerships and alliances or marketing, distribution or licensing arrangements with third parties. If access to sufficient capital is not available as and when needed, our business will be materially impaired and we may be required to cease operations, curtail one or more product development or commercialization programs, significantly reduce expenses, sell assets, seek a merger, or joint venture partner, file for protection from creditors or liquidate all our assets. Our failure to timely register the shares of our common stock issuable under the Debenture and the Warrant we issued to Peak One Opportunity Fund, L. P. and Warrants we issued in March pursuant to the warrant inducement transaction could have a material adverse effect on our business, financial condition, results of operations and cash flows. On February 7, 2023, we closed a private placement offering of \$ 1, 100, 000 in principal amount of an 8 % convertible debenture (the “ Debenture ”) and a warrant (the “ Warrant ”) to purchase up to Five Hundred Thousand (500, 000) shares of the Company’s common stock (25, 000 as adjusted for the May Stock Split), with Peak One Opportunity Fund, L. P. (“ Peak One ”) for gross proceeds of \$ 1, 000, 000. In connection with the Peak One financing, we entered into a registration rights agreement with Peak One where we agreed to file a registration statement within 60 days to register the shares of common stock issuable under the Debenture and the Warrant with the SEC and to use our reasonable best efforts to have the registration statement declared effective within 90 calendar days from the closing of the financing. In the event we were to default on our obligation to register the shares of common stock issuable under the Debenture and the Warrant as agreed, Peak One may, among other things, increase the interest rate applicable to the Debenture to the lesser of eighteen percent (18 %) per annum and the maximum interest rate allowable under applicable law and accelerate the immediate payment of the full indebtedness due under the Debenture, in an amount equal to one hundred ten percent (110 %) of the then outstanding principal amount and accrued and unpaid interest. The acceleration of the Debenture issued to Peak One could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our ability to meet our workforce needs is crucial to our results of operations and future sales and profitability. We rely on the existence of an available hourly workforce to manufacture our products. We cannot assure you that we will be able to attract and retain qualified employees to meet current or future manufacturing needs at a reasonable

cost, or at all. For instance, the demand for skilled employees has increased recently with the low unemployment rates in Oklahoma where we have manufacturing facilities. Also, although none of our employees are currently covered by collective bargaining agreements, we cannot assure you that our employees will not elect to be represented by labor unions in the future. Additionally, competition for qualified employees could require us to pay higher wages to attract a sufficient number of employees. Significant increases in manufacturing workforce costs could materially adversely affect our business, financial condition or results of operations. ~~Our workforce may not be sufficient to complete orders due to recent layoffs. In March 2024, we laid off approximately 65 employees of SG Echo and are currently operating our business with a significantly reduced workforce. These employees are being brought back to work in April of 2024, starting with 10 employees re-hired as of April 8, 2024 and 30 employees are scheduled to return to work between April 15th and April 30th, 2024.~~ We have a fixed cost base that will affect our profitability if our sales decrease. The fixed cost levels of operating SG Echo can put pressure on profit margins when sales and production decline. Our profitability depends, in part, on our ability to spread fixed costs over a sufficiently large number of products sold and shipped, and if we make a decision to reduce our rate of production, gross or net margins could be negatively affected. Consequently, decreased demand or the need to reduce production can lower our ability to absorb fixed costs and materially impact our financial condition or results of operations. A material disruption at one of our suppliers' facilities or Echo's facilities could prevent us from meeting customer demand, reduce our sales and negatively affect our overall financial results. Any of the following events could cease or limit operations unexpectedly: fires, floods, earthquakes, hurricanes, on-site or off-site environmental incidents or other catastrophes; global pandemic; utility and transportation infrastructure disruptions; labor difficulties; other operational problems; or war, acts of terrorism or other unexpected events. Any downtime or damage at our suppliers' facilities or SG Echo's facilities could prevent us from meeting customer demand for our products or require us to make more expensive purchases from a competing supplier. If our suppliers were to incur significant downtime, our ability to satisfy customer requirements could be impaired, resulting in customers seeking products from other distributors, as well as decreased customer satisfaction and lower sales and operating income. A natural disaster, the effects of climate change, or other disruptions at our Echo facility could adversely affect our business, financial condition, and results of operations. We rely on the continuous operation of our SG Echo facility in Durant, Oklahoma for the production of our Modules. Any natural disaster or other serious disruption to our facility due to fire, flood, earthquake, or any other unforeseen circumstance would adversely affect our business, financial condition, and results of operations. In addition, adverse weather conditions, such as increased frequency and / or severity of storms, or floods could impair our ability to operate by damaging our facilities and equipment or restricting product delivery to customers. The occurrence of any disruption at our manufacturing facility, even for a short period of time, may have an adverse effect on our productivity and profitability, during and after the period of the disruption. These disruptions may also cause personal injury and loss of life, severe damage to or destruction of property and equipment, and environmental damage. Although we maintain property, casualty, and business interruption insurance of the types and in the amounts that we believe are customary for the industry, we are not fully insured against all potential natural disasters or other disruptions to our manufacturing facility. The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members. We are subject to the reporting and corporate governance requirements of the Exchange Act, the listing requirements of the Nasdaq Capital Market and other applicable securities rules and regulations, including the Sarbanes-Oxley Act and the Dodd-Frank Act. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. Among other things, the Exchange Act requires that we file annual, quarterly and current reports with respect to our business and results of operations and maintain effective disclosure controls and procedures and internal control over financial reporting. In order to continue to maintain our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm our business, financial condition, results of operations and prospects. We also may need to further expand our legal and finance departments in the future, which will increase our costs and expenses. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expense and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies, regulatory authorities may initiate legal proceedings against us and our business and prospects may be harmed. As a result of disclosure of information in the filings required of a public company, our business and financial condition are more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business, financial condition, results of operations and prospects could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business, financial condition, results of operations and prospects. We are dependent on the services of key personnel, and the unexpected loss of their services may adversely affect our operations. Our success depends highly upon the personal efforts and abilities of our executive officers and management team, which is comprised of a small number of people. The loss of the services of any of our executive officers or members of our management team could have a material adverse effect on our business. The loss of one or a few customers could have a material adverse effect on us. A few customers have in the past, and may in the future, account for a significant portion of our

revenues in any one year or over a period of several consecutive years. At December 31, **2024 and 2023** and ~~2022~~, 100 % and ~~80-100~~ %, respectively, of the our gross accounts receivable were due from three and four customers. Revenue relating to **three and one** customer represented approximately **83 % and 87 % and 65 %** of our total revenue for the years ended December 31, **2024 and 2023** and ~~2022~~, respectively. Although we have contractual relationships with many of our significant customers, our customers may unilaterally reduce or discontinue their contracts with us at any time. The loss of business from a significant customer could have a material adverse effect on our business, financial condition, results of operations and cash flows. We rely on certain vendors to supply us with materials and products that, if we were unable to obtain, could adversely affect our business. We have relationships with key materials vendors, and we rely on suppliers for our purchases of products from them. Any inability to obtain materials or services in the volumes required and at competitive prices from our major trading partners, the loss of any major trading partner or the discontinuation of vendor financing (if any) may seriously harm our business because we may not be able to meet the demands of our customers on a timely basis in sufficient quantities or at all. Other factors, including reduced access to credit by our vendors resulting from economic conditions, may impair our vendors' ability to provide products in a timely manner or at competitive prices. We also rely on other vendors for critical services such as transportation, supply chain and professional services. Any negative impacts to our business or liquidity could adversely impact our ability to establish or maintain these relationships. We currently are, and may in the future be, subject to legal proceedings or investigations, the resolution of which could negatively affect our profitability and cash flows in a particular period. The nature of our operations exposes us to possible litigation claims, including disputes relating to our operations and commercial and contractual arrangements. Often the litigation matters are not totally within our control. We will contest these matters vigorously and will make insurance claims where appropriate, but because of the uncertain nature of litigation and coverage decisions, we cannot predict the outcome of these matters. The costs associated with litigation matters could have a material adverse effect on our financial condition and profitability. In addition, our profitability or cash flow in a particular period could be affected by an adverse ruling in any litigation currently pending in the courts or by litigation that may be filed against us in the future. We are also subject to government regulation, which could result in administrative proceedings in the future. For additional information, see "**Item 3. Legal Proceedings. Note 20- Commitments and Contingencies**" **of our condensed consolidated financial statements included in this Annual Report.** We may have difficulty protecting our proprietary manufacturing processes, which could adversely affect our ability to compete. We use a proprietary manufacturing process that allows us to be code-compliant in our Safe & Green™ product. Such manufacturing process is unique to the construction industry and is important to ensure our continued success, and we cannot assure you that our efforts to protect our proprietary rights will be sufficient or effective. If other companies replicate our methodology, we could lose our competitive advantage. Any future patent or trademark applications may not lead to issued patents and registered trademarks in all instances. We also cannot be assured that the scope of any patents issued in the future will be sufficiently broad to offer meaningful protection. Others may develop or patent similar or superior technologies, products or services, and our intellectual property rights may be challenged, invalidated, misappropriated or infringed by others. If we are unable to protect and maintain our intellectual property rights, or if there are any successful intellectual property challenges or infringement proceedings against us, our business and revenue could be materially and adversely affected.

~~Risks Relating to our Business Our residential construction business is difficult to evaluate because we changed our business model in June 2021 and have a limited operating history and limited information. In 2021 we terminated our licensing business model for our residential construction business in the United States and are currently developing and constructing our own residential developments. In 2019 we had entered into one license agreement for use of our technology for construction of residences in the United States. We terminated this license agreement in June 2021. There is a risk that we will be unable to successfully generate income from this business model. Although we believe that we will experience increased revenue, there can be no assurance that we will not experience increased costs and generate less income with this new business model than we anticipate. We are subject to many risks associated with currently developing and constructing our own residential developments, such as our dependence upon third parties to provide services and supply required materials. Even if we generate increased revenue as anticipated, there can be no assurance that we will be profitable. We are subject to the risks inherent to the operation of a new business enterprise, and cannot assure you that we will be able to successfully address these risks. We rely on the existence of an available hourly workforce to manufacture our products. We cannot assure you that we will be able to attract and retain qualified employees to meet current or future manufacturing needs at a reasonable cost, or at all. Also, although none of our employees are currently covered by collective bargaining agreements, we cannot assure you that our employees will not elect to be represented by labor unions in the future. Additionally, competition for qualified employees could require us to pay higher wages to attract a sufficient number of employees. Significant increases in manufacturing workforce costs could materially adversely affect our business, financial condition or results of operations. Given our fixed cost base our profitability is highly sensitive to changes in sales volume and production levels. The fixed cost levels of operating SG Echo can put pressure on profit margins when sales volume and / or production levels decline. Our profitability depends, in part, on our ability to spread fixed costs over a sufficiently large number of products sold and shipped, and if we make a decision to reduce our rate of production, gross or net margins could be negatively affected. Consequently, decreased demand or the need to reduce production can lower our ability to absorb fixed costs and materially impact our financial condition or results of operations. A material disruption at our suppliers' facilities or Echo' s facilities could prevent us from meeting customer demand, reduce our sales and negatively affect our overall financial results. Any of the following events could cease or limit operations unexpectedly: fires, floods, earthquakes, hurricanes, on- site or off- site environmental incidents or other catastrophes; global pandemic; supply chain disruptions; utility and transportation infrastructure disruptions; labor difficulties; other operational problems; or war, acts of terrorism or other unexpected events. Any downtime or damage at our suppliers' facilities or SG Echo' s facilities could prevent us from meeting customer demand for our products or require us to make more expensive purchases from a competing supplier. If our suppliers were to incur significant downtime, our ability to~~

satisfy customer requirements could be impaired, resulting in customers seeking products from other distributors, as well as decreased customer satisfaction and lower sales and operating income. ~~A natural disaster, the effects of climate change, or other disruptions at our Echo facilities could adversely affect our business, financial condition, and results of operations. We rely on the continuous operation of our SG Echo facilities, both of which are located in Durant, Oklahoma, for the production of our Modules. Any natural disaster or other serious disruption to our facility due to fire, flood, earthquake, or any other unforeseen circumstance would adversely affect our business, financial condition, and results of operations. In addition, adverse weather conditions, such as increased frequency and / or severity of storms, or floods could impair our ability to operate by damaging our facilities and equipment or restricting product delivery to customers. The occurrence of any disruption at our manufacturing facilities, even for a short period of time, may have an adverse effect on our productivity and profitability, during and after the period of the disruption. These disruptions may also cause personal injury and loss of life, severe damage to or destruction of property and equipment, and environmental damage. Although we maintain property, casualty, and business interruption insurance of the types and in the amounts that we believe are customary for the industry, we are not fully insured against all potential natural disasters or other disruptions to our manufacturing facility.~~ We are dependent on our executive officers and management team, and the unexpected loss of their services may adversely affect our operations. The loss of one or a few customers could have a material adverse effect on us. A few customers have in the past, and may in the future, account for a significant portion of our revenues in any one year or over a period of several consecutive years. At December 31, **2024 and 2023** ~~and 2022~~, 100 % and **80-100** %, respectively, of the our gross accounts receivable were due from three and four customers. For the year ended December 31, **2024 and 2023** ~~and 2022~~, **83 % and 87 %** ~~and 65 %~~ of our revenue was from **three and one customer, respectively**. Although we have contractual relationships with many of our significant customers, our customers may unilaterally reduce or discontinue their contracts with us at any time. The loss of business from a significant customer could have a material adverse effect on our business, financial condition, results of operations and cash flows. We rely on certain vendors to supply us with materials and products that, if we were unable to obtain, could adversely affect our business. We have relationships with key materials vendors, and we rely on suppliers for our purchases of products from them. Any inability to obtain materials or services in the volumes required and at competitive prices from our major trading partners, the loss of any major trading partner or the discontinuation of vendor financing (if any) may seriously harm our business because we may not be able to meet the demands of our customers on a timely basis in sufficient quantities or at all. Other factors, including reduced access to credit by our vendors resulting from economic conditions, may impair our vendors' ability to provide products in a timely manner or at competitive prices. We also rely on other vendors for critical services such as transportation, supply chain and professional services. Any negative impacts to our business or liquidity could adversely impact our ability to establish or maintain these relationships. There were no vendors representing 10 % or more of our total cost of revenue for the years ended December 31, **2024 or 2023** ~~or 2022~~. The nature of our operations exposes us to possible litigation claims, including disputes relating to our operations and commercial and contractual arrangements. Often the litigation matters are not totally within our control. We will contest these matters vigorously and will make insurance claims where appropriate, but because of the uncertain nature of litigation and coverage decisions, we cannot predict the outcome of these matters. The costs associated with litigation matters could have a material adverse effect on our financial condition and profitability. In addition, our profitability or cash flow in a particular period could be affected by an adverse ruling in any litigation currently pending in the courts or by litigation that may be filed against us in the future. We are also subject to government regulation, which could result in administrative proceedings in the future. We may have difficulty protecting our proprietary manufacturing processes, which could adversely affect our ability to compete. We use a proprietary manufacturing process that allows us to be code-compliant in our Safe & Green™ product. Such manufacturing process is unique to the construction industry and is important to ensure our continued success, and we cannot assure you that our efforts to protect our proprietary rights will be sufficient or effective. If other companies replicate our methodology, we could lose our competitive advantage. Any future patent or trademark applications may not lead to issued patents and registered trademarks in all instances. We also cannot be assured that the scope of any patents issued in the future will be sufficiently broad to offer meaningful protection. Others may develop or patent similar or superior technologies, products or services, and our intellectual property rights may be challenged, invalidated, misappropriated or infringed by others. If we are unable to protect and maintain our intellectual property rights, or if there are any successful intellectual property challenges or infringement proceedings against us, our business and revenue could be materially and adversely affected. We depend on third parties for transportation services, and limited availability or increases in costs of transportation could adversely affect our business and operations. Our business depends on the transportation of a large number of products, via railroad or truck. We rely primarily on third parties for transportation of the products we manufacture or distribute and for the delivery of our raw materials. We are also subject to seasonal capacity constraints and weather-related delays for both rail and truck transportation. If any of our third-party transportation providers were to fail to deliver raw materials to us or our Modules to our customers in a timely manner, we may be unable to complete projects in a timely manner and may, among other things, incur penalties for late delivery or be unable to use the Modules as intended. In addition, if any of these third parties were to cease operations or cease doing business with us, we may be unable to replace them at reasonable cost. Any failure of a third-party transportation provider to deliver raw materials to us or finished Modules to our customers in a timely manner could harm our reputation, negatively affect our customer relationships, and have a material adverse effect on our operating results, cash flows, and financial condition. Additionally, an increase in transportation rates or fuel surcharges could adversely affect our sales, profitability, and cash flows. Expansion of our operations may strain resources, and our failure to manage growth effectively could adversely impact our operating results and harm our ability to attract and retain key personnel. Increased orders for our Modules have placed, and may continue to place, a strain on our operational, financial, and managerial resources and personnel. In addition, execution of our growth strategy will require further substantial capital and effective planning. Significant rapid growth on top of our current operations could greatly strain our internal

resources, leading to a lower quality of customer service, reporting problems, and delays, resulting in a loss of market share and other problems that could adversely affect our financial performance. Our efforts to grow could place an additional strain on our personnel, management systems, liquidity, and other resources. If we do not manage our growth effectively, our operations could be adversely affected, resulting in slower, no or negative growth, critical shortages of cash and a failure to achieve or sustain profitability. Our clients may adjust, cancel or suspend the contracts in our backlog; as such, our backlog is not necessarily indicative of our future revenues or earnings. In addition, even if fully performed, our backlog is not a good indicator of our future gross margins. Backlog represents the total dollar amount of revenues we expect to record in the future as a result of performing work under contracts we have been awarded. Backlog may fluctuate significantly due to the timing of orders or awards for large projects and is not necessarily indicative of future backlog levels or the rate at which backlog will be recognized as revenue. As of December 31, 2022, our backlog totaled approximately \$ 6. 8 million and as of December 31, 2023, our backlog totaled approximately \$ 1. 9 million **and as of December 31, 2024, our backlog totaled approximately \$ 1. 2 million**. The decrease in backlog at December 31, ~~2023-2024~~ from December 31, ~~2022-2023~~ is primarily attributable to revenue being recognized during the year ended December 31, 2023. Our backlog is described more in detail in “ Note ~~14-13~~ — Construction Backlog ” of the notes to our consolidated financial statements included in this Annual Report. We cannot provide assurance that our backlog will be realized as revenues in the amounts reported or, if realized, will result in profits. In accordance with industry practice, substantially all of our contracts are subject to cancellation, termination or suspension at our customer’ s discretion. In the event of a project cancellation, we generally would not have a contractual right to the total revenue reflected in our backlog. Projects can remain in backlog for extended periods of time because of the nature of the project and the timing of the particular services required by the project. In addition, the risk of contracts in backlog being cancelled or suspended generally increases during periods of widespread economic slowdowns or in response to changes in commodity prices. The contracts in our backlog are subject to changes in the scope of services to be provided and adjustments to the costs relating to the contracts. The revenue for certain contracts included in backlog is based on estimates. Additionally, our performance of our individual contracts can affect greatly our gross margins and, therefore, our future profitability. We can provide no assurance that the contracts in backlog, assuming they produce revenues in the amounts currently estimated, will generate gross margins at the rates realized in the past. Our liability for estimated warranties may be inadequate, which could materially adversely affect our business, financial condition and results of operations. We are subject to construction defect and warranty claims arising in the ordinary course of business. These claims are common in the construction industry and can be costly. At this time, our third- party providers offer guarantees and warranties in accordance with industry standards that flow through to our clients. A large number of warranty claims could have a material adverse effect on our results of operations. We can be adversely affected by failures of persons who act on our behalf to comply with applicable regulations and guidelines. Although we expect all of our associates (i. e., employees), officers and directors to comply at all times with all applicable laws, rules and regulations, there are instances in which subcontractors or others through whom we do business may engage in practices that do not comply with applicable regulations or guidelines. It is possible that our associates may become aware of these practices and not take steps to prevent them. If we learn of practices relating to Modules constructed on our behalf that do not comply with applicable regulations or guidelines, we will move actively to stop the non- complying practices as soon as possible, and we will take disciplinary action with regard to our associates who were aware of the practices, including in some instances terminating their employment. However, regardless of the steps we take, we may be subject to fines or other governmental penalties, and our reputation may be negatively affected. Environmental, health and safety laws and regulations and any changes to, or liabilities arising under, such laws and regulations could have a material adverse effect on our financial condition, results of operations and liquidity. We are subject to a variety of federal, state and local laws and regulations relating to, among other things: the release or discharge of materials into the environment; the management, use, generation, treatment, processing, handling, storage, transport or disposal of solid and hazardous wastes and materials; and the protection of public and employee health and safety and the environment. These laws and regulations may expose us to liability for the conduct of others or for our actions, even if such actions complied with all applicable laws at the time these actions were taken. These laws and regulations may also expose us to liability for claims of personal injury or property or natural resource damage related to alleged exposure to, or releases of, regulated or hazardous materials. The existence of contamination at properties we or our subsidiaries own, lease or operate could also result in increased operational costs or restrictions on our ability to use those properties as intended, including for purposes of construction materials distribution. In addition, because such properties are generally situated adjacent to or near industrial companies, such properties may be at an increased risk of having environmental contaminants from other properties spill or migrate onto or otherwise affect our properties. Despite our compliance efforts, there is an inherent risk of liability in the operation of our business, especially from an environmental standpoint, and, from time to time, we may be in noncompliance with environmental, health and safety laws and regulations. These potential liabilities or non-compliances could have an adverse effect on our operations and profitability. In some instances, we must have government approvals, certificates, permits or licenses in order to conduct our business, which may require us to make significant capital, operating and maintenance expenditures to comply with environmental, health and safety laws and regulations. Our failure to obtain and maintain required approvals, certificates, permits or licenses or to comply with applicable governmental requirements could result in sanctions, including substantial fines or possible revocation of our authority to conduct some or all of our operations. The cost of complying with such laws could have a material adverse effect on our financial condition, results of operations and liquidity. Our operating results will be subject to fluctuations and are inherently unpredictable. In order to achieve profitability, we will need to generate and sustain higher revenue while maintaining reasonable cost and expense levels. We have incurred losses since inception. We do not know if our revenue will grow, or if it will grow sufficiently to outpace our expenses, which we expect to increase as we expand our operational capacity. We may not be able to become profitable on a quarterly or an annual basis. Our quarterly revenue and operating results will be difficult to predict and have in the past

fluctuated from quarter to quarter. The amount, timing and mix of project sales, often for a single medium or large-scale project, may cause large fluctuations in our revenue and other financial results. Further, our revenue mix of high margin materials sales versus lower margin projects can fluctuate dramatically quarter to quarter, which may adversely affect our revenue and financial results in any given period. Finally, our ability to meet project completion schedules for an individual project and the corresponding revenue impact under the percentage-of-completion method of recognizing revenue, may similarly cause large fluctuations in our revenue and other financial results. This may cause us to miss guidance announced by us. We base our planned operating expenses in part on our expectations of future revenue, and a significant portion of our expenses are fixed in the short-term. If revenue for a particular quarter is lower than we expect, we likely will be unable to proportionately reduce our operating expenses for that quarter, which would harm our operating results for that quarter. This may cause us to miss any guidance announced by us. Cybersecurity risks related to the technology used in our operations and other business processes, as well as security breaches of company, customer, employee and vendor information, could adversely affect our business. We rely on various information technology systems to capture, process, store and report data and interact with customers, vendors and employees. Despite security and controls design, as the prevalence of cyber-attacks continues to increase, our information technology systems, and those of our third-party providers, could become subject to increased security threats, such as phishing and malware incidents. Our security measures may be unable to prevent certain security breaches, and any such network, system, data or other breaches could result in misappropriation of sensitive data, transactional errors, theft of funds, business disruptions, loss of or damage to intellectual property, loss of customers and business opportunities, unauthorized access to or disclosure of confidential or personal information (which could cause a breach of applicable data protection legislation), regulatory fines, penalties or intervention, reputational damage, reimbursement or other compensatory costs and additional compliance costs, any of which could have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows. Because the techniques used to obtain unauthorized access to, or disable, degrade or sabotage, information technologies systems change frequently, and may not be recognized until after they have been launched against a target, we may be unable to anticipate these techniques, implement adequate preventative measures or remediate any breach in a timely or effective manner. In addition, the development and maintenance of preventative or detective measures is costly, and requires ongoing monitoring and updating as technologies change and efforts to circumvent security measures become more sophisticated. As well as incurring additional costs, sophisticated hardware and operating system software and applications that we procure from third parties may contain defects in design or manufacture, including “bugs” and other problems that could unexpectedly interfere with the operation of the systems, or we may be unable to successfully integrate and launch new systems as planned without disruptions to our operations. Misuse of internal applications, theft of intellectual property, trade secrets, funds or other corporate assets and inappropriate disclosure of confidential information could stem from such incidents. Despite our efforts, we remain potentially vulnerable to cyber-attacks and security breaches, and any such attack or breach could adversely affect our reputation, business, financial condition or results of operations. We could suffer adverse tax and other financial consequences if we are unable to utilize our net operating loss carryforwards. At December 31, 2023-2024, we had tax net operating loss carry forwards totaling approximately \$ 31-60. 6-9 million. The net operating loss expires beginning 2030 through 2037 for those losses generated in 2017 and prior years. Approximately \$ 18-54 million of such net operating losses will carry forward indefinitely and be available to offset up to 80 % of future taxable income each year. At December 31, 2023-2024, we had a valuation allowance of approximately \$ 20-13.2-million, primarily related to net operating loss carry forwards that are not more likely than not to be utilized due to an inability to carry back these losses in most states and short carry forward periods that exist in certain states. If we are unable to use our net operating losses, we may be required to record charges or reduce our deferred tax assets, which could have an adverse effect on our results of operations. Risks Relating to our Industry and Other Adverse Economic Conditions Unfavorable global economic conditions, including any adverse macroeconomic conditions or geopolitical events could adversely affect our business, financial condition, results of operations or liquidity. **The Our results of operations could be adversely affected by general conditions in the global economy and in, including the global financial and credit markets, continues to.** The global credit and financial markets have experienced **experience** extreme volatility and disruptions **in the past several years**, including severely diminished liquidity and credit availability, **rising declines in consumer confidence, declines in economic growth, increases in unemployment rates, increases in inflation rates and monetary supply shifts, rising elevated interest rates, labor shortages, declines in consumer confidence, declines in economic growth, increases in unemployment rates, recession risks, and uncertainty about economic and geopolitical stability. Following Likewise, the current COVID-19 pandemic and in connection with geopolitical conflicts, in Ukraine and the Middle East have created extreme volatility in the global capital markets and global economic and business activities continue to face widespread uncertainties consequences, including disruptions of the global supply chain.** A severe or prolonged economic downturn, or **additional global continued volatility in the financial and credit markets or political crises, could negatively impact result in a variety of risks to our business, including our ability to raise additional capital when needed obtain necessary debt or equity financing in a timely manner or on acceptable favorable terms, if at all. The extent severity and duration of the any such impact impacts** of these conditions on our operational and financial performance, including our ability to execute our business strategies and initiatives in the expected timeframe, as well as that of third parties upon whom we rely, will depend on future developments which are uncertain and cannot be predicted. **A weak or declining economy also Any such failure to raise capital as and when needed could strain have a negative impact on our financial condition and on our ability to pursue our business plans and strategies our- or suppliers, possibly resulting in supply disruption cause us to delay our development plans or commercialization efforts.** Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business. Furthermore, our stock price may decline due in part to the volatility of the stock market and the general economic downturn. Events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, or

concerns or rumors about any events of these **actions** kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank, was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation as receiver. Although we did not have any cash or cash equivalent balances on deposit with Silicon Valley Bank, uncertainty and liquidity concerns in the broader financial services industry remain. While we do not have any direct operations in the Middle East, geopolitical tensions and ongoing conflicts in the region, particularly between Israel and Palestine, may lead to global economic instability and fluctuating energy prices that could materially affect **harm** our business. It is not possible to predict the broader consequences of the Israel-Palestinian war, including related geopolitical tensions, and the measures and actions taken by other countries in respect thereof, which could materially adversely affect global trade, currency exchange rates, regional economies and the global economy. The COVID-19 pandemic, or the future outbreak of any other highly infectious or contagious diseases, could materially and adversely impact our performance, financial condition, results of operations and cash flows. Throughout 2021 and to date, the COVID-19 pandemic has severely impacted global economic activity and caused significant volatility and negative pressure in financial markets. COVID-19 (or a future pandemic) could have material and adverse effects on our performance, financial condition, results of operations and cash flows due to, among other factors: • a complete or partial closure of, or other operational issues at, one or more of our facilities resulting from infection by one or more employees or government actions; • difficulty accessing equity and debt capital on attractive terms, or at all, and a severe disruption and instability in the global financial markets • difficulty obtaining capital necessary to fund business operations; • construction moratoriums by local, state or federal government authorities; • delays by applicable governmental authorities in providing the necessary authorizations to commence construction; • manufacturing and supply chain disruptions for materials sourced from other geographies which may be experiencing shutdowns and shipping delays. The extent to which COVID-19 (or a future pandemic) impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence. The cyclical and seasonal nature of the construction industry causes our revenues and operating results to fluctuate, and we expect this cyclicity and seasonality to continue in the future. The construction industry is highly cyclical and seasonal and is influenced by many international, national and regional economic factors, including the availability of consumer and wholesale financing, seasonality of demand, consumer confidence, interest rates, income levels and general economic conditions, including inflation and recessions. As a result of the foregoing factors, the revenues and operating results we derive from customers will fluctuate and we currently expect them to continue to fluctuate in the future. Moreover, we have experienced, and may continue to experience, operating losses during cyclical downturns in the construction market. These and other economic factors could have a material adverse effect on demand for our products and our financial condition and operating results. Our business depends on the construction industry and general business, financial market and economic conditions. The construction industry is significantly affected by changes in general and local economic and real estate conditions, such as employment levels, consumer confidence, demographic trends, housing demand, inflation, deflation, interest rates and credit availability. Changes in these general and local economic conditions or deterioration in the broader economy could negatively impact the level of purchases, capital expenditures and creditworthiness of our indirect customers and suppliers, and, therefore, our royalty income and financial condition, results of operations and cash flows. Changes in these economic conditions may affect some of our regions or markets more than others. If adverse conditions affect our larger markets, they could have a proportionately greater impact on us than on some other companies. In addition, any uncertainty regarding global economic conditions such as raising gas prices may have an adverse effect on the results of operations and financial condition of us or our customers, distributors and suppliers, such as negative effects of currency exchange fluctuations. A shortage of labor in the construction industry could also have an impact on our financial results. Our business relies on private investment and a slower than expected economy may adversely affect our results. A significant portion of our sales are for projects with non-public owners, such as non-residential builders and home builders who make investments with private funds into their projects. Construction spending is affected by their customers' ability to finance projects, which may be severely reduced due to high interest rates. Residential and nonresidential construction could decline if companies and consumers are unable to finance construction projects or if the economy slows or is stalled, which could result in delays or cancellations of capital projects. If the economy slows, or if housing starts and nonresidential projects do not increase, sales of our products directly by us to consumers and related services may decline, and our financial position, results of operations and liquidity could be materially adversely affected. Risks Relating to the Manufacturing and Construction Our financial condition and results of operations could be negatively affected if additional third-party financing for our customers does not become available. Our business and earnings depend substantially on our customers' ability to obtain financing for the development of their construction projects. The availability and cost of such financing is further dependent on the number of financial institutions participating in the industry, the departure of financial institutions from the industry, the financial institutions' lending practices, the strength of the domestic and international credit markets generally, governmental policies and other conditions, all of which are beyond our control. In light of the current economic climate, some of our customers' projects may not be successful in obtaining additional funds in a timely manner, on favorable terms or at all. The availability of borrowed funds, especially for construction financing, has been greatly reduced, and lenders may require project developers to invest increased amounts of equity in a project in connection with both new loans and the extension of existing loans. Unfavorable changes in the availability and terms of financing in the industry will have a material adverse effect on certain privately financed projects. Our results of operations also depend on the ability of any potential privately financed licensees to obtain loans for the purchase of new buildings. Over the past few years, lenders have tightened the credit underwriting standards, which have reduced lending volumes. If this trend continues, it would negatively impact our sales, which depend in large part on the availability and cost of financing. In addition, where our potential customers must sell their existing buildings or real estate in order to develop new buildings, increases in mortgage costs and / or lack of availability of mortgages could prevent buyers of potential customers'

existing buildings from obtaining the mortgages they need to complete their purchases, which would result in our potential customers' inability to make purchases from us. If our potential customers cannot obtain suitable financing, our sales and results of operations would be adversely affected. The construction industry is highly competitive, and such competition may increase the adverse effects of industry conditions, including the consolidation of the industry. We operate in a very competitive environment characterized by competition from numerous local, regional and national builders. We may compete for financing, raw materials and skilled management and labor resources. A decline in construction starts could adversely affect demand for our buildings and our results of operations. Increased competition could require us to further increase our selling incentives and / or reduce our prices, which could negatively affect our profits. We may be unable to successfully expand into or compete in the markets in new geographic areas. In addition, while we believe our ESR may improve our competitive position by potentially expediting reviews and approvals by state and local building departments and certifying our specific quality control and design acceptance criteria, there is no assurance that it will have the desired impact. There can be no assurance that Modules or modular construction techniques that utilize our technology and expertise will achieve market acceptance and grow; thus, the future of our business and the modular construction industry as a whole is uncertain. There can be no assurance that we will achieve market acceptance for our technology and expertise or that the modular construction market will grow. Our business may be disrupted by the introduction of new products and services and is subject to changing consumer preferences and industry trends, which may adversely affect our ability to plan for the future development and marketing of our products. Although Modules have particular applications in a wide variety of market segments, there is no assurance that we will be able to expand our relationship within such market segments or, even if we do, that general market acceptance for our technology and expertise or Modules will continue to increase. Government regulations and legal challenges may delay the start or completion of our projects, increase our expenses or limit our building activities, which could have a negative impact on our operations. Various domestic rules and regulations concerning building, zoning, sales and similar matters apply to and / or affect the construction industry. Governmental regulation affects construction activities, as well as sales activities, mortgage lending activities and other dealings with consumers. These industries also have experienced an increase in state and local legislation in the United States and regulations that limit the availability or use of land. Municipalities may also restrict or place moratoriums on the availability of utilities, such as water and sewer taps. In some areas, municipalities may enact growth control initiatives, which restrict the number of building permits available in a given year. If governments in locations in which our customers operate take actions like the ones described, they could adversely affect our business by causing delays, increasing costs or limiting our customers' ability to operate in those areas. The dangers inherent in our operations, such as disruptions to our facilities and project sites, and the limits on insurance coverage could expose us to potentially significant liability costs and materially interfere with the performance of our operations. While we believe our insurance coverage is adequate and in line with our industry' s standards, all construction, including modular construction, involves operating hazards that can cause personal injury or loss of life, severe damage to and destruction of property and equipment and suspension of operations, including, but not limited to, natural or man- made disruptions to our facilities and project sites. The failure of such structures during and after installation can result in similar injuries and damages. Although we believe that our insurance coverage is adequate, there can be no assurance that we will be able to maintain adequate insurance in the future at rates we consider reasonable, or that our insurance coverage will be adequate to cover future claims that may arise. Claims for which we are not fully insured may adversely affect our working capital and profitability. In addition, changes in the insurance industry have generally led to higher insurance costs and decreased availability of coverage. The availability of insurance that covers risks we and our competitors typically insure against may decrease, and the insurance that we are able to obtain may have higher deductibles, higher premiums and more restrictive policy terms.

~~Risks Relating to Real Estate Development~~ ~~The long- term sustainability of SG DevCorp' s operations as well as future growth depends in part upon SG DevCorp' s ability to acquire land parcels suitable for residential projects at reasonable prices. The long- term sustainability of SG DevCorp' s operations, as well as future growth, depends in large part on the price at which it is able to obtain suitable land parcels for development or our homebuilding operations. SG DevCorp' s ability to acquire land parcels for various residential projects may 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, zoning, regulations that limit housing density, the ability to obtain building permits, environmental requirements and other market conditions and regulatory requirements. If suitable lots or land at reasonable prices become less available, the number of units SG DevCorp may be able to build and sell could be reduced, and the cost of land could be increased substantially, which could adversely impact it. As competition for suitable land increases, the cost of undeveloped lots and the cost of developing owned land could also rise and the availability of suitable land at acceptable prices may decline, which could adversely impact it. The availability of suitable land assets could also affect the success of SG DevCorp' s land acquisition strategy, which may impact SG DevCorp' s ability to maintain or increase the number of active communities, as well as to sustain and grow its revenues and margins, and achieve or maintain profitability. Additionally, developing undeveloped land is capital intensive and time consuming and SG DevCorp may develop land based upon forecasts and assumptions that prove to be inaccurate, resulting in projects that are not economically viable. SG DevCorp. Operates in a highly competitive market for investment opportunities, and SG DevCorp may be unable to identify and complete acquisitions of real property assets. The housing industry is highly competitive, and SG DevCorp faces competition from many sources, including from other housing communities both in the immediate vicinity and the geographic market where SG DevCorp' s properties are and will be located. Furthermore, housing communities SG DevCorp invests in compete, or will compete, with numerous housing alternatives in attracting residents, including owner occupied single and multifamily homes available to rent or purchase. Increased competition may prevent SG DevCorp from acquiring attractive land parcels or make such acquisitions more expensive, hinder SG DevCorp' s market share expansion, or lead to pricing pressures that may adversely impact its margins and revenues. Competitors may independently develop land and construct housing units that are~~

superior or substantially similar to SG DevCorp's products and because they are or may be significantly larger, have a longer operating history, and have greater resources or lower cost of capital than it, may be able to compete more effectively in one or more of the markets in which SG DevCorp operates or plans to operate. SG DevCorp will also compete with public and private funds, commercial and investment banks, commercial financing companies and public and private REITs to make certain of the investments that it plans to make. Many of such competitors are substantially larger and have considerably greater financial, technical and marketing resources than it. In addition, some of SG DevCorp's competitors may have higher risk tolerances or different risk assessments, allowing them to pay higher consideration, consider a wider variety of investments and establish more effective relationships than it. These competitive conditions could adversely affect SG DevCorp's ability to make investments. Moreover, SG DevCorp's ability to close transactions will be subject to its ability to access financing within stipulated contractual time frames, and there is no assurance that it will have access to such financing on terms that are favorable to it, if at all. SG DevCorp's property portfolio has a high concentration of properties located in certain states. To date, SG DevCorp's properties are located in Georgia, Texas and Oklahoma. Certain of SG DevCorp's properties are located in areas that may experience catastrophic weather and other natural events from time to time, including hurricanes or other severe weather, flooding fires, snow or ice storms, windstorms or earthquakes. These adverse weather and natural events could cause substantial damages or losses to SG DevCorp's properties which could exceed its insurance coverage. In the event of a loss in excess of insured limits, SG DevCorp could lose its capital invested in the affected property, as well as anticipated future revenue from that property. SG DevCorp could also continue to be obligated to repay any mortgage indebtedness or other obligations related to the property. Any such loss could materially and adversely affect SG DevCorp's business and its financial condition and results of operations. To the extent that significant changes in the climate occur, SG DevCorp may experience extreme weather and changes in precipitation and temperature and rising sea levels, all of which may result in physical damage to or a decrease in demand for properties located in these areas or affected by these conditions. Should the impact of climate change be material in nature, including destruction of SG DevCorp's properties, or occur for lengthy periods of time, SG DevCorp's financial condition or results of operations may be adversely affected. In addition, changes in federal and state legislation and regulation on climate change could result in increased capital expenditures to improve the energy efficiency of SG DevCorp's existing properties or to protect them from the consequence of climate change. There can be no assurance that the properties in SG DevCorp's development pipeline will be completed in accordance with the anticipated timing or cost. The development of the projects in SG DevCorp's pipeline is subject to numerous risks, many of which are outside of SG DevCorp's control, including: • inability to obtain entitlements; • inability to obtain financing on acceptable terms; • default by any of the contractors it engages to construct SG DevCorp's projects; • site accidents; and • failure to secure tenants or residents in the anticipated time frame, on acceptable terms, or at all. SG DevCorp can provide no assurances that it will complete any of the projects in SG DevCorp's development pipeline on the anticipated schedule or within the budget, or that, once completed, these properties will achieve the results that it expects. If the development of these projects is not completed in accordance with SG DevCorp's anticipated timing or cost, or the properties fail to achieve the financial results it expects, it could have a material adverse effect on SG DevCorp's business, financial condition, results of operations and cash flows and ability to repay SG DevCorp's debt, including project-related debt. SG DevCorp's insurance coverage on its properties may be inadequate to cover any losses it may incur and its insurance costs may increase. SG DevCorp maintains insurance on its properties. However, there are certain types of losses, generally of a catastrophic nature, such as floods or acts of war or terrorism that may be uninsurable or not economical to insure. Further, insurance companies often increase premiums, require higher deductibles, reduce limits, restrict coverage, and refuse to insure certain types of risks, which may result in increased costs or adversely affect SG DevCorp's business. SG DevCorp uses its discretion when determining amounts, coverage limits and deductibles, for insurance, based on retaining an acceptable level of risk at a reasonable cost. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay the full current market value or current replacement cost of SG DevCorp's lost investment. In addition, SG DevCorp may become liable for injuries and accidents at SG DevCorp's properties that are underinsured. A significant uninsured loss or increase in insurance costs could materially and adversely affect SG DevCorp's business, liquidity, financial condition and results of operations. SG DevCorp may not be able to secure sufficient modular units to complete its developments using modules built by SG Echo. SG DevCorp intends to construct many of its planned developments using modules built by our subsidiary, SG Echo, and to rely on SG Echo as the main source of the modular units used in its projects. We had a \$ 1, 902, 332 backlog of signed construction and engineering contracts in existence at December 31, 2023. SG DevCorp's ability to complete its modular developments may be limited by the available capacity of the SG Echo facility. If SG DevCorp is unable to secure sufficient modular units to complete its developments using modules built by SG Echo, its business, prospects, financial condition, results of operations, and cash flows could be materially and adversely affected. SG DevCorp's operating results may be negatively affected by potential development and construction delays and resultant increased costs and risks. SG DevCorp has acquired properties upon which it will construct improvements. In connection with SG DevCorp's development activities, it is subject to uncertainties associated with re-zoning for development, environmental concerns of governmental entities or community groups and SG DevCorp's contractor's or partner's ability to build in conformity with plans, specifications, budgeted costs, and timetables. Performance also may be affected or delayed by conditions beyond its control. SG DevCorp may incur additional risks when it makes periodic progress payments or other advances to builders before they complete construction. If a builder or development partner fails to perform, SG DevCorp may resort to legal action to rescind the purchase or the construction contract or to compel performance, but there can be no assurance any legal action would be successful. These and other factors can result in increased costs of a project or loss of SG DevCorp's investment. In addition, SG DevCorp will be subject to normal lease-up risks relating to newly constructed projects. SG DevCorp also must rely on rental income and expense projections and estimates of the fair market value of property upon completion of construction when agreeing upon a price at the time it acquires the property. If SG

DevCorp's projections are inaccurate, SG-DevCorp may pay too much for a property, and its return on its investment could suffer. SG-DevCorp relies on third-party suppliers and long supply chains, and if it fails to identify and develop relationships with a sufficient number of qualified suppliers, or if there is a significant interruption in its supply chains, SG-DevCorp's ability to timely and efficiently access raw materials that meet its standards for quality could be adversely affected. SG-DevCorp's ability to identify and develop relationships with qualified suppliers who can satisfy its standards for quality and its need to access products and supplies in a timely and efficient manner will be a significant challenge. SG-DevCorp may be required to replace a supplier if their products do not meet its quality or safety standards. In addition, SG-DevCorp's suppliers could discontinue selling products at any time for reasons that may or may not be in its control or the suppliers' control. SG-DevCorp's operating results and inventory levels could suffer if it is unable to promptly replace a supplier who is unwilling or unable to satisfy its requirements with a supplier providing similar products. SG-DevCorp's suppliers' ability to deliver products may also be affected by financing constraints caused by credit market conditions, which could negatively impact its revenue and costs, at least until alternate sources of supply are arranged. The construction of manufacturing facilities involves significant risks. SG-DevCorp has limited experience constructing manufacturing facilities and doing so is a complex and lengthy undertaking that requires sophisticated, multi-disciplinary planning and precise execution. The construction of manufacturing facilities is subject to a number of risks. In particular, the construction costs may materially exceed budgeted amounts, which could adversely affect SG-DevCorp's results of operations and financial condition. For example, SG-DevCorp may suffer construction delays or cost overruns as a result of a variety of factors, such as labor and material shortages, defects in materials and workmanship, adverse weather conditions, transportation constraints, construction change orders, site changes, labor issues and other unforeseen difficulties, any of which could delay or prevent the completion of SG-DevCorp's planned facilities. While SG-DevCorp's goal is to negotiate contracts with engineering, procurement and construction firms that minimize risk, any delays or cost overruns it encounters may result in the renegotiation of SG-DevCorp's construction contracts, which could increase its costs. In addition, the construction of manufacturing facilities may be subject to the receipt of approvals and permits from various regulatory agencies. Such agencies may not approve the projects in a timely manner or may impose restrictions or conditions on a production facility that could potentially prevent construction from proceeding, lengthen its expected completion schedule and/or increase its anticipated cost. If construction costs are higher than it anticipates, SG-DevCorp may be unable to achieve its expected investment return, which could adversely affect its business and results of operations. Discovery of previously undetected environmentally hazardous conditions may adversely affect SG-DevCorp's operating results. SG-DevCorp is subject to various federal, state and local laws and regulations that (a) regulate certain activities and operations that may have environmental or health and safety effects, such as the management, generation, release or disposal of regulated materials, substances or wastes, (b) impose liability for the costs of cleaning up, and damages to natural resources from, past spills, waste disposals on and off-site, or other releases of hazardous materials or regulated substances, and (c) regulate workplace safety. Compliance with these laws and regulations could increase SG-DevCorp's operational costs. Violation of these laws may subject SG-DevCorp to significant fines, penalties or disposal costs, which could negatively impact its results of operations, financial position and cash flows. Under various federal, state and local environmental laws, a current or previous owner or operator of currently or formerly owned, leased or operated real property may be liable for the cost of removal or remediation of hazardous or toxic substances on, under or in such property. The costs of removal or remediation could be substantial. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Accordingly, SG-DevCorp may incur significant costs to defend against claims of liability, to comply with environmental regulatory requirements, to remediate any contaminated property, or to pay personal injury claims. Moreover, environmental laws also may impose liens on property or other restrictions on the manner in which property may be used or businesses may be operated, and these restrictions may require substantial expenditures or prevent SG-DevCorp or its lessees from operating such properties. Compliance with new or more stringent laws or regulations or stricter interpretation of existing laws may require SG-DevCorp to incur material expenditures. Future laws, ordinances or regulations or the discovery of currently unknown conditions or non-compliances may impose material liability under environmental laws. Legislative, regulatory, accounting or tax rules, and any changes to them or actions brought to enforce them, could adversely affect SG-DevCorp. SG-DevCorp is subject to a wide range of legislative, regulatory, accounting and tax rules. The costs and efforts of compliance with these laws, or of defending against actions brought to enforce them, could adversely affect SG-DevCorp. In addition, if there are changes to the laws, regulations or administrative decisions and actions that affect SG-DevCorp, SG-DevCorp may have to incur significant expenses in order to comply, or SG-DevCorp may have to restrict or change its operations. SG-DevCorp has invested, and expects to continue to invest, in real property assets which are subject to laws and regulations relating to the protection of the environment and human health and safety. These laws and regulations generally govern wastewater discharges, noise levels, air emissions, the operation and removal of underground and above-ground storage tanks, the use, storage, treatment, transportation and disposal of solid and hazardous materials and the remediation of contamination associated with disposals. Environmental laws and regulations may impose joint and several liabilities on tenants, owners or operators for the costs to investigate and remediate contaminated properties, regardless of fault or whether the acts causing the contamination were legal. This liability could be substantial. In addition, the presence of hazardous substances, or the failure to properly remediate these substances, could adversely affect SG-DevCorp's ability to sell, rent or pledge an affected property as collateral for future borrowings. SG-DevCorp intends to take commercially reasonable steps when it can to protect itself from the risks of environmental law liability; however, SG-DevCorp may not obtain independent third-party environmental assessments for every property it acquires. In addition, any such assessments that it does obtain may not reveal all environmental liabilities, or whether a prior owner of a property created a material environmental condition not known to it. In addition, there are various local, state and federal fire, health, safety and similar regulations with which SG-DevCorp may be required to comply, and that may subject it to liability in the form of fines or damages. In all events, the existing condition of

land when SG DevCorp buys it, operations in the vicinity of its properties or activities of unrelated third parties could all affect its properties in ways that lead to costs being imposed on it. Any material expenditures, fines, damages or forced changes to SG DevCorp's business or strategy resulting from any of the above could adversely affect its financial condition and results of operations. SG DevCorp's business, results of operations, cash flows and financial condition are greatly affected by the performance of the real estate industry. The U. S. real estate industry is highly cyclical and is affected by global, national and local economic conditions, general employment and income levels, availability of financing, interest rates, and consumer confidence and spending. Other factors impacting real estate businesses include over-building, changes in traffic patterns, changes in demographic conditions, changes in tenant and buyer preferences and changes in government requirements, including tax law changes. These factors are outside of SG DevCorp's control and may have a material adverse effect on its business, profits and the timing and amounts of its cash flows. SG DevCorp's industry is cyclical and adverse changes in general and local economic conditions could reduce the demand for housing and, as a result, could have a material adverse effect on us. SG DevCorp's business can be substantially affected by adverse changes in general economic or business conditions that are outside of its control, including changes in short-term and long-term interest rates; employment levels and job and personal income growth; housing demand from population growth, household formation and other demographic changes, among other factors; availability and pricing of mortgage financing for homebuyers; consumer confidence generally and the confidence of potential homebuyers in particular; consumer spending; financial system and credit market stability; private party and government mortgage loan programs (including changes in FHA, USDA, VA, Fannie Mae and Freddie Mac conforming mortgage loan limits, credit risk / mortgage loan insurance premiums and / or other fees, down payment requirements and underwriting standards), and federal and state regulation, oversight and legal action regarding lending, appraisal, foreclosure and short sale practices; federal and state personal income tax rates and provisions, including provisions for the deduction of mortgage loan interest payments, real estate taxes and other expenses; supply of and prices for available new or resale multifamily units; interest of financial institutions or other businesses in purchases; and real estate taxes. Adverse changes in these conditions may affect SG DevCorp's business nationally or may be more prevalent or concentrated in particular submarkets in which it operates. Inelement weather, natural disasters (such as earthquakes, hurricanes, tornadoes, floods, prolonged periods of precipitation, droughts, and fires), other calamities and other environmental conditions can delay the delivery of its units and / or increase its costs. Civil unrest or acts of terrorism can also have a negative effect on its business. If the housing industry experiences a significant or sustained downturn, it would materially adversely affect SG DevCorp's business and results of operations in future years. The potential difficulties described above can cause demand and prices for SG DevCorp's units to fall or cause it to take longer and incur more costs to develop the land and build its units. SG DevCorp may not be able to recover these increased costs by raising prices because of market conditions. Fluctuations in real estate values may require SG DevCorp to write-down the book value of its real estate assets. The housing and land development industries are subject to significant variability and fluctuations in real estate values. As a result, SG DevCorp may be required to write-down the book value of SG DevCorp's real estate assets in accordance with GAAP, and some of those write-downs could be material. Any material write-downs of assets could have a material adverse effect on SG DevCorp's business, prospects, liquidity, financial condition, and results of operations. In addition, valuations of real estate properties do not necessarily represent the price at which a willing buyer would purchase such property; therefore, there can be no assurance that SG DevCorp would realize the values underlying estimated valuations of SG DevCorp's properties if it were to sell such properties. Inflation could adversely affect SG DevCorp's business and financial results. Inflation could adversely affect SG DevCorp's business and financial results by increasing the costs of land, raw materials and labor needed to operate SG DevCorp's business. If SG DevCorp's markets have an oversupply of housing, relative to demand, SG DevCorp may be unable to offset any such increases in costs with corresponding higher sales prices for its units or buildings. Inflation may also accompany higher interest rates, which could adversely impact potential customers' ability to obtain financing on favorable terms, thereby further decreasing demand. If SG DevCorp is unable to raise the prices of its units or buildings to offset the increasing costs of its operations, its margins could decrease. Furthermore, if SG DevCorp needs to lower the price of its units to meet demand, the value of its land inventory may decrease. Inflation may also raise SG DevCorp's costs of capital and decrease its purchasing power, making it more difficult to maintain sufficient funds to operate its business. SG DevCorp could be impacted by its investments through joint ventures, which involve risks not present in investments in which SG DevCorp is the sole owner. SG DevCorp has and may continue to fund development projects through the use of joint ventures. Joint ventures involve risks including, but not limited to, the possibility that the other joint venture partners may possess the ability to take or force action contrary to its interests or withhold consent contrary to its requests, have business goals which are or become inconsistent with SG DevCorp's or default on their financial obligations to the joint venture, which may require it to fulfill the joint venture's financial obligations as a legal or practical matter. SG DevCorp and its joint venture partners may each have the right to initiate a buy-sell arrangement, which could cause it to sell its interest, or acquire a joint venture partner's interest, at a time when it otherwise would not have entered into such a transaction. In addition, a sale or transfer by it to a third party of its interests in the joint venture may be subject to consent rights or rights of first refusal in favor of its partners which would restrict SG DevCorp's ability to dispose of its interest in the joint venture. Each joint venture agreement is individually negotiated, and its ability to operate, finance, or dispose of a joint venture project in its sole discretion is limited to varying degrees depending on the terms of the applicable joint venture agreement. Risks associated with SG DevCorp's land and lot inventories could adversely affect its business or financial results. Risks inherent in controlling, purchasing, holding, and developing land are substantial. The risks inherent in purchasing and developing land parcels increase as consumer demand for housing decreases and the holding period increases. As a result, SG DevCorp may buy and develop land parcels on which housing units cannot be profitably built and sold. In certain circumstances, a grant of entitlements or development agreement with respect to a particular parcel of land may include restrictions on the transfer of such entitlements to a buyer of such land, which could negatively impact the price of such

entitled land by restricting its ability to sell it for its full entitled value. In addition, inventory carrying costs can be significant and can result in reduced margins or losses in a poorly performing community or market. The time and investment required for development may adversely impact its business. In the event of significant changes in economic or market conditions, SG DevCorp may have to sell units or buildings at significantly lower margins or at a loss, if SG DevCorp is able to sell them at all. Additionally, deteriorating market conditions could cause SG DevCorp to record significant inventory impairment charges. The recording of a significant inventory impairment could negatively affect its reported earnings per share and negatively impact the market perception of its business. SG DevCorp may not be able to sell its real property assets when it desires. Investments in real property are relatively illiquid compared to other investments. Accordingly, SG DevCorp may not be able to sell real property assets when it desires or at prices acceptable to it. This could substantially reduce the funds available for satisfying its obligations, including any debt obligations. Access to financing sources may not be available on favorable terms, or at all, which could adversely affect SG DevCorp's ability to maximize its returns. SG DevCorp's access to third-party sources of financing will depend, in part, on: • general market conditions; • the market's perception of its growth potential; • with respect to acquisition and/or development financing, the market's perception of the value of the land parcels to be acquired and/or developed; • its current debt levels; • its current and expected future earnings; • its cash flow; and • if applicable, the market price per share of its Common Stock. The global credit and equity markets and the overall economy can be extremely volatile, which could have a number of adverse effects on SG DevCorp's operations and capital requirements. For the past decade, the domestic financial markets have experienced a high degree of volatility, uncertainty and, during certain periods, tightening of liquidity in both the high yield debt and equity capital markets, resulting in certain periods where new capital has been both more difficult and more expensive to access. If SG DevCorp is unable to access the credit markets, it could be required to defer or eliminate important business strategies and growth opportunities in the future. In addition, if there is volatility and weakness in the capital and credit markets, potential lenders may be unwilling or unable to provide SG DevCorp with financing that is attractive to it or may increase collateral requirements or may charge us prohibitively high fees in order to obtain financing. Consequently, SG DevCorp's ability to access the credit market in order to attract financing on reasonable terms may be adversely affected. Investment returns on SG DevCorp's assets and its ability to make acquisitions could be adversely affected by its inability to secure additional financing on reasonable terms, if at all. Depending on market conditions at the relevant time, SG DevCorp may have to rely more heavily on additional equity financings or on less efficient forms of debt financing that require a larger portion of its cash flow from operations, thereby reducing funds available for SG DevCorp's operations, future business opportunities and other purposes. SG DevCorp may not have access to such equity or debt capital on favorable terms at the desired times, or at all. If SG DevCorp were to default in its obligation to repay the loan received from BCV S & G DevCorp it could adversely affect our investment in SG DevCorp. To date, SG DevCorp has received \$ 1,750,000 as a secured loan from BCV S & G DevCorp, a Luxembourg-based specialized investment fund, and has entered into a loan agreement with BCV S & G DevCorp to receive up to \$ 2,000,000 as a secured loan. The loan matures on December 1, 2024 and is secured by 1,999,999 of our shares of SG DevCorp's common stock. The loan agreement, as amended, provides that if SG DevCorp's shares of common stock were not listed on The Nasdaq Stock Market before September 30, 2023 or if following such listing the total market value of the pledged shares falls below twice the face value of the loan, the loan would be further secured by SG DevCorp's St. Mary's industrial site. Following the listing, the total market value of the pledged shares has fallen below twice the face value of the loan and SG DevCorp and BCV S & G DevCorp are in discussions regarding alternatives, if any. If SG DevCorp were to default in its obligation to repay the loan when due it could adversely affect our investment in SG DevCorp.

Risks Relating to our Common Stock Our failure to meet the continued listing requirements of the Nasdaq Capital Market could result in a delisting of our common stock. Our Common Stock is listed on the Nasdaq Capital Market ("Nasdaq" or the "Nasdaq Capital Market"), which imposes, among other requirements, a minimum bid requirement. On November 7, 2023, we received a deficiency letter from the Listing Qualifications Department of the Nasdaq notifying us that for the preceding 30 consecutive business days (September 26, 2023 through November 6, 2023), our Common Stock did not maintain a minimum closing bid price of \$ 1.00 ("Minimum Bid Price Requirement") per share as required by Nasdaq Listing Rule 5550 (a) (2). In accordance with Nasdaq Listing Rule 5810 (c) (3) (A), we have a compliance period of 180 calendar days, or until May 6, 2024, to regain compliance with Nasdaq Listing Rule 5550 (a) (2). **On May 10, 2024, the Company received a letter (the "Delisting Notice") from The Nasdaq Stock Market LLC ("Nasdaq") notifying the Company that Nasdaq previously notified the Company on November 7, 2023 that the Company was not in compliance with Rule 5550 (a) (2), which requires a minimum bid price of at least \$ 1.00 per share for continued listing. On May 16, 2024, the Company received a letter from Nasdaq stating that for the period from May 2, 2024 to May 15, 2024, the closing bid price of our the Company's Common Stock is had been at or above \$ 1.00 per share for or greater, and accordingly a minimum of ten consecutive business days at any time during the 180-day compliance period with Rule 5550 (a) (2). However, in which case, in its discretion, Nasdaq will notify the Company of cannot provide assurances that its- it compliance and the matter will be closed- able to continue to comply with Rule 5550 (a) (2) in the future. If On April 19, 2024, we do the Company received a letter from Nasdaq notifying it that it was not achieve in compliance with Nasdaq Listing Rule 5250 (c) (1) ("Rule 5250 (c) (1)"), which requires companies to timely file all required periodic financial reports with the Minimum Bid Price Requirement by SEC for continued listing. On May 6-13, 2024, we may be eligible the Company received a letter from Nasdaq notifying the Company that, based on the May 7, 2024 and May 10, 2024 filings of the Company's Form 10-K and Form 10-K/A, respectively, for the year ended December 31 additional time to comply. In order to be eligible for such additional time, we 2023, the Company had regained compliance with Rule 5250 (c) (1). However, the Company cannot provide assurances that it will be required- able to continue to comply with Rule 5250 (c) (1) in the future. On May 16, 2024, the Company received a letter from Nasdaq notifying the Company**

that it was not in compliance with Nasdaq Listing Rule 5550 (b) (1) (“ Rule 5550 (b) (1) ”) because the stockholders’ equity of the Company of (\$ 6, 334, 859), as reported in the Company’ s Annual Report on Form 10- K for the year ended December 31, 2023, was below the minimum requirement of \$ 2. 5 million. As of the date of this Quarterly Report on Form 10- Q, the Company does not have a market value of listed securities of \$ 35 million, or net income from continued operations of \$ 500, 000 in the most recently completed fiscal year or in ~~to two meet of the last the three most recently~~ completed fiscal years, the alternative quantitative standards for ~~continued listing requirement on Nasdaq~~. In accordance with Nasdaq’ s Listing Rules, the Company had until June 30, 2024 to submit a plan to regain compliance with Rule 5550 (b) (1). On July 25, 2024, Nasdaq notified the Company that, based on its review of the Company and the materials submitted by the Company to Nasdaq, Nasdaq Staff determined to grant the Company an extension to regain compliance with Rule 5550 (b) (1) until November 12, 2024, subject to the Company regaining and evidencing compliance with Rule 5550 (b) (1) by such date. On February 26, 2025, the “ Company received a listing decision from Nasdaq on behalf of the Nasdaq Hearings Panel (the “ Panel ”) indicating that the Company has evidenced compliance with the minimum equity standard set for forth market value of publicly held shares in Rule 5550 (b) (1) and all other initial applicable criteria for continued listing on The standards for the Nasdaq Capital Market . Accordingly , with the exception of the Minimum Bid Price Requirement ~~previously disclosed listing matter has been closed~~ , and must notify ~~the Company’ s securities will remain listed on~~ Nasdaq in writing of our intention to cure the deficiency during the second compliance period. ~~To~~ We intend to actively monitor the bid price of our Common Stock and will consider available options to regain compliance with Rule 5550 (b) (1), the Company proposed a merger with Olenox Corp., a diversified energy company based in Texas that operates in the three Nasdaq listing requirements, including such actions vertically integrated business units: Oil & Gas effecting a reverse stock split to maintain our Nasdaq listing, Energy Services, and Energy Technologies (the “ Olenox Merger ”). On May 2 February 6 , 2024 2025 , the Company informed effectuated a reverse stock split. If we cannot regain compliance with the Panel that the Company had completed the first planned stage Minimum Bid Price Requirement or if we otherwise fail to meet any of Nasdaq the Olenox Merger, which served to increase stockholders’ equity by approximately \$ 60 million. Based on the information presented and publicly disclosed, the Panel determined that the Company has satisfied Rule 5550 (b) (1). Any future delisting of the Company’ s listing standards, our Common common Stock stock from Nasdaq could adversely affect the Company’ s ability to attract new investors, reduce the liquidity of its outstanding shares of common stock, reduce its ability to raise additional capital, reduce the price at which its common stock trades, result in negative publicity and increase the transaction costs inherent in trading such shares with overall negative effects for the Company’ s stockholders. The Company cannot assure its investors that its common stock, if delisted from Nasdaq, will be subject to listed on another national securities exchange or quoted on an over- the- counter quotation system. In addition, delisting of the Company’ s ~~If that were to occur, our Common common Stock stock would be subject to rules that impose additional sales practice requirements on broker- dealers who sell our securities. The additional burdens imposed upon broker- dealers by these requirements could discourage deter broker- dealers from effecting transactions making a market in our- or otherwise seeking or generating interest in the Company’ s Common common Stock stock and might deter certain institutions and persons from investing in the Company’ s securities at all . This For these reasons and others, delisting would could~~ adversely affect the Company ability of investors to trade our Common Stock and would adversely affect the value of our Common Stock. Delisting from Nasdaq would cause us to pursue eligibility for trading of our Common Stock on other markets or exchanges, or on an over- the- counter market. In such case, our stockholders’ s business ability to trade or obtain quotations of the market value of our Common Stock would be severely limited because of lower trading volumes and transaction delays. These factors could contribute to lower prices and larger spreads in the bid and ask prices of these securities. There can be no assurance that our Common Stock, financial condition and if delisted from the Nasdaq, would be listed on a national securities exchange, a national quotation service or the over- the- counter markets. Delisting from the Nasdaq could also result in negative publicity, adversely affect the market liquidity of our Common Stock, decrease securities analysts’ coverage of us or diminish investor, supplier and employee confidence. In addition, our stock could become a “ penny stock, ” which would make trading of our Common Stock more difficult. The delisting of our Common Stock from Nasdaq may make it more difficult for us to raise capital on favorable terms in the future, or at all. Such a delisting would likely have a negative effect on the price of our Common Stock and would impair your ability to sell or purchase our Common Stock when you wish to do so. Further, if our Common Stock were to be delisted from Nasdaq, our Common Stock would cease to be recognized as a covered security, and we would be subject to additional regulation in each state in which we offer our securities. Moreover, there is no assurance that any actions that we take to restore our compliance with the Nasdaq Minimum Bid Price Requirement would stabilize the market price or improve the liquidity of our Common Stock, prevent our Common Stock from falling below the Nasdaq minimum bid price required for continued listing again or prevent future non- compliance with other applicable Nasdaq listing requirements, including maintaining minimum levels of stockholders’ equity or market values of our Common Stock, our Common Stock could be delisted. We have effected a reverse stock split of our outstanding common stock on May 2, 2024. In order to comply with the Nasdaq Minimum Bid Requirement, the Board may determine to effect a ~~an additional~~ reverse stock split of our Common Stock . At the Company’ s annual meeting on December 6, 2023, the stockholders approved an amendment to the Company’ s Certificate of Incorporation, at a ratio of 1- for- 10 to 1- for- 20 (the “ Range ”), with the ratio within such Range to be determined at the discretion of the Board and included in a public announcement. We expect that any future reverse stock split will increase the market price of our Common Stock while our stock is trading and enable us to meet the Minimum Bid Requirement. However, the effect of a reverse stock split upon the market price of our Common Stock cannot be predicted with certainty, and the results of reverse stock splits by companies in similar circumstances have been varied. It is possible that the market price of our Common Stock following the reverse stock split will not increase sufficiently for us to be in compliance with the Minimum Bid Requirement, or if it does, that such price

will be sustained. If we are unable to meet the Minimum Bid Requirement, our Common Stock could be delisted. Our stock price has been subject to fluctuations in the past, has recently been volatile, and will likely continue to be subject to fluctuations and decline, due to factors beyond our control, and investors in our common stock may lose all or part of their investment in our company. The trading price of our common stock has been and is expected to continue to be volatile and has been and may continue to be subject to wide fluctuations in response to various factors, some of which are beyond our control, including limited trading volume. ~~On April 12, 2024, the reported low sale price of our common stock was \$ 0. 1580 (\$ 3. 16 as adjusted for the May Stock Split), the reported high sale price was \$ 0. 1760 (\$ 3. 52 as adjusted for the May Stock Split) and closing price of \$ 0. 1620 (\$ 3. 24 as adjusted for the May Stock Split) our common stock was \$ 0. 95 (\$ 19. 00 as adjusted for the May Stock Split) while on June 30, 2023, the closing price of our common stock was \$ 0. 95 (\$ 19. 00 as adjusted for the May Stock Split).~~ We may incur rapid and substantial decreases in our stock price in the foreseeable future that are unrelated to our operating performance for prospects. In addition to the factors discussed in this “ Risk Factors ” section and elsewhere in this Annual Report, these factors include: • economic and market conditions or trends in our industry or the economy as a whole and, in particular, in the construction industry; • additions or departures of key personnel; • operating results that fall below expectations; • industry developments; • new laws or regulations or new interpretations of existing laws or regulations applicable to our business; • material litigation or government disputes; • the public’s response to press releases or other public announcements by us or third parties, including our filings with the SEC; • changes in financial estimates or recommendations by any securities analysts who follow our common stock; • the size of our market float and potential dilution due to the exercise of outstanding options and warrants; • future sales of our common stock by our officers, directors and significant stockholders, including sales pursuant to a registration statement filed to permit a significant stockholder to sell shares of our common stock, pursuant to certain registration rights granted to such stockholder; • other events or factors, including those resulting from such events, or the prospect of such events, including war, terrorism and other international conflicts, public health issues including health epidemics or pandemics, such as the recent outbreak of the COVID- 19 novel coronavirus, and natural disasters such as fire, hurricanes, earthquakes, tornados or other adverse weather and climate conditions, whether occurring in the United States or elsewhere, could disrupt our operations, disrupt the operations of our suppliers or result in political or economic instability; and • period- to- period fluctuations in our financial results. In addition, the securities markets have, from time to time, experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock. Since the stock price of our common stock has fluctuated in the past, has recently been volatile and will likely be volatile in the future, investors in our common stock may lose all or part of their investment in our company. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, we could incur substantial costs and our resources and the attention of management could be diverted from our business. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time- consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expense and a diversion of management’s time and attention from revenue- generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies, regulatory authorities may initiate legal proceedings against us and our business and prospects may be harmed. As a result of disclosure of information in the filings required of a public company, our business and financial condition are more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business, financial condition, results of operations and prospects could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business, financial condition, results of operations and prospects. Sales of a substantial number of shares of our common stock in the public market, or the perception that they might occur, could cause the price of our common stock to decline. The price of our common stock could decline if there are substantial sales of our common stock, particularly sales by our directors, executive officers and significant stockholders. If our existing stockholders sell substantial amounts of our common stock in the public market, or if the public perceives that such sales could occur, this could have an adverse impact on the market price of our common stock, even if there is no relationship between such sales and the performance of our business. In addition, shares subject to outstanding options under our Incentive Plan are and will become eligible for sale in the public market in the future, subject to certain legal and contractual limitations. Substantial sales of such shares, at that time, could depress the sale price of our common stock. Significant sales of our common stock, or the possibility that these sales may occur, might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. In addition, we may issue shares of our common stock in connection with investments or acquisitions in the future. The amount of shares of our common stock issued in connection with an investment or acquisition could constitute a material portion of our then- outstanding shares of common stock. The issuance of shares of our common stock upon the exercise of outstanding options, warrants and restricted stock units may dilute the percentage ownership of the then- existing stockholders and may make it more difficult to raise additional equity capital. As of March 29-28, 2024-2025, there are outstanding options, **restricted stock units** and warrants to purchase **36-341, 436 (1-220 and 5, 822 as adjusted for the May 809, 799 shares of our Common Stock Split) and 2, 521, 207 (126, 060 as adjusted for the May Stock Split) shares of common stock**, respectively. Exercise of such options and warrants and the vesting of restricted stock units would dilute the then- existing stockholders’ percentage ownership of our stock, and any

sales in the public market of common stock underlying such securities could adversely affect prevailing market prices for the common stock. Moreover, the terms upon which we would be able to obtain additional equity capital could be adversely affected because the holders of our options and warrants can be expected to exercise them at a time when we would, in all likelihood, be able to obtain any needed capital on terms more favorable to us than those provided by such securities. The issuance of additional securities by our Board of Directors (the “ Board ” or “ Board of Directors ”) will dilute the ownership interests of our current stockholders and could discourage the acquisition of us. Our Board, without any action by our stockholders, is authorized to designate and issue additional classes or series of capital stock (including classes or series of preferred stock) as it deems appropriate and to establish the rights, preferences and privileges of such classes or series, and we currently have an effective universal shelf registration statement on file with the SEC, providing for the potential issuance of shares of our common stock and other securities. The issuance of any new class or series of capital stock would not only dilute the ownership interest of our current stockholders but may also adversely affect the voting power and other rights of holders of common stock. The rights of holders of preferred stock and other classes of common stock that may be issued may be superior to the rights of the holders of the existing class of common stock in terms of the payment of ordinary and liquidating dividends and voting rights. In addition, the ability of the Board to designate and issue such shares could impede or deter an unsolicited tender offer or takeover proposal regarding us and the issuance of additional shares having preferential rights could adversely affect the voting power and other rights of holders of common stock and render more difficult the removal of current management, even if such removal may be in the stockholders’ best interests. We do not expect to pay dividends in the future. Any return on investment may be limited to the value of our common stock. For the foreseeable future, we intend to retain any earnings to finance the development and expansion of our business, and we do not anticipate paying any cash dividends on our common stock. Any determination to pay dividends in the future will be at the discretion of our Board of Directors and will depend upon results of operations, financial condition, restrictions imposed by applicable law and other factors our Board of Directors deem relevant. Accordingly, if you purchase shares of our common stock, realization of a gain on your investment will depend on the appreciation of the price of our common stock, which may never occur. Investors seeking cash dividends in the foreseeable future should not purchase our common stock. If securities or industry analysts do not publish research or reports about our business or our industry, or publish negative reports about our business or our industry, our stock price and trading volume could decline. The trading market for our common stock will be influenced by the research and reports that securities or industry analysts publish about us, our business, our industry or our competitors. If one or more of the analysts who cover us change their recommendation regarding our stock adversely, change their opinion of the prospects for our company in a negative manner or provide more favorable relative recommendations about our competitors, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline. Certain provisions of Delaware law could discourage, delay or prevent a merger or acquisition at a premium price. Certain provisions of Delaware law could discourage potential acquisition proposals, delay or prevent a change in control of our company, or limit the price that investors may be willing to pay in the future for shares of our common stock. Because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which prohibits a person who owns in excess of 15 % of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15 % of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. Such provisions may discourage, delay or prevent a merger or acquisition of the Company, including a transaction in which the acquirer may offer a premium price for our stock. If our shares become subject to the penny stock rules, it would become more difficult to trade our shares. The SEC has adopted rules that regulate broker- dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than \$ 5. 00, other than securities registered on certain national securities exchanges or authorized for quotation on certain automated quotation systems, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. If we do not retain a listing on the Nasdaq Capital Market and if the price of our shares of common stock is less than \$ 5. 00, our common stock will be deemed a penny stock (meaning that our shares may be considered highly speculative and may trade infrequently, which can make them difficult to accurately price or sell). The penny stock rules require a broker- dealer, before a transaction in a penny stock not otherwise exempt from those rules, to deliver a standardized risk disclosure document containing specified information. In addition, the penny stock rules require that, before effecting any transaction in a penny stock not otherwise exempt from those rules, a broker- dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive: (i) the purchaser’ s written acknowledgment of the receipt of a risk disclosure statement; (ii) a written agreement to transactions involving penny stocks; and (iii) a signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for our common stock, and therefore stockholders may have difficulty selling their shares. As a “ smaller reporting company, ” we may avail ourselves of reduced disclosure requirements, which may make our common stock less attractive to investors. We are a “ smaller reporting company ” under applicable SEC rules and regulations, and, as a result of the SEC’ s recent amendment to the definition of “ smaller reporting company, ” we will continue to be a “ smaller reporting company ” for so long as either (i) the market value of our common stock held by non- affiliates as of the end of our most recently completed second quarter (“ public float ”) is less than \$ 250 million or (ii) annual revenues of less than \$ 100 million during the most recently completed fiscal year and (A) no public float or (B) a public float of less than \$ 700 million. As a “ smaller reporting company, ” we have relied on exemptions from certain SEC disclosure requirements that are applicable to other public companies. These exemptions include reduced financial disclosure and reduced disclosure obligations regarding executive compensation. Until such time as we cease to be a “ smaller reporting company, ” such reduced disclosure in our SEC filings may make it harder for investors to analyze our operating results and financial prospects. If some investors find our

common stock less attractive as a result of our reduced disclosure, there may be a less active trading market for our common stock and our stock price may be more volatile. Our shares of common stock are from time to time thinly traded, so stockholders may be unable to sell at or near ask prices or at all if they need to sell shares to raise money or otherwise desire to liquidate their shares. Our common stock has from time to time been “thinly- traded,” meaning that the number of persons interested in purchasing our common stock at or near ask prices at any given time may be relatively small or non- existent. This situation is attributable to a number of factors, including the fact that we are a small company that is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community that generate or influence sales volume, and that even if we came to the attention of such persons, they tend to be risk- averse and would be reluctant to follow an unproven company such as ours or purchase or recommend the purchase of our shares until such time as we became more seasoned and viable. As a consequence, there may be periods of several days or more when trading activity in our shares is minimal or non- existent, as compared to a seasoned issuer that has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. We cannot give stockholders any assurance that a broader or more active public trading market for our common stock will develop or be sustained, or that current trading levels will be sustained.

Item 1B. Unresolved Staff Comments. None. Item 1C. Cybersecurity We maintain a cyber risk management program designed to identify, assess, manage, mitigate, and respond to cybersecurity threats. Maintenance of IT assets, including daily security patch management. Periodic vulnerability scanning, identity access management controls including restricted access of privileged accounts (Multi- factor authentication enforced). Network integrity is safeguarded by employing web- based software, including endpoint protection, endpoint detection and response, spam gateway filtering, data loss prevention policies, SaaS monitoring, and remote monitoring on all devices. Industry- standard encryption protocols on workstations and email, critical data backups, and infrastructure maintenance. Incident response, cybersecurity strategy, and cyber risk advisory, assessment and remediation are maintained and supplied by a 3rd part SOC (Solutions Granted) that is NIST 800- 171 compliant. In addition, our cybersecurity framework is meticulously crafted to anticipate and address threats before they can cause harm. We are vigilant in monitoring the ever- changing threat landscape, drawing on intelligence from a multitude of sources to remain at the forefront of potential vulnerabilities. Our Security Operations Center (SOC) is operational 24 / 7, utilizing cutting- edge threat detection tools that meet SOCII requirements, guaranteeing an immediate response capability. We implement stringent access control policies to ensure that only authorized individuals can interact with sensitive client data. Our Identity and Access Management (IAM) systems conform to ISO / IEC 27001 standards, offering secure authentication processes that encompass multi- factor authentication (MFA) and role- based access controls (RBAC). These safeguards are essential in preserving the integrity and confidentiality of client information. By employing Randtronics remote encryption technology, we provide top- tier security for client data, whether it' s in use or at rest. This leading- edge encryption solution surpasses industry benchmarks, delivering robust protection without compromising system performance. We regularly evaluate and refine our encryption protocols to thwart new cryptographic challenges. A third party- organization conducts frequent security audits to maintain unwavering compliance with legal and regulatory mandates such as GDPR, HIPAA, and CCPA. These audits are a cornerstone of our cyber risk management program, embracing established best practices and standards in cybersecurity and information technology. Our comprehensive policies cover various aspects including information security, access on / offboarding, and account management, directing the protective measures our management team implements to shield IT assets, data, and services from threats and vulnerabilities. The Audit Committee of the Board of Directors oversees our cybersecurity risk exposures and the steps taken by management to monitor and mitigate cybersecurity risks. The cybersecurity stakeholders, including member (s) of management assigned with cybersecurity oversight responsibility and / or third- party consultants providing cyber risk services brief the Audit Committee on cyber vulnerabilities identified through the risk management process, the effectiveness of our cyber risk management program, and the emerging threat landscape and new cyber risks on at least an annual basis. This includes updates on our processes to prevent, detect, and mitigate cybersecurity incidents. The Audit Committee and management have engaged a third- party firm to oversee the complete audit of our cybersecurity and risk management systems to ensure the integrity of the systems that are in place. We face risks from cybersecurity threats that could have a material adverse effect on its business, financial condition, results of operations, cash flows or reputation. We acknowledge that the risk of cyber incident is prevalent in the current threat landscape and that a future cyber incident may occur in the normal course of its business. However, prior cybersecurity incidents have not had a material adverse effect on our business, financial condition, results of operations, or cash flows. We proactively seek to detect and investigate unauthorized attempts and attacks against our IT assets, data, and services, and to prevent their occurrence and recurrence where practicable through changes or updates to internal processes and tools and changes or updates to service delivery; however, potential vulnerabilities to known or unknown threats will remain. Further, there is increasing regulation regarding responses to cybersecurity incidents, including reporting to regulators, investors, and additional stakeholders, which could subject us to additional liability and reputational harm. In response to such risks, we have implemented initiatives such as implementation of the cybersecurity risk assessment process and development of an incident response plan. See Item 1A." Risk Factors" for more information on cybersecurity risks. Item 2. Properties. Headquarters and Other Office Space We lease office space in Miami, Florida for our corporate headquarters. ~~We also lease office space in Bedford, Texas of approximately 1, 738 square feet to support SG Echo' s procurement and accounting functions. Development Site We own approximately 58 acres of raw land on the Colorado River on Lake Travis in Lago Vista, Texas, outside of the greater Austin area, 117 Acres of raw land in Durant, Oklahoma and 30 Acres of raw land in St Marys, Georgia. See “ SG Development- Current Projects / Development Sites.”~~ Manufacturing Facilities SG Echo operates and leases one manufacturing facility of approximately 61, 000 square feet. SG Echo is renovating a second manufacturing facility which totals approximately 58, 000 square feet of manufacturing space. Both spaces are located in Durant, Oklahoma and the second manufacturing facility will be leased space commencing in 2024. We believe that our current office spaces are adequate and suitable for our anticipated needs and that suitable additional space

will be available at commercially reasonable prices as needed. Item 3. Legal Proceedings. The information included in “ Note 21-20 – Commitments and Contingencies ” of the Company’ s consolidated financial statements included elsewhere in this Annual Report is incorporated by reference into this Item. Item 4. Mine Safety Disclosures. Not applicable. PART II Item 5. Market for Registrant’ s Common Equity, Related Stockholder Matters and Issuer Purchases Of Equity Securities. Market Information Our common stock is listed and traded on the Nasdaq Capital Market under the symbol “ SGBX. ” Holders As of the close of business on April 12, March 28, 2024-2025, there were approximately 73-49 holders of record of our common stock, which does not reflect those shares held beneficially or those shares held in “ street ” name. Accordingly, the number of beneficial owners of our common stock exceeds this number. On April 12, March 28, 2024-2025, the closing sales price of our common stock as reported on the Nasdaq Capital Market was \$ 0. 162-4615. Dividend Policy We have never paid any cash dividends on our common stock and do not anticipate paying cash dividends in the foreseeable future. The payment of dividends by us will depend on our future earnings, financial condition and such other business and economic factors as our management may consider relevant. Recent Sales of Unregistered Securities We did not sell any unregistered securities from January 1, 2023-2024 through December 31, 2023-2024 that were not previously disclosed in our filings with the SEC. Issuer Purchases of Equity Securities We did not repurchase any of our outstanding shares during the fourth quarter of 2023-2024. Performance Graph and Purchases of Equity Securities The Company is a smaller reporting company as defined by Rule 12b- 2 of the Exchange Act and is not required to provide the information required under this item. Transfer Agent and Registrar The transfer agent and registrar for our common stock is American Stock Transfer and Trust Company, LLC. The transfer agent’ s principal business address is 6201 15th Avenue, Brooklyn, New York 11219, and its telephone number is (800) 937- 5449. Equity Compensation Plan Information As of December 31, 2023-2024, the following securities issued under equity compensation were outstanding: Plan Category Number of Shares Issuable Upon Exercise of Outstanding Options, Warrants or Rights (a) (1) Weighted- Average Exercise Price of Outstanding Options (b) (2) Number of Shares Remaining Available for Issuance Under Equity Compensation Plans (Excluding Shares Reflected in Column (a)) (c) (3) Equity compensation plans approved by security holders 3-406, 747 625,000 \$ 1 78. 71 3. 625, 574. 20 — 000 Equity — — Equity compensation plans not approved by security holders — — — Total 3 Total 406, 747 625,000 \$ 1 78. 71 3. 625,000 574. 20 — (1) Includes 36-1, 436-822 shares issuable upon the exercise of options and 3-404, 925 588, 564 shares issuable upon the vesting of restricted stock units outstanding under the SG Blocks, Inc. Incentive Plan. (2) The weighted average exercise price excludes restricted stock units. (3) Represents shares available for issuance under the SG Blocks, Inc. Stock Incentive Plan. Item 6. [Reserved] Item 7. Management’ s Discussion and Analysis of Financial Condition and Results of Operations. Introduction and Certain Cautionary Statements The following discussion and analysis of the financial condition and results of our operations should be read in conjunction with our consolidated financial statements and related notes and schedules included elsewhere in this Annual Report. This discussion contains forward- looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, intensified competition and operating problems in our operating business projects and their impact on revenues and profit margins or additional factors, and those discussed in the section entitled “ Risk Factors ” in Part I, Item 1A of this Annual Report. In addition, certain information presented below is based on unaudited financial information. Results of Operations Our operations for the years ended December 31, 2024 and 2023 and 2022 may not be indicative of our future operations. Years Ended December 31, 2024 and 2023 and 2022: For the Year Ended December 31, 2023-2024 For the Year Ended December 31, 2022-2023 Revenue Construction services (includes engineering) \$ 4, 976, 618 \$ 16, 523, 080 Total 4, 976, 618 16, 523, 080 \$ 12, 752, 219 Medical revenue — 11, 641, 727 Total 16, 523, 080 24, 393, 946 Year over year % growth: Construction services % Medical revenue (100-70) (63) % Consolidated (32) % (36) % Net revenue % mix: Construction services % Medical revenue — % (100) % Consolidated (70) % (32) % Operating Income (Loss) Construction services (2-319, 481 721, 899) (472-2, 039-721, 899) Medical (104, 174) (529, 569) Corporate and Support 2, 588, 830 Development (3-9, 023-282, 448-960) (2, 137, 866) Corporate and Support (18, 497, 740) (7, 208, 895) Consolidated (24-9, 772-706, 656-615) (7-21, 229-749, 970-208) Other Income income (Expenses expenses) (+9, 985-957, 250-745) +40-(808, 728 Add 157) Less: Common stock deemed dividends (5, 621, 596) — Add: Net profit income (loss) from discontinued operations 2, 684, 678 (3, 725, 168) Net loss attributable to common stockholders \$ of Safe & Green Holdings Corp. (475-22, 373-601, 278) +1, 229, 806 Net loss attributable to common stockholders of Safe & Green Holdings Corp. \$ (26, 282, 533) \$ (8, 319, 048) Revenue During the year ended December 31, 2023-2024, we derived substantially all of our revenue from the construction services segment. Total revenue for the year ended December 31, 2023-2024 was \$ 4, 976, 618 compared to \$ 16, 523, 080 compared to \$ 24, 393, 946 for the year ended December 31, 2022-2023. Revenue decreased 32-70 % in 2023-2024, compared to the prior year. Medical revenue decreased 100 % in 2023 compared to the prior year. The majority of the medical revenue came from operations of our Clarity Mobile joint venture during 2022. Construction services revenue increased decreased 30-70 % in 2023-2024 compared to the prior year. The revenue growth decrease is primarily is due to the acquisition of Echo DCL, LLC in September 2020. The revenue growth reflects increased modular revenue from SG Echo’ s manufacturing facility a reduction in the number of projects during 2024. Operating Income (Loss) Operating loss was \$ 24-9, 772-706, 656-615 for the year ended December 31, 2023-2024, compared to \$ 7-21, 229-749, 970-208 for the year ended December 31, 2022-2023, representing an increase of \$ 16-12, 472-042, 799-593 or 228-55 % in 2023-2024 compared to the prior year. Construction services operating loss in 2023-2024 was \$ 2-319, 481 721, 899 as compared to the prior year’ s operating loss of \$ 472-2, 039-721, 899, primarily due to an increase in the of jobs and deliver of modular units. The costs of materials such as lumber number of projects which resulted, plumbing, roofing, and other supplies to modify and build these units were increased due in a part to COVID- 19 supply chain issues. In addition, we recognized accrued losses loss in the amount of \$ 870, 878 during the year ended December 31, 2023, and the limited number of projects during 2024. Medical revenue operating loss in 2023-2024 was \$ 529-104, 569-174, as compared to the prior year’ s operating income loss of \$ 2-529, 569 588, 830, primarily due to decreased expenses recognized testing

samples being collected at our COVID-19 laboratory at LAX airport, partially offset by costs incurred during 2023-2024 for future developments. Development operating loss in 2023 is related to operating expenses incurred for certain development projects that were started in 2022 and currently being developed for future use. No revenue has been generated by our development segment in 2023 to offset these operating expenses. Corporate and support operating loss increased in 2023-2024, as compared to the prior year, and such increase is primarily due to increased overhead costs in public expenses related to SEC compliance and legal costs, increased payroll due to additional head count in SG Echo and stock compensation in order to retain key employees, increases in IT support and increase in insurance expenses to support our various operations. In addition, an impairment loss of \$ 3-5, 062-976, 000-445 was recorded for the year ended December 31, 2023 compared to an impairment loss of \$ 1, 015, 304 recorded for the year ended December 31, 2024. Other Income (Expense) Interest income was \$ 119 for the year ended December 31, 2023 was \$ 119 mainly derived from bank interest. Other There was \$ 73, 821 of interest income for the year ended December 31, 2022-2024 and 2023 was \$ 106, 043 and \$ 622, 096, respectively. Other income during 2024 primarily related to miscellaneous income. Interest expense for the year ended December 31, 2024 and 2023 and 2022 was \$ 783-3, 315-127, 179 and \$ 403-1, 146-430, 372 respectively. Other income during 2023 primarily related to a legal settlement in the amount of \$ 450, 000. Interest expense for the year ended December 31, 2023 and 2022 was \$ 2, 608, 683 and \$ 336, 239 respectively. The increase in interest expense resulted from additional notes payable entered into during 2023-2024. Loss on asset disposal sales of equity investments for the year ended December 31, 2022-2024 was \$ 25-320, 265-408. Additionally, during the year ended December 31, 2024 we recognized \$ 6, 616, 201 of change in fair value of our equity investments. Income Tax Provision A 100 % valuation allowance was provided against the deferred tax asset consisting of available net operating loss carryforwards and, accordingly, no income tax benefit was provided. Impact of Inflation The impact of inflation upon our revenue and income (loss) from continuing operations during each of the past two fiscal years has not been material to its financial position or results of operations for those years because we do not maintain any inventories whose costs are affected by inflation. Liquidity and Capital Resources As of December 31, 2023-2024 and December 31, 2022-2023, we had an aggregate of \$ 17-375, 448-873 and \$ 582-14, 776-212, respectively, of cash and cash equivalents. To date, we have financed our operations from revenue generated from operations and, sales of our equity and to a lesser extent debt financing. As of December 31, 2023-2024, our stockholders' equity (deficit) was \$ (12, 460, 308) compared to \$ (6, 334, 859) compared to \$ 14, 439, 562 as of December 31, 2022-2023. Our net loss for the years ended December 31, 2024 and 2023 and 2022 was \$ 16, 979, 682 and \$ 26, 757-282, 533-906 and \$ 7, 089, 242 respectively. Net cash used in operating activities was \$ 7-10, 141-898, 754-755 and \$ 5-6, 630-735, 614-017 for the years ended December 31, 2024 and 2023 and 2022, respectively. Historically, our operations have primarily been funded through proceeds from equity and debt financings, as well as revenue from operations. We have negative operating cash flows, which has raised substantial doubt about our ability to continue as a going concern. If we are not successful with our efforts to increase revenue, we will experience, as we have from time to time in the past, a shortfall in cash. If there is a shortfall, we will be forced to reduce operating expenses, among other steps, all of which would have a material adverse effect on our operations going forward. On December 15, 2023, Mr. Galvin voluntarily deferred his salary for the December 15, 2023 and December 31, 2023 pay periods as a cost saving measure. In addition, on December 14, 2023, Mr. Galvin loaned \$ 75, 000 to the Company. The loan will be interest free (subject, however to any interest which may be imputed under applicable income tax laws) and is due and payable by December 14, 2024. In addition, we have issued various types of debt to provide funds for operations as set forth below. We will also seek to obtain debt or additional equity financing to meet any cash shortfalls both in the public company or our subsidiaries. The type, timing and terms of any financing we may select will depend on, among other things, our cash needs, the availability of other financing sources and prevailing conditions in the financial markets. However, there can be no assurance that we will be able to secure additional funds if needed and that, if such funds are available, the terms or conditions would be acceptable to us. If we are unable to secure additional financing, further reduction in operating expenses might need to be substantial in order for us to ensure enough liquidity to sustain our operations. Any equity financing would be dilutive to our stockholders. If we incur debt, we will likely be subject to restrictive covenants that significantly limit our operating flexibility and require us to encumber our assets. If we fail to raise sufficient funds and continue to incur losses, our ability to fund our operations, take advantage of strategic opportunities, or otherwise respond to competitive pressures will be significantly limited. While the Debenture is outstanding, we are prohibited from entering into any variable rate transactions and from incurring or suffering to exist debt other than certain specified permitted debt. Any of the above limitations could force us to significantly curtail or cease our operations. These circumstances have raised substantial doubt about our ability to continue as a going concern, and continued cash losses may risk our status as a going concern. Our consolidated financial statements do not include any adjustments that might be necessary should we be unable to continue as a going concern. We will need to generate additional revenues or secure additional financing sources, such as debt or equity capital, to fund future operations, which financing may not be available on favorable terms or at all. If we fail to raise sufficient funds and continue to incur losses, our ability to fund our operations, take advantage of strategic opportunities, or otherwise respond to competitive pressures will be significantly limited and we will need to significantly curtail or cease our operations. October 2021 Registered Direct Offering In October 2021, we completed a registered direct offering and concurrent private offering pursuant to which we sold an aggregate of 975, 000 shares of common stock (48, 750 as adjusted for the May Stock Split) and pre-funded warrants to purchase up to 2, 189, 384 shares of Common Stock (109, 469 as adjusted for the May Stock Split) and warrants to purchase 1, 898, 630 shares of Common Stock (94, 932 as adjusted for the May Stock Split) which resulted in net proceeds of approximately \$ 10, 488, 000 after deducting underwriting commission and other expenses related to the offering. February 2023 Offering On February 7, 2023, we closed a private placement offering (the "Offering") of One Million One Hundred Thousand Dollars (\$ 1, 100, 000. 00) in principal amount of the Company's 8 % convertible debenture (the "Debenture") and a warrant (the "Warrant") to purchase up to Five Hundred Thousand (500, 000) shares of our common stock (25, 000 as adjusted for the May Stock Split), to Peak One Opportunity Fund;

L. P. (“Peak One”). Pursuant to a Securities Purchase Agreement, dated February 7, 2023 (the “Purchase Agreement”), the Debenture was sold to Peak One for a purchase price of \$ 1, 000, 000, representing an original issue discount of ten percent (10 %). In connection with the offering the Company paid \$ 15, 000 as a non-accountable fee to Peak One to cover its accounting fees, legal fees and other transactional costs incurred in connection with the transactions contemplated by the Purchase Agreement and issued 50, 000 shares of its restricted common stock (the “Commitment Shares”) (2, 500 as adjusted for the May Stock Split) to Peak One Investments, LLC (“Investments”), the general partner of Peak One. The Debenture matures twelve months from its date of issuance and bear interest at a rate of 8 % per annum payable on the maturity date. The Debenture is convertible, at the option of the holder, at any time, into such number of shares of common stock of the Company equal to the principal amount of the Debenture plus all accrued and unpaid interest at a conversion price equal to \$ 1. 50 (the “Conversion Price”) (\$ 30. 00 as adjusted for the May Stock Split), subject to adjustment for any stock splits, stock dividends, recapitalizations and similar events and in the event the Company, at any time while the Debenture is outstanding, issues, sells or grants any option to purchase, or sells or grants any right to repurchase, or otherwise disposes of, or issues common stock or other securities convertible into, exercisable for, or otherwise entitle any person the right to acquire, shares of common stock, other than with respect to an Exempt Issuance (as defined in the Debenture), at an effective price per share that is lower than the then Conversion Price. In the event of any such anti-dilutive event, the Conversion Price will be reduced at the option of the holder to such lower effective price of the dilutive event, subject to a floor price of \$ 0. 40 per share, unless and until the Company obtains shareholder approval for any issuance below such floor price.

Cedar Cash Advances On May 16, ~~2023~~ **January 5, 2024**, SG Building and SG Echo (together with SG Building, the “Merchants”) entered into a Cash Advance Agreement (the “January Cash Advance Agreement”) with Maison Capital Group (“Maison”) pursuant to which the Merchants sold to Maison \$ 300, 000 of their future receivables for a purchase price of \$ 200, 000, less underwriting fees and expenses paid, for net funds provided of \$ 190, 000. Pursuant to the January Cash Advance Agreement, Maison is expected to withdraw \$ 12, 500 a week directly from the Merchants until the \$ 300, 000 due to Maison under the January Cash Advance Agreement is paid in full. In the event of a default (as defined in the January Cash Advance Agreement), Maison, among other remedies, can demand payment in full of all amounts remaining due under the January Cash Advance Agreement. The Merchants’ obligations under the January Cash Advance Agreement are secured by a security interest in all accounts, including without limitation, all deposit accounts, accounts- receivable, and other receivables, chattel paper, documents, equipment, general intangibles, instruments, and inventory, as those terms are defined by Article 9 of the Uniform Commercial Code, now or hereafter owned or acquired by any of them. In addition, SG Building’s obligations under the January Cash Advance Agreement have been guaranteed by SG Echo, and SG Echo’s obligations under the January Cash Advance Agreement have been guaranteed by SG Building Blocks. The amounts outstanding under the January Cash Advance Agreement may be prepaid by the Merchants at any time without penalty.

On January 29, 2024, SG Building entered into a ~~cash Cash advance Advance agreement Agreement~~ (the “Fourth Cash Advance Agreement”) and, together with the Cash Advance Agreement, the Second Cash Advance Agreement and the Third Cash Advance Agreement, the “Cedar Cash Advance Agreements”) with Cedar Advance LLC (“Cedar”) pursuant to which SG Building sold to Cedar \$ ~~710-1, 500-733, 420~~ of its future receivables for a purchase price of \$ ~~500-1, 180, 000~~, less underwriting fees and expenses paid and the repayment of prior amounts due Cedar, for net funds provided of \$ ~~215, 575~~. Pursuant to the Fourth Cash Advance Agreement, Cedar is expected to withdraw \$ ~~25-49, 375-150~~ a week directly from SG Building until the \$ ~~710-1, 500-733, 420~~ due to Cedar **under the Fourth Cash Advance Agreement** is paid in full. In the event of a default (as defined in the ~~Fourth cash-Cash advance Advance agreement Agreement~~), Cedar, among other remedies, can demand payment in full of all amounts remaining due under the ~~Fourth cash-Cash advance Advance agreement Agreement~~. SG Building’s obligations under the ~~Fourth cash-Cash advance Advance agreement Agreement~~ have been guaranteed by SG Echo. **As of December 31, 2024 there was no outstanding balance on this advance.** On ~~September 26~~ **February 23, 2024**, the Merchants entered into a Cash Advance Agreement (“February Cash Advance Agreement”) with Bridgecap Advance LLC (“Bridgecap”) pursuant to which the Merchants sold to Bridgecap \$ 224, 850 of their future receivables for a purchase price of \$ 150, 000, less underwriting fees and expenses paid, for net funds provided of \$ 135, 000. Pursuant to the February Cash Advance Agreement, Bridgecap is expected to withdraw \$ 2, 248. 50 a day directly from the Merchants until the \$ 224, 850 due to Bridgecap under the February Cash Advance Agreement is paid in full. In the event of a default (as defined in the February Cash Advance Agreement), Bridgecap, among other remedies (including penalties and fees) can demand payment in full of all amounts remaining due under the February Cash Advance Agreement. The Merchants’ obligations under the February Cash Advance Agreement are secured by a security interest in all accounts, including without limitation, all deposit accounts, accounts- receivable, other receivables, and proceeds therefrom, as those terms are defined by Article 9 of the Uniform Commercial Code, now or hereafter owned or acquired by any of them. The amounts outstanding under the February Cash Advance Agreement may be prepaid by the Merchants at any time without penalty. **As of December 31, 2024 there was no outstanding balance on this advance.** On July 31, 2024, SG Building and Cedar entered into a ~~second-cash-Cash advance Advance agreement Agreement~~ (the “July Cash Advance Agreement”) with Cedar pursuant to which SG Building sold to Cedar \$ 1, ~~171-957, 500-150~~ of its future receivables for a purchase price of \$ ~~825-1, 350, 000~~, less underwriting fees and expenses paid and the repayment of prior amounts due Cedar, for net funds provided of \$ ~~504-285, 625-180~~, **which are net of repayment of prior Cedar Cash Advance Agreements** Pursuant to the July Cash Advance Agreement, Cedar is expected to withdraw \$ ~~41-49, 800-150~~ a week directly from SG Building until the \$ 1, ~~171-957, 500-150~~ due to Cedar **under the July Cash Advance Agreement** is paid in full. In the event of a default (as defined in the ~~July cash-Cash advance Advance agreement Agreement~~), Cedar, among other remedies, can demand payment in full of all amounts remaining due under the ~~July cash-Cash advance Advance agreement Agreement~~. SG Building’s obligations under the ~~July cash-Cash advance Advance agreement Agreement~~.

agreement ~~Agreement~~ have been guaranteed by SG Echo. ~~As of December 31, 2024 the principal balance on this advance was \$ 1, 059, 983. On November 20-August 27, 2023-2024~~, SG Building entered into a ~~third-cash-Cash advance-Advance agreement Agreement (the “ Pawn Cash Advance Agreement ”)~~ with Cedar ~~Pawn Funding (“ Pawn ”)~~ pursuant to which SG Building sold to Cedar ~~Pawn \$ 511-599, 200-600~~ of its future receivables for a purchase price of \$ ~~360-400, 000~~, less underwriting fees and expenses paid ~~and the repayment of prior amounts due Pawn~~, for net funds provided of \$ ~~342-360, 200-000~~. ~~Cedar Pursuant to the Pawn Cash Advance Agreement, Pawn~~ is expected to withdraw \$ ~~20-4, 300-999. 67~~ a week directly from SG Building’s ~~bank account~~ until the \$ ~~511-599, 200-600~~ due to ~~Pawn Cedar~~ under the ~~cash advance agreement is paid in full~~. In the event of a default (as defined in the ~~Pawn cash-Cash advance-Advance agreement Agreement~~), Cedar, among other remedies, can demand payment in full of all amounts remaining due under the ~~Pawn Cash Advance Agreement~~. ~~As of December 31, 2024 the principal balance on this advance was \$ 249, 833. On December 17, 2024~~, SG Building’s obligations under the ~~cash advance agreement have been guaranteed by SG Echo. On January 29, 2024, SG Building and Cedar entered into a fourth-cash-Cash advance-Advance agreement Agreement (the “ December Cash Advance Agreement ”) with Cedar~~ pursuant to which SG Building sold to Cedar \$ ~~+194, 500 733, 420~~ of its future receivables for a purchase price of \$ ~~138 1, 180, 000~~, less underwriting fees and expenses paid ~~and the repayment of prior amounts due Cedar~~, for net funds provided of \$ ~~215-125, 575-000~~. ~~Pursuant to the Cedar Cash Advance Agreement, Cedar~~ is expected to withdraw \$ ~~49-4, 150-900~~ a week directly from SG Building –until the \$ ~~+194, 500 733, 420~~ due to Cedar is paid in full. In the event of a default (as defined in the ~~Cedar cash-Cash advance-Advance agreement Agreement~~), Cedar, among other remedies, can demand payment in full of all amounts remaining due under the ~~Cedar cash advance agreement~~. ~~SG Building’s obligations under the cash advance agreement have been guaranteed by SG Echo. January-Cash Advance Agreement~~. ~~As of December 31, 2024 the principal balance on this advance was \$ 131, 047. On December 24, 2024, SG Building entered into a Cash Advance Agreement (the “ December Cash Advance Agreement ”) with Cedar ”)~~ pursuant to which SG Building sold to Cedar \$ ~~203, 000~~ of its future receivables for a purchase price of \$ ~~140, 000~~, less underwriting fees and expenses paid, for net funds provided of \$ ~~126, 000~~. Pursuant to the Cedar Cash Advance Agreement, Cedar is expected to withdraw \$ ~~5, 000~~ a week directly from SG Building until the \$ ~~203, 000~~ due to Cedar is paid in full. In the event of a default (as defined in the ~~Cedar Cash Advance Agreement~~), Cedar, among other remedies, can demand payment in full of all amounts remaining due under the ~~Cedar Cash Advance Agreement~~. As of December 31, 2024 the principal balance on this advance was \$ ~~140, 000. 34~~