

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

FORM 10-Q

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

For the quarterly period ended **June 30, 2025**

OR

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

For the transition period from _____ to _____

Commission File Number: 001-38037

SAFE & GREEN HOLDINGS CORP.
(Exact name of registrant as specified in its charter)

Delaware	95-4463937
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
990 Biscayne Blvd., #501, Office 12, Miami, Florida	33132
(Address of principal executive offices)	(Zip Code)

(646) 240-4235
(Registrant's telephone number, including area code)

N/A
(Former name, former address and formal fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	SGBX	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input checked="" type="checkbox"/>
	Emerging growth company <input type="checkbox"/>

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

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

As of August 12, 2025, the issuer had a total of 30,919,486 shares of the registrant's common stock, \$0.01 par value, outstanding.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES
FORM 10-Q

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements
SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets

	<i>June 30, 2025</i>	<i>December 31, 2024</i>
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,767,210	\$ 375,873
Accounts receivable, net	309,261	105,479
Contract assets	130,798	2,536
Inventories	751,831	471,468
Prepaid expenses and other current assets	129,970	204,596
Total current assets	4,089,070	1,159,952
Oil and gas, on the basis of full cost accounting, net	3,541,448	—
Property, plant and equipment, net	4,214,303	3,965,426
Other non-current assets	199,562	196,432
Proved oil and gas reserves	1,560,000	—
Intangible assets, net	783,090	11,658
Investment in and advances to equity affiliates	220,000	738,056
Goodwill	39,136,202	—
Total Assets	\$ 53,743,675	\$ 6,071,524
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable and accrued expenses	\$ 12,911,626	\$ 9,332,620
Contract liabilities	1,111,501	596,082
Lease liability, current maturities	—	66,821
Due to affiliates	3,474,727	1,716,244
Short-term notes payable, net	7,352,896	2,098,381
Total current liabilities	24,850,750	13,810,148
Long-term notes payable, net	5,153,904	4,721,684
Total liabilities	30,004,654	18,531,832
Stockholders' equity (deficit):		
Series A Preferred stock, \$1.00 par value, 5,405,010 shares authorized; 3,848,640 and 0 issued and outstanding at June 30, 2025 and December 31, 2024, respectively	3,848,640	—
Common stock, \$0.01 par value, 75,000,000 shares authorized; 12,120,651 issued and 12,117,280 outstanding as of June 30, 2025 and 6,389,041 issued and 6,038,382 outstanding as of December 31, 2024	121,207	60,384
Additional paid-in capital	125,714,191	86,103,787
Treasury stock, at cost 3,371 shares as of June 30, 2025 and December 31, 2024	(92,396)	(92,396)
Accumulated deficit	(105,852,621)	(98,532,083)
Total stockholders' equity (deficit)	23,739,021	(12,460,308)
Total Liabilities and Stockholders' Equity (Deficit)	\$ 53,743,675	\$ 6,071,524

The accompanying notes are an integral part of these condensed consolidated financial statements.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

	<i>For the Three Months June 30, 2025</i>	<i>For the Three Months Ended June 30, 2024</i>	<i>For the Six Months June 30, 2025</i>	<i>For the Six Months Ended June 30, 2024</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue:				
Construction services	\$ 523,558	\$ 1,211,254	\$ 1,019,637	\$ 2,179,369
Oil and gas	61,638	—	61,638	—
Other	136,155	—	206,430	—
Total	<u>721,351</u>	<u>1,211,254</u>	<u>1,287,705</u>	<u>2,179,369</u>
Cost of revenue:				
Construction services	1,410,427	1,094,249	2,264,893	1,739,232
Oil and gas	311,515	—	311,515	—
Other	(6,123)	—	29,520	—
Total	<u>1,715,819</u>	<u>1,094,249</u>	<u>2,605,928</u>	<u>1,739,232</u>
Gross (loss) profit	(994,468)	117,005	(1,318,223)	440,137
Operating expenses:				
Payroll and related expenses	737,794	1,134,084	1,293,532	2,386,066
General and administrative expenses	1,804,617	759,786	2,750,190	1,237,944
Marketing and business development expenses	150,901	114,169	157,817	237,744
Total	<u>2,693,312</u>	<u>2,008,039</u>	<u>4,201,539</u>	<u>3,861,754</u>
Operating loss	(3,687,780)	(1,891,034)	(5,519,762)	(3,421,617)
Other income (expense):				
Interest expense	(935,963)	(823,509)	(1,539,089)	(1,540,270)
Change in fair value of equity-based investment	—	(2,097,822)	(311,560)	(5,210,625)
Loss on disposition of equity-based investment	—	—	—	(180,600)
Interest income	—	—	—	9,570
Other income	49,873	135,365	49,873	183,982
Total	<u>(886,090)</u>	<u>(2,785,966)</u>	<u>(1,800,776)</u>	<u>(6,737,943)</u>
Loss before income taxes	(4,573,870)	(4,677,000)	(7,320,538)	(10,159,560)
Income tax expense	—	—	—	—
Loss from continuing operations	(4,573,870)	(4,677,000)	(7,320,538)	(10,159,560)
Income from discontinued operations	—	—	—	2,684,678
Net loss	<u>(4,573,870)</u>	<u>(4,677,000)</u>	<u>(7,320,538)</u>	<u>(7,474,882)</u>
Common stock deemed dividend - inducement	—	—	—	(1,638,149)
Net loss attributable to common stockholders	<u>\$ (4,573,870)</u>	<u>\$ (4,677,000)</u>	<u>\$ (7,320,538)</u>	<u>\$ (9,113,031)</u>
Net loss per share				
Basic and diluted – continuing operations	<u>\$ (0.47)</u>	<u>\$ (3.31)</u>	<u>\$ (0.92)</u>	<u>\$ (10.01)</u>
Basic and diluted – discontinuing operations	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2.28</u>
Basic and diluted – total	<u>\$ (0.47)</u>	<u>\$ (3.31)</u>	<u>\$ (0.92)</u>	<u>\$ (7.73)</u>
Weighted average shares outstanding:				
Basic and diluted	<u>9,821,314</u>	<u>1,412,159</u>	<u>7,985,265</u>	<u>1,179,150</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit) (Unaudited)

	\$1.00 Par Value Series A Preferred Stock		\$0.01 Par Value Common Stock		Additional Paid-in Capital	Treasury Stock	Accumulated Deficit	Noncontrolling Interests	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount					
Balance at March 31, 2024	—	\$ —	1,099,269	\$ 10,993	\$ 73,668,150	\$ (92,396)	\$ (80,366,836)	\$ —	\$ (6,780,089)
Fractional share adjustment	—	—	(73)	(1)	1	—	—	—	—
Conversion of debt and interest	—	—	96,528	965	501,121	—	—	—	502,086
Issuance of stock under EP Agreement	—	—	13,355	134	28,733	—	—	—	28,867
Issuance of stock for accounts payable settlement	—	—	129,603	1,296	487,972	—	—	—	489,268
Issuance of common stock	—	—	130,000	1,300	3,589,086	—	—	—	3,590,386
Prefunded warrant exercise	—	—	279,310	2,793	(2,778)	—	—	—	15
Stock compensation expense	—	—	—	—	348,308	—	—	—	348,308
Net loss	—	—	—	—	—	—	(4,677,000)	—	(4,677,000)
Balance of June 30, 2024	—	\$ —	1,747,992	\$ 17,480	\$ 78,620,593	\$ (92,396)	\$ (85,043,836)	\$ —	\$ (6,498,159)
Balance at December 31, 2023	—	\$ —	881,387	\$ 8,814	\$ 69,003,597	\$ (92,396)	\$ (75,930,805)	\$ 675,931	\$ (6,334,859)
Stock-based compensation	—	—	38,934	389	526,947	—	—	—	527,336
Issuance of common stock and warrants for debt issuance	—	—	15,000	150	251,211	—	—	—	251,361
Cashless warrant exercise	—	—	290,699	2,907	(2,892))	—	—	—	15
Issuance of common stock from warrant inducement	—	—	94,932	949	493,264	—	—	—	494,213
Common stock deemed dividend	—	—	—	—	1,638,149	—	(1,638,149)	—	—
Conversion of debt and interest	—	—	154,155	1,542	800,545	—	—	—	802,087
Fractional share adjustment	—	—	(73)	(1)	1	—	—	—	—
Issuance of common stock under EP Adjustment	—	—	13,355	134	28,733	—	—	—	28,867
Issuance of stock for accounts payable settlement	—	—	129,603	1,296	487,972	—	—	—	489,268
SG DevCorp equity transactions	—	—	—	—	1,803,980	—	—	1,290,917	3,094,897
Effect of deconsolidation	—	—	—	—	—	—	—	(1,966,848)	(1,966,848)
Issuance of common stock	—	—	130,000	1,300	3,589,086	—	—	—	3,590,386
Net loss	—	—	—	—	—	—	(7,474,882)	—	(7,474,882)
Balance at June 30, 2024	—	\$ —	1,747,992	\$ 17,480	\$ 78,620,593	\$ (92,396)	\$ (85,043,836)	\$ —	\$ (6,498,159)

	<i>\$1.00 Par Value Series A Preferred Stock</i>		<i>\$0.01 Par Value Common Stock</i>		<i>Additional Paid-in Capital</i>	<i>Treasury Stock</i>	<i>Accumulated Deficit</i>	<i>Noncontrolling</i>	<i>Total Stockholders' Equity</i>
	<i>Shares</i>	<i>Amount</i>	<i>Shares</i>	<i>Amount</i>					
Balance at March 31, 2025	4,000,000	\$ 4,000,000	6,389,041	\$ 63,891	\$ 118,383,643	\$ (92,396)	\$(101,278,751)	\$ —	\$ 21,076,387
Stock—based compensation	—	—	11,570	116	106,182	—	—	—	106,298
Issuance of common stock, net of issuance costs	—	—	2,504,040	25,040	6,610,254	—	—	—	6,635,294
Issuance of stock for accrued interest	—	—	1,216,000	12,160	482,752	—	—	—	494,912
Preferred to common conversion	(151,360)	(151,360)	2,000,000	20,000	131,360	—	—	—	—
Net loss	—	—	—	—	—	—	(4,573,870)	—	(4,573,870)
Balance at June 30, 2025	3,848,640	3,848,640	12,120,651	121,207	125,714,191	(92,396)	(105,852,621)	—	23,739,021

	<i>\$1.00 Par Value Series A Preferred Stock</i>		<i>\$0.01 Par Value Common Stock</i>		<i>Additional Paid-in Capital</i>	<i>Treasury Stock</i>	<i>Accumulated Deficit</i>	<i>Noncontrolling</i>	<i>Total Stockholders' Equity</i>
	<i>Shares</i>	<i>Amount</i>	<i>Shares</i>	<i>Amount</i>					
Balance at December 31, 2024	—	\$ —	6,038,382	\$ 60,384	\$ 86,103,787	\$ (92,396)	\$(98,532,083)	\$ —	\$ (12,460,308)
Stock—based compensation	—	—	68,229	683	211,913	—	—	—	212,596
Issuance of stock in connection with acquisition	4,000,000	4,000,000	—	—	30,569,600	—	—	—	34,569,600
Forgiveness related party debt	—	—	—	—	1,275,416	—	—	—	1,275,416
Issuance of common stock in connection with debt issuance	—	—	294,000	2,940	329,109	—	—	—	332,049
Issuance of common stock, net of issuance costs	—	—	2,504,040	25,040	6,610,254	—	—	—	6,635,294
Issuance of stock for accrued interest	—	—	1,216,000	12,160	482,752	—	—	—	494,912
Preferred to common conversion	(151,360)	(151,360)	2,000,000	20,000	131,360	—	—	—	—
Net loss	—	—	—	—	—	—	(7,320,538)	—	(7,320,538)
Balance at June 30, 2025	3,848,640	\$ 3,848,640	12,120,651	\$ 121,207	\$ 125,714,191	(92,396)	\$ (105,852,621)	\$ —	\$ 23,739,021

The accompanying notes are an integral part of these condensed consolidated financial statements.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

	<i>For the Six Months Ended June 30, 2025</i>	<i>For the Six Months Ended June 30, 2024</i>
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Net loss from continuing operations	\$ (7,320,538)	\$ (10,159,560)
Income from discontinued operations	—	2,684,678
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	398,843	84,678
Amortization of intangible assets	41,506	6,834
Amortization of deferred license costs	—	30,589
Amortization of debt issuance costs and debt discount	843,765	1,612,377
Amortization of right of use asset	—	761,767
Gain on deconsolidation – SG DevCorp	—	(4,728,348)
Loss on disposition of equity-based investment	—	180,600
Change in fair value of equity-based investment	311,560	5,133,443
Stock-based compensation	212,596	527,336
Changes in operating assets and liabilities:		
Accounts receivable	(154,364)	(181,602)
Contract assets	—	(102,256)
Costs in excess	(128,262)	—
Inventories	189,598	(66,890)
Prepaid expenses and other current assets	74,626	19,298
Intangible assets	—	(23,921)
Accounts payable and accrued expenses	2,472,345	384,749
Lease liability	(66,821)	(942,264)
Customer deposit	—	—
Project development and other assets	(886)	—
Contract liabilities	(37,081)	370,396
Due from affiliates	(16,433)	—
Net cash used in operating activities by continuing operations	(3,179,546)	(4,408,095)
Net cash used in operating activities by discontinued operations	—	(1,593,346)
Cash flows from investing activities:		
Cash paid for business combination – Sherman Oil	(1,000,000)	—
Cash paid for business combination – County Line	(1,000,000)	—
Purchase of property, plant and equipment	(364,847)	(7,227)
Cash received in business combination - NAHD	77,013	—
Project development costs	—	(154,090)
Investment in equity method investment	(186,000)	—
Net cash used in investing activities by continuing operations	(2,473,834)	(161,317)
Net cash used in investing activities by discontinued operations	—	(104,352)
Cash flows from financing activities:		
Repayment of short term notes payable	(1,634,809)	(1,588,001)
Borrowings on short-term notes payable	3,044,232	1,032,419
Proceeds from issuance of common stock, net of debt issuance costs	6,635,294	—
Proceeds from warrant inducement	—	494,213
Prefunded warrant exercise	—	15
Issuance of common stock from EP Agreement	—	3,619,253
Net cash provided by financing activities by continuing operations	8,044,717	3,557,889
Net cash provided by financing activities by discontinued operations	—	3,687,545
Net increase in cash and cash equivalents	2,391,337	978,334
Cash and cash equivalents - beginning of period	375,873	14,212
Cash and cash equivalents - end of period	\$ 2,767,210	\$ 992,546
Supplemental disclosure of non-cash operating activities:		
Assets and liabilities effected in deconsolidation		
Cash	\$ —	\$ 567,473
Assets held for sale	\$ —	\$ 4,400,361
Prepaid expenses and other current assets	\$ —	\$ 429,331
Property and equipment, net	\$ —	\$ 1,194,117
Project development costs and other assets	\$ —	\$ 91,490
Goodwill	\$ —	\$ 1,810,787
Intangible assets	\$ —	\$ 138,678

Investments in equity-based investments	\$	—	\$	3,642,607
Accounts payable and accrued expenses	\$	—	\$	1,600,294
Contingent consideration payable	\$	—	\$	945,000
Short-term notes payable	\$	—	\$	6,476,723
Supplemental disclosure of non-cash investing and financing activities:				
Cashless warrant exercise	\$	—		114
Fractional common share adjustment	\$	—		1
Common stock deemed dividend	\$	—	\$	1,638,149
Conversion of short-term notes payable to common stock	\$	—	\$	802,086
Forgiveness of related party debt and investment	\$	1,275,416	\$	—
Common stock and warrants issued for debt	\$	332,049	\$	—
Common stock issued for conversion of accrued interest – related party	\$	494,912	\$	—
Common stock issued for conversion of preferred stock	\$	151,360	\$	—

The accompanying notes are an integral part of these condensed consolidated financial statements.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Description of Business

Safe & Green Holdings Corp. (collectively with its subsidiaries, the “Company,” “we,” “us” or “our”) was previously known as SG Blocks, Inc. as well as CDSI Holdings, Inc., a Delaware corporation incorporated on December 29, 1993. On November 4, 2011, CDSI Merger Sub, Inc., the Company’s wholly-owned subsidiary, was merged with and into SG Building Blocks, Inc. (“SG Building,” formerly SG Blocks Inc.) (the “Merger”), with SG Building surviving the Merger and becoming a wholly-owned subsidiary of the Company. The Merger was a reverse merger that was accounted for as a recapitalization of SG Building, as SG Building was the accounting acquirer.

On February 2, 2025, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) by and between the Company and New Asia Holdings, Inc., a Nevada corporation (“NAHD”), pursuant to which NAHD will be merged into a to-be-formed subsidiary of the Company (the “Merger”). Following the Merger, NAHD and its operating subsidiaries will be indirect, wholly owned subsidiaries of the Company. As merger consideration, the Company will issue four million (4,000,000) shares of Series A non-voting convertible preferred shares of the Company, par value \$1.00 (the “Preferred Shares”), to NAHD’s shareholders, with each Preferred Share having the right to convert into fifteen (15) shares of common stock of the Company, provided, however, that any such conversion is subject to the approval by the Company’s common stockholders. The Merger Agreement contains conditions to the completion of the Merger, including the filing of the articles of incorporation and/or organization for the merger subsidiaries, and the adoption of board resolutions and/or sole member resolutions by the merger subsidiaries approving the Merger. On February 13, 2025, all of the closing conditions to the Merger Agreement have been satisfied or waived, the Preferred Shares have been issued to NAHD’s shareholders, and the transactions set forth in the Merger Agreement have been fully completed and closed.

The Company operates in the following four segments: (i) construction; (ii) medical; (ii) oil and gas; and (iv) environmental. The construction segment designs and constructs modular structures built in the Company’s factories. In the medical segment, the Company uses its modular technology to (i) provide turnkey solutions to medical testing and treatment and generate revenue from the medical testing and point of care treatment in our medical suites and (ii) sell and lease medical suites and privacy pods. The environmental segment consists of a sustainable medical and waste management solution that collects waste and treats waste for safe disposal.

The building products developed with the Company’s proprietary technology and design and engineering expertise are generally stronger, more durable, environmentally sensitive, and erected in less time than traditional construction methods. The use of the Company’s Modules typically provides between four to six points towards the Leadership in Energy and Environmental Design (“LEED”) certification levels, including reduced site disturbance, resource reuse, recycled content, innovation in design and use of local and regional materials. Due to the ability of the Modules to satisfy such requirements, the Company believes the products produced utilizing its technology and expertise is a leader in environmentally sustainable construction.

There are three core product offerings that utilize the Company’s technology and engineering expertise. The first product offering involves GreenSteel™ modules, which are the structural core and shell of an SGBlocks building. The Company procures the containers, engineers required openings with structural steel enforcements, paints the SGBlocks and then delivers them on-site, where the customer or a customer’s general contractor will complete the entire finish out and installation. The second product offering involves replicating the process to create the GreenSteel product and, in addition, installing selected materials, finishes and systems (including, but not limited to floors, windows, doors, interior painting, electrical wiring and fixtures, plumbing outlets and bathrooms, roofing system) and delivering SGBlocks pre-fabricated containers to the site for a third party licensed general contractor to complete the final finish out and installation. Finally, the third product offering is the completely fabricated and finished SGBlocks building (including but not limited to floors, windows, doors, interior painting, electrical wiring and fixtures, plumbing outlets and bathrooms, roofing systems), including erecting the final unit on site and completing any other final steps. The building is ready for occupancy and/or use as soon as installation is completed. Construction administration and/or project management services are typically included in the Company’s product offerings.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Description of Business (continued)

The Company also provides engineering and project management services related to the use and modification of Modules in construction.

Construction

During 2020, the Company formed SG Echo, LLC (“SG Echo”), a wholly owned subsidiary of the Company. The Company acquired substantially all the assets of Echo DCL (“Echo”), a Texas limited liability company, except for Echo’s real estate holdings for which the Company obtained a right of first refusal. Echo is a container/modular manufacturer based in Durant, Oklahoma specializing in the design and construction of permanent modular and temporary modular buildings and was one of the Company’s key supply chain partners. Echo caters to the military, education, administration facilities, healthcare, government, commercial and residential customers. This acquisition has allowed the Company to expand its reach for the Modules and offer an opportunity to vertically integrate a large portion of the Company’s cost of goods sold, as well as increase margins, productivity and efficiency in the areas of design, estimating, manufacturing and delivery and to become the manufacturer of the Company’s core container and modular product offerings.

Medical

As of January 2021 and through the fourth quarter of 2021, the Company’s consolidated financial statements include the accounts of Chicago Airport Testing LLC (“CAT”). The Company had a variable interest in CAT as described further below. CAT is in the business of marketing, selling, distributing, leasing and otherwise commercially exploiting certain products and services in the COVID-19 testing and other medical industry. In addition, during March 2023, the Company formed Safe and Green Medical Corporation. The Company also entered into a joint venture with Clarity Lab Solutions LLC., to provide clinical lab testing related to COVID-19, which ceased activities in 2022.

Oil and Gas

In connection with the Company’s acquisition of NAHD the Company now operates in the oil and gas industry. During 2024, NAHD acquired Olenox Corp. (“Olenox”), a Wyoming corporation. Olenox is an advanced energy company with three vertically integrated business units: Oil & Gas Production, Energy Services, and Energy Technologies. The company specializes in acquiring and revitalizing underdeveloped energy assets, leveraging proprietary plasma pulse and ultrasonic cleaning tools to enhance production efficiency while reducing environmental impact. Olenox’s strategic focus on distressed oil and gas fields in Texas, Oklahoma, and Kansas has resulted in significant production growth, positioning the company for long-term success in the energy sector. Additionally, during 2024, NAHD acquired Machfu, Inc. (“Machfu”), a Delaware corporation. Machfu is a leader in industrial Internet of Things (IoT), with its flagship MachGateway® and Edge-to-Enterprise™ software solutions enabling seamless connectivity between legacy systems and modern digital infrastructure. With over 20,000 gateways deployed worldwide, Machfu’s technology enhances operational efficiency, predictive maintenance, and real-time analytics for industries including oil & gas, utilities, and manufacturing.

Environmental

During 2022, SG Environmental Solutions Corp. (“SG Environmental”) was formed and is focused on biomedical waste removal and plans to utilize a patented technology that it licenses to shred and disinfect biomedical waste, rendering the waste disinfected, unrecognizable, and of no greater risk to the public health than residential household waste.

Reverse Stock Split

On May 2, 2024, the Company effected a 1-for-20 reverse stock split of its then-outstanding common stock (the “May Stock Split”). All share and per share amounts set forth in the consolidated financial statements of the Company have been retroactively restated to reflect the 1-for-20 reverse stock split as if it had occurred as of the earliest period presented and unless otherwise stated, all other share and per share amounts for all periods presented in this Quarterly Report on Form 10-Q for the period ended June 30, 2025 have been adjusted to reflect the reverse stock split effected in May 2024.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

2. Separation and Distribution

In December 2022, the Company and then owner of 100% of the issued and outstanding securities of SG DevCorp announced its plan to separate the Company and SG DevCorp into two separate publicly traded companies (the “Separation”). To implement the Separation, on September 27, 2023 (the “Distribution Date”), the Company, effected a pro rata distribution to its stockholders of approximately 30% of the outstanding shares of SG DevCorp’s common stock (the “Distribution”). In connection with the Distribution, each Company stockholder received 0.930886 shares of SG DevCorp’s common stock for every five (5) shares of Company common stock held as of the close of business on September 8, 2023, the record date for the Distribution, as well as a cash payment in lieu of any fractional shares. Immediately after the Distribution, SG DevCorp was no longer a wholly owned subsidiary of the Company and the Company held approximately 70% of SG DevCorp’s issued and outstanding securities. On September 28, 2023, SG DevCorp’s common stock began trading on the Nasdaq Capital Market under the symbol “SGD.”

In connection with the Separation and Distribution, SG DevCorp entered into a separation and distribution agreement and several other agreements with the Company. These agreements provide for the allocation between SG DevCorp and the Company of the assets, employees, liabilities and obligations (including, among others, investments, property, employee benefits and tax-related assets and liabilities) of the Company and its subsidiaries attributable to periods prior to, at and after the Separation and will govern the relationship between the Company and SG DevCorp subsequent to the completion of the Separation. In addition to the separation and distribution agreement, the other principal agreements entered into with the Company included a tax matters agreement and a shared services agreement.

During 2024, the Company’s ownership in SG DevCorp fell below 50%, and the Company deconsolidated SG DevCorp from its financial statements (the “Deconsolidation”). The decrease in ownership percentage resulted from additional equity transactions of SG DevCorp. As of December 31, 2024, the Company accounts for its investment in SG DevCorp on the equity method. Upon deconsolidation, the Company recognized a gain of \$4,637,013 which resulted from the difference between the fair value of the Company’s investment upon deconsolidation, and the net assets and carrying value of the non-controlling interest. The gain is included in income (loss) from discontinued operations. The fair value of the Company’s investment in SG DevCorp upon deconsolidation amounted to \$8,126,350. The Deconsolidation represents a strategic shift in the Company’s operations and will have a major effect on the Company’s operations and financial results. Prior year financial statements for 2024 have been restated to present the operations of SG DevCorp as a discontinued operation. This transaction is further described in Note 18 and 19.

3. Liquidity and Going Concern

As of June 30, 2025, the Company had cash and cash equivalents of \$2,767,210 and a backlog of \$1,209,207. See Note 10 for a discussion of construction backlog. Based on its conversations with key customers, the Company anticipates its backlog to convert to revenue over the following period:

	2025
Within 1 year	\$ 1,209,207
Total Backlog	\$ 1,209,207

The Company has incurred losses since its inception, has negative working capital of \$20,761,681 as of June 30, 2025 and has negative operating cash flows, which has raised substantial doubt about its ability to continue as a going concern. The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of the uncertainty concerning the Company’s ability to continue as a going concern.

The Company intends to meet its capital needs from revenue generated from operations and by containing costs, entering into strategic alliances, as well as exploring other options, including the possibility of raising additional debt or equity capital as necessary. There is, however, no assurance the Company will be successful in meeting its capital requirements prior to becoming cash flow positive. The Company does not have any additional sources secured for future funding, and if it is unable to raise the necessary capital at the times it requires such funding, it may need to materially change its business plan, including delaying implementation of aspects of such business plan or curtailing or abandoning such business plan altogether.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

4. Summary of Significant Accounting Policies

Basis of presentation and principals of consolidation – The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with the instructions to the Quarterly Report on Form 10-Q and Article 8 Regulation S-X. Accordingly, they do not include all of the information and notes required by GAAP for annual financial statements. The condensed financial statements and notes should be read in conjunction with the consolidated financial statements and notes for the year ended December 31, 2024 included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on June 30, 2025. In the opinion of management, all adjustments, consisting of normal accruals, considered necessary for a fair presentation of the interim financial statements have been included. Results for the six months ended June 30, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025.

Recently adopted accounting pronouncements - New accounting pronouncements implemented by the Company are discussed below or in the related notes, where appropriate.

Accounting estimates – The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period, together with amounts disclosed in the related notes to the financial statements. The Company’s estimates used in these financial statements include, but are not limited to, revenue recognition, stock-based compensation, accounts receivable reserves, inventory valuations, goodwill, the valuation allowance related to the Company’s deferred tax assets, the carrying amount of intangible assets, right of use assets and the recoverability and useful lives of long-lived assets. Certain of the Company’s estimates could be affected by external conditions, including those unique to the Company and general economic conditions. It is reasonably possible that these external factors could have an effect on the Company’s estimates and could cause actual results to differ from those estimates.

Operating cycle – The length of the Company’s contracts varies, but is typically between six to twelve months. In some instances, the length of the contract may exceed twelve months. Assets and liabilities relating to contracts are included in current assets and current liabilities, respectively, in the accompanying balance sheets as they will be liquidated in the normal course of contract completion, which at times could exceed one year.

Revenue recognition – The Company determines, at contract inception, whether it will transfer control of a promised good or service over time or at a point in time, regardless of the length of contract or other factors. The recognition of revenue aligns with the timing of when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. To achieve this core principle, the Company applies the following five steps in accordance with its revenue policy:

- (1) *Identify the contract with a customer*
- (2) *Identify the performance obligations in the contract*
- (3) *Determine the transaction price*
- (4) *Allocate the transaction price to performance obligations in the contract*
- (5) *Recognize revenue as performance obligations are satisfied*

On certain contracts, the Company applies recognition of revenue over time, which is similar to the method the Company applied under previous guidance (i.e., percentage of completion). Due to uncertainties inherent in the estimation process, it is possible that estimates of costs to complete a performance obligation will be revised in the near-term. For those performance obligations for which revenue is recognized using a cost-to-cost input method, changes in total estimated costs, and related progress toward complete satisfaction of the performance obligation, are recognized on a cumulative catch-up basis in the period in which the revisions to the estimates are made. When the current estimate of total costs for a performance obligation indicates a loss, a provision for the entire estimated loss on the unsatisfied performance obligation is made in the period in which the loss becomes evident.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

4. Summary of Significant Accounting Policies (continued)

Disaggregation of Revenues

The Company's revenues are primarily derived from construction related to Modules projects. The Company's contracts are with customers in various industries. Revenue recognized over time was \$566,199 and \$968,115, respectively, for the six months ended June 30, 2025 and 2024.

The following tables provide further disaggregation of the Company's revenues by categories:

Revenue by Customer Type	Three Months Ended June 30,			
	2025		2024	
Construction and Engineering Services:				
Hotel/Hospitality	\$ —	—%	\$ 149,961	12%
Office	523,558	73%	1,061,293	88%
Subtotal	523,558	73%	1,211,254	100%
Other:				
Oil and gas	61,638	8	—	
Subscription	136,155	19%	—	—%
Total revenue by customer type	\$ 721,351	100%	\$ 1,211,254	100%

Revenue by Customer Type	Six Months Ended June 30,			
	2025		2024	
Construction and Engineering Services:				
Hotel/Hospitality	—	—	181,719	8%
Office	1,019,637	79%	1,997,650	92%
Subtotal	1,019,637	79%	2,179,369	100%
Other:				
Oil and gas	61,638	5%	—	
Subscription	206,430	16%	—	—%
Total revenue by customer type	1,287,705	100%	2,179,369	100%

Contract Assets and Contract Liabilities

Accounts receivable are recognized in the period when the Company's right to consideration is unconditional. Accounts receivable are recognized net of an allowance for credit losses. A considerable amount of judgment is required in assessing the likelihood of realization of receivables.

The timing of revenue recognition may differ from the timing of invoicing to customers.

Contract assets include unbilled amounts from long-term construction services when revenue recognized under the cost-to-cost measure of progress exceeds the amounts invoiced to customers, as the amounts cannot be billed under the terms of the Company's contracts. Such amounts are recoverable from customers based upon various measures of performance, including achievement of certain milestones, completion of specified units or completion of a contract. Contract assets are generally classified as current within the condensed consolidated balance sheets.

Contract liabilities from construction and engineering contracts occur when amounts invoiced to customers exceed revenues recognized under the cost-to-cost measure of progress. Contract liabilities additionally include advanced payments from customers on certain contracts. Contract liabilities decrease as the Company recognizes revenue from the satisfaction of the related performance obligation. Contract liabilities are generally classified as current within the condensed consolidated balance sheet.

Although the Company believes it has established adequate procedures for estimating costs to complete on open contracts, it is at least reasonably possible that additional significant costs could occur on contracts prior to completion. The Company periodically evaluates and revises its estimates and makes adjustments when they are considered necessary.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

4. Summary of Significant Accounting Policies (continued)

Business Combinations - The Company accounts for business acquisitions using the acquisition method of accounting in accordance with Accounting Standards Codification (“ASC”) 805 “Business Combinations”, which requires recognition and measurement of all identifiable assets acquired and liabilities assumed at their fair value as of the date control is obtained. The Company determines the fair value of assets acquired and liabilities assumed based upon its best estimates of the acquisition-date fair value of assets acquired and liabilities assumed in the acquisition. Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired. Subsequent adjustments to fair value of any contingent consideration are recorded to the Company’s consolidated statements of operations. Costs that the Company incurs to complete the business combination are charged to general and administrative expenses as they are incurred.

For acquisitions of assets that do not constitute a business, any assets and liabilities acquired are recognized at their cost based upon their relative fair value of all asset and liabilities acquired.

Variable Interest Entities – The Company accounts for certain legal entities as variable interest entities (“VIE”). When evaluating a VIE for consolidation, the Company must determine whether or not there is a variable interest in the entity. Variable interests are investments or other interests that absorb portions of an entity’s expected losses or receive portions of the entity’s expected returns. If it is determined that the Company does not have a variable interest in the VIE, no further analysis is required and the VIE is not consolidated. If the Company holds a variable interest in a VIE, the Company consolidates the VIE when there is a controlling financial interest in the VIE and therefore are deemed to be the primary beneficiary. The Company is determined to have a controlling financial interest in a VIE when it has both the power to direct the activities of the VIE that most significantly impact the VIE economic performance and the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to that VIE. This determination is evaluated periodically as facts and circumstances change.

Investment Entities – The Company accounts for investment in SG DevCorp at fair value with any changes in value recorded to income or loss. As of December 31, 2024, the Company held 276,425 shares of SG DevCorp (the “Shares”) which represented approximately 19% ownership and amounted to \$738,056. On January 29, 2025, the Company entered into a mutual release and discharge agreement (the “Mutual Release”) with SG DevCorp. pursuant to SG DevCorp. forgiving and releasing from our obligations to them under that certain promissory note, dated August 9, 2023, in the principal amount of \$908,323 and in respect of \$793,590 of inter-company advances from SG DevCorp. to the Company in exchange for the Company forgiving \$394,329 of inter-company debt owed to the Company by the Company and for SG DevCorp.(which has already been written off) transferring the Shares, with the Company no longer being a shareholder of SG DevCorp. The Company recognized \$311,560 in change in fair value of its investment in SG DevCorp for the period ended January 29, 2025. In connection with the Mutual Release, the Company recorded \$1,275,417 to additional paid in capital which resulted from the transactions above and the Company’s investment in SG DevCorp write down of \$426,496.

The Company acquired an investment in CycleAIM, Inc.(“CycleAIM”) through the NAHD Merger. The Company has a 51% ownership interest in this joint venture. The Company will analyze its underlying investment in CycleAim during the measurement period of the acquisition.

The Company acquired an investment in Winchester LLC in the amount of \$220,000. The Company currently holds a 49% interest and accounts for its investment under the equity method. There has been no activity in the underlying investment as of June 30, 2025.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

4. Summary of Significant Accounting Policies (continued)

Cash and cash equivalents – The Company considers cash and cash equivalents to include all short-term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less upon acquisition. Cash and cash equivalents totaled \$2,767,210 and \$375,873 as of June 30, 2025, and December 31, 2024, respectively.

Short-term investment – The Company classifies investments consisting of a certificate of deposit with a maturity greater than three months but less than one year as short-term investment. The Company had no short-term investment as of June 30, 2025 or December 31, 2024, respectively.

Accounts receivable and allowance for credit losses – Accounts receivable are receivables generated from sales to customers and progress billings on performance type contracts. Amounts included in accounts receivable are deemed to be collectible within the Company's operating cycle. The Company recognizes accounts receivable at invoiced amounts.

The Company adopted ASC 326, Current Expected Credit Losses, on January 1, 2023, which requires the measurement and recognition of expected credit losses using a current expected credit loss model. The allowance for credit losses on expected future uncollectible accounts receivable is estimated considering forecasts of future economic conditions in addition to information about past events and current conditions.

The allowance for credit losses reflects the Company's best estimate of expected losses inherent in the accounts receivable balances. Management provides an allowance for credit losses based on the Company's historical losses, specific customer circumstances, and general economic conditions. Periodically, management reviews accounts receivable and adjusts the allowance based on current circumstances and charges off uncollectible receivables when all attempts to collect have been exhausted and the prospects for recovery are remote. Recoveries are recognized when they are received. Actual collection losses may differ from the Company's estimates and could be material to its consolidated financial position, results of operations, and cash flows.

The Company accounts for the transfer of accounts receivable to a third party under a factoring type arrangement in accordance with ASC 860, "Transfers and Servicing". ASC 860 requires that several conditions be met in order to present the transfer of accounts receivable as a sale. In the case of factoring type arrangements, the Company has isolated the transferred (sold) assets and has the legal right to transfer its assets (accounts receivable).

Inventory – Raw construction materials (primarily shipping containers and fabrication materials) are valued at the lower of cost (first-in, first-out method) or net realizable value. Finished goods and work-in-process inventories are valued at the lower of cost or net realizable value, using the specific identification method. As of June 30, 2025 and December 31, 2024, there was inventory of \$280,497 and \$471,468, respectively, for construction materials. As of June 30, 2025, there was inventory of \$471,334 related to Machfu business operations.

Goodwill – The Company performs its impairment test of goodwill at the reporting unit level each fiscal year, or more frequently if events or circumstances change that would more likely than not reduce the fair value of its reporting unit below its carrying values. The Company performs a goodwill impairment test by comparing the fair value of the reporting unit with its carrying value and recognizes an impairment charge for the amount by which the carrying value exceeds the fair value, not to exceed the total amount of goodwill. The amount by which the carrying value of the goodwill exceeds its implied fair value, if any, is recognized as an impairment loss. There were no impairments during the June 30, 2025 or 2024.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

4. Summary of Significant Accounting Policies (continued)

Intangible assets – Intangible assets consist of \$75,050 of website costs that are being amortized over 5 years and patents of \$812,938 that are being recognized over 7 years. The amortization expense for the six months ended June 30, 2025 and 2024 was \$41,506 and \$6,834, respectively. The accumulated amortization as of June 30, 2025 and December 31, 2024 was \$104,898 and \$63,392, respectively.

Property, plant and equipment – Property, plant and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated lives of each asset. Estimated useful lives for significant classes of assets are as follows: computer and software 3 to 5 years, furniture and other equipment 5 to 7 years, automobiles 2 to 5 years, buildings held for lease 5 to 7 years, building 40 years, and equipment 5 to 29 years. Repairs and maintenance are charged to expense when incurred.

Oil and Gas Properties - The Company uses the full cost method of accounting for its investment in oil and natural gas properties. Under this method of accounting, all costs associated with acquisition, exploration and development of oil and gas reserves, including directly related overhead costs, are capitalized. General and administrative costs related to production and general overhead are expensed as incurred.

All capitalized costs of oil and gas properties, including the estimated future costs to develop proved reserves, are amortized on the unit of production method using estimates of proved reserves. Disposition of oil and gas properties are accounted for as a reduction of capitalized costs, with no gain or loss recognized unless such adjustment would significantly alter the relationship between capitalized costs and proved reserves of oil and gas, in which case the gain or loss is recognized in operations. Unproved properties and major development projects are not amortized until proved reserves associated with the projects can be determined or until impairment occurs. If the results of an assessment indicate that the properties are impaired, the amount of impairment is included in loss from operations before income taxes.

Limitation on Capitalized Costs - Under the full-cost method of accounting, we are required, at the end of each reporting date, to perform a test to determine the limit on the book value of our oil and natural gas properties (the “Ceiling” test). If the capitalized costs of our oil and natural gas properties, net of accumulated amortization and related deferred income taxes, exceed the Ceiling, this excess or impairment is charged to expense. The expense may not be reversed in future periods, even though higher oil and natural gas prices may subsequently increase the Ceiling. The Ceiling is defined as the sum of:

- (a) the present value, discounted at 10 percent, and assuming continuation of existing economic conditions, of 1) estimated future gross revenues from proved reserves, which is computed using oil and natural gas prices determined as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month hedging arrangements pursuant to SAB 103, less 2) estimated future expenditures (based on current costs) to be incurred in developing and producing the proved reserves, plus
- (b) the cost of properties not being amortized; plus
- (c) the lower of cost or estimated fair value of unproven properties included in the costs being amortized, net of
- (d) the related tax effects related to the difference between the book and tax basis of our oil and natural gas properties.

Oil and Gas Reserves - Reserve engineering is a subjective process that is dependent upon the quality of available data and the interpretation thereof, including evaluations and extrapolations of well flow rates and reservoir pressure. Estimates by different engineers often vary sometimes significantly. In addition, physical factors such as the results of drilling, testing and production subsequent to the date of an estimate, as well as economic factors such as changes in product prices, may justify revision of such estimates. Because proved reserves are required to be estimated using recent prices of the evaluation, estimated reserve quantities can be significantly impacted by changes in product prices.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

4. Summary of Significant Accounting Policies (continued)

Depreciation, depletion, and Amortization and Accretion - The estimates of proved reserves materially impact depreciation, depletion, amortization and accretion (“DD&A”) expense. If the estimates of proved reserves decline, the rate at which we record DD&A expense will increase, reducing future net income. Such a decline may result from lower market prices, which may make it uneconomic to drill for and produce from higher-cost fields.

Asset retirement obligations - The Company records a liability for Asset Retirement Obligations (“AROs”) associated with its oil and gas wells when those assets are placed in service. The corresponding cost is capitalized as an asset and included in the carrying amount of oil and gas properties and is depleted over the useful life of the properties. Subsequently, the ARO liability is accreted to its then-present value.

Inherent in the fair value calculation of an ARO are numerous assumptions and judgments including the ultimate settlement amounts, inflation factors, credit adjusted discount rates, timing of settlement, and changes in the legal, regulatory, environmental, and political environments. To the extent future revisions to these assumptions impact the fair value of the existing ARO liability, a corresponding adjustment is made to the oil and gas property balance. Settlements greater than or less than amounts accrued as ARO are recorded as a gain or loss upon settlement.

As of June 30, 2025, the asset retirement obligations amounted to \$15,187 and is included in accounts payable and accrued expense on the accompanying condensed consolidated balance sheet.

Proved Reserves – As of June 30, 2025, all of the Company’s oil and gas reserves are proved reserves. Such amount was acquired in the Merger. Estimates of our proved reserves included in this report are prepared in accordance with U.S. SEC guidelines for reporting corporate reserves and future net revenue. The accuracy of a reserve estimate is a function of:

- i. the quality and quantity of available data;
- ii. the interpretation of that data;
- iii. the accuracy of various mandated economic assumptions; and
- iv. the judgment of the persons preparing the estimate.

Our proved reserve information included in this report was predominately based on estimates. Because these estimates depend on many assumptions, all of which may substantially differ from future actual results, reserve estimates will be different from the quantities of oil and gas that are ultimately recovered. In addition, results of drilling, testing and production after the date of an estimate may justify material revisions to the estimate.

The estimated proved net recoverable reserves include only those quantities that were expected to be commercially recoverable at prices and costs in effect at the balance sheet dates under the then existing regulatory practices and with conventional equipment and operating methods. All of the Company’s Proved Reserves are located onshore in the continental United States of America.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

4. Summary of Significant Accounting Policies (continued)

Convertible instruments – The Company bifurcates conversion options from their host instruments and accounts for them as free standing derivative financial instruments according to certain criteria. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

Common stock purchase warrants and other derivative financial instruments – The Company classifies as equity any contracts that (i) require physical settlement or net-share settlement or (ii) provides a choice of net-cash settlement or settlement in the Company's own shares (physical settlement or net-share settlement) providing that such contracts are indexed to the Company's own stock. The Company classifies as assets or liabilities any contracts that (i) require net-cash settlement (including a requirement to net cash settle the contract if any event occurs and if that event is outside the Company's control) or (ii) gives the counterparty a choice of net-cash settlement or settlement shares (physical settlement or net-cash settlement). The Company assesses classification of common stock purchase warrants and other free standing derivatives at each reporting date to determine whether a change in classification between assets and liabilities or equity is required.

Fair value measurements – Financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are carried at cost, which the Company believes approximates fair value due to the short-term nature of these instruments.

The Company measures the fair value of financial assets and liabilities based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

The Company uses three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Quoted prices for similar assets and liabilities in active markets or inputs that are observable.

Level 3 Inputs that are unobservable (for example, cash flow modeling inputs based on assumptions).

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

4. Summary of Significant Accounting Policies (continued)

Transfer into and transfers out of the hierarchy levels are recognized as if they had taken place at the end of the reporting period. There have been no changes in Level 1, Level 2, and Level 3 and no changes in valuation. The fair value of the Company's equity-based investment in SG DevCorp was determined based on Level 1 inputs. The Company does not have any financial instruments in the Level 2 or Level 3 category.

		Fair value measured as of June 30, 2025			
		Total at June 30, 2025	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets					
	Equity-based investment – SG DevCorp	\$ —	\$ —	\$ —	\$ —
		Fair value measured as of December 31, 2024			
		Total at June 30, 2025	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets					
	Equity-based investment – SG DevCorp	\$ 738,056	\$ 738,056	\$ —	\$ —

Share-based payments – The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees and directors, including non-employee directors, the fair value of a stock option award is measured on the grant date. The fair value amount is then recognized over the period services are required to be provided in exchange for the award, usually the vesting period. The Company recognizes stock-based compensation expense on a graded-vesting basis over the requisite service period for each separately vesting tranche of each award. Stock-based compensation expense to employees and all directors are reported within payroll and related expenses in the consolidated statements of operations. Stock-based compensation expense to non-employees is reported within marketing and business development expense in the condensed consolidated statements of operations.

Income taxes – The Company accounts for income taxes utilizing the asset and liability approach. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes generally represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from the differences between the financial and tax bases of the Company's assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted.

The calculation of tax liabilities involves dealing with uncertainties in the application of complex tax regulations. The Company recognizes liabilities for anticipated tax audit issues based on the Company's estimate of whether, and the extent to which, additional taxes will be due. If payment of these amounts ultimately proves to be unnecessary, the reversal of the liabilities would result in tax benefits being recognized in the period when the liabilities are no longer determined to be necessary. If the estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to expense would result.

Concentrations of credit risk – Financial instruments, that potentially subject the Company to concentration of credit risk, consist principally of cash and cash equivalents. The Company places its cash with high credit quality institutions. At times, such amounts may be in excess of Federal Deposit Insurance Corporation insurance limits. The Company has not experienced any losses in such account and believes that it is not exposed to any significant credit risk on the account.

With respect to receivables, concentrations of credit risk are limited to a few customers in the construction industry. The Company performs ongoing credit evaluations of its customers' financial condition and, generally, requires no collateral from its customers other than normal lien rights. At June 30, 2025 and December 31, 2024, 100% of the Company's gross accounts receivable were due from three customers.

Revenue relating to one customer represented approximately 88% and 73% of the Company's total revenue for the three months ended June 30, 2025 and 2024, respectively. Revenue relating to one customer represented approximately 81% and 88%, for the six months ended June 30, 2025 and 2024, respectively.

There were no vendors representing 10% or more of the Company's total cost of revenue for the three months or six months ended June 30, 2025 and 2024. The Company believes it has access to alternative suppliers, with limited disruption to the business, should circumstances change with its existing suppliers.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

5. Accounts Receivable

At June 30, 2025 and December 31, 2024, the Company's accounts receivable consisted of the following:

	2025	2024
Billed:		
Construction services	\$ 463,268	\$ 372,274
Other	112,788	—
Total gross receivables	<u>576,056</u>	<u>372,274</u>
Less: allowance for credit losses	(266,795)	(266,795)
Total net receivables	<u><u>\$ 309,261</u></u>	<u><u>\$ 105,479</u></u>

Receivables are evaluated for collectability and allowances for potential losses are established or maintained on applicable receivables.

6. Contract Assets and Contract Liabilities

Costs and estimated earnings on uncompleted contracts, which represent contract assets and contract liabilities, consisted of the following at June 30, 2025 and December 31, 2024:

	2025	2024
Costs incurred on uncompleted contracts	\$ 2,129,843	\$ 3,161,295
Provision for loss on uncompleted contracts	—	—
Estimated earnings to date on uncompleted contracts	<u>(1,025,044)</u>	<u>(687,903)</u>
Gross contract assets	1,104,799	2,473,392
Less: billings to date	<u>(1,532,152)</u>	<u>(3,066,938)</u>
Net contract liabilities on uncompleted contracts	<u><u>\$ (427,353)</u></u>	<u><u>\$ (593,546)</u></u>

The above amounts are included in the accompanying condensed consolidated balance sheets under the following captions at June 30, 2025 and December 31, 2024.

	2025	2024
Contract assets	\$ 130,798	\$ 2,536
Contract liabilities	<u>(558,151)</u>	<u>(596,082)</u>
Net contract liabilities on uncompleted contracts	<u><u>\$ (427,353)</u></u>	<u><u>\$ (593,546)</u></u>

Although management believes it has established adequate procedures for estimating costs to complete on open contracts, it is at least reasonably possible that additional significant costs could occur on contracts prior to completion. The Company periodically evaluates and revises its estimates and makes adjustments when they are considered necessary.

Additionally, at June 30, 2025 contract liabilities include \$553,350 of advanced payments from customers on certain contracts.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

7. Oil and Gas Properties and Property, plant and equipment

Oil and gas properties include the cost of properties, equipment and facilities for oil and natural-gas producing activities, excluding any asset retirement obligations. At June 30, 2025, the Company's oil and gas properties, net consisted of the following:

	2025
Oil and gas properties	\$ 3,806,824
Less: accumulated depreciation	(265,376)
	<u>\$ 3,541,448</u>

Property, plant and equipment are stated at cost less accumulated depreciation and amortization and depreciated using the straight-line method over their useful lives. At June 30, 2025 and December 31, 2024, the Company's property, plant and equipment, net consisted of the following:

	2025	2024
Computer equipment and software	\$ 194,216	\$ 100,370
Furniture and other equipment	24,737	16,251
Models	400	
Leasehold improvements	11,991	11,991
Equipment and machinery	834,934	770,939
Automobiles	362,122	4,638
Building	4,437,663	3,447,763
Property, plant and equipment	5,866,063	4,351,952
Less: accumulated depreciation	(1,651,760)	(386,526)
	<u>\$ 4,214,303</u>	<u>\$ 3,965,426</u>

Depreciation expense for the six months ended June 30, 2025 and 2024 amounted to \$191,732 and \$84,678, respectively. Depreciation expense for the three months ended June 30, 2025 and 2024 amounted to \$398,843 and \$84,678, respectively.

8. Notes Payable

Authority Loan Agreement

On October 29, 2021, SG Echo entered into a Loan Agreement (the "Authority Loan Agreement") with the Durant Industrial Authority (the "Authority") pursuant to which it issued to the Authority a non-interest bearing Forgivable Promissory Note in the principal amount of \$750,000 (the "Forgivable Note") in exchange for \$750,000 to be used for renovation improvements related to the Company's approximately 58,000 square-foot manufacturing facility in Durant, Oklahoma. The Forgivable Note is due on April 29, 2029 and guaranteed by the Company, provided that, if no event of default has occurred under the Forgivable Note or the Authority Loan Agreement, one-third (1/3) of the balance of the Forgivable Note will be forgiven on April 29, 2027, one-half (1/2) of the balance of the Forgivable Note will be forgiven on April 29, 2028, and the remainder of the balance of the Forgivable Note will be forgiven on April 29, 2029. The Loan Agreement includes a covenant by SG Echo to employ a minimum of 75 full-time employees in Durant, Oklahoma and pay them no less than 1.5 times the federal minimum wage, and provides SG Echo 24 months to comply with the provision. As of June 30, 2025 and December 31, 2024 the outstanding balance amounted to \$750,000.

See Note 15, for additional information regarding litigation between the Company and Authority.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

8. Notes Payable (continued)

Cash Advance Agreements

On July 31, 2024, SG Building entered into a Cash Advance Agreement (the “July Cash Advance Agreement”) with Cedar Advance LLC (“Cedar”) pursuant to which SG Building sold to Cedar \$1,957,150 of its future receivables for a purchase price of \$1,350,000, less underwriting fees and expenses paid and the repayment of prior amounts due Cedar, for net funds provided of \$285,180, which are net of repayment of prior Cedar Cash Advance Agreements

Pursuant to the July Cash Advance Agreement, Cedar is expected to withdraw \$49,150 a week directly from SG Building until the \$1,957,150 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 Advance Agreement), Cedar, among other remedies, can demand payment in full of all amounts remaining due under the July Cash Advance Agreement. SG Building’s obligations under the July Cash Advance Agreement have been guaranteed by SG Echo. The July Cash Advance Agreement is currently in default. As of June 30, 2025 and December 31, 2024 the outstanding balance amounted to \$1,526,699 and \$1,536,700, respectively.

On August 27, 2024, SG Building entered into a Cash Advance Agreement (the “Pawn Cash Advance Agreement”) with Pawn Funding (“Pawn”) pursuant to which SG Building sold to Pawn \$599,600 of its future receivables for a purchase price of \$400,000, less underwriting fees and expenses paid and the repayment of prior amounts due Pawn, for net funds provided of \$360,000. Pursuant to the Pawn Cash Advance Agreement, Pawn is expected to withdraw \$4,999.67 a week directly from SG Building until the \$599,600 due to Pawn is paid in full. In the event of a default (as defined in the Pawn Cash Advance Agreement), Pawn, among other remedies, can demand payment in full of all amounts remaining due under the Pawn Cash Advance Agreement. As of June 30, 2025 and December 31, 2024 the outstanding balance amounted to \$249,830.

On December 17, 2024, SG Building entered into a Cash Advance Agreement (the “December Cash Advance Agreement”) with Cedar pursuant to which SG Building sold to Cedar \$194,500 of its future receivables for a purchase price of \$138,000, less underwriting fees and expenses paid, for net funds provided of \$125,000. Pursuant to the Cedar Cash Advance Agreement, Cedar is expected to withdraw \$4,900 a week directly from SG Building until the \$194,500 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 June 30, 2025 and December 31, 2024 the outstanding balance amounted to \$102,270 and \$184,700, respectively.

On December 24, 2024, SG Building entered into a Cash Advance Agreement (the “December Cash Advance Agreement 2”) 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 December Cedar Cash Advance Agreement 2, 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 June 30, 2025 and December 31, 2024 the outstanding balance amounted to \$132,898 and \$203,000, respectively.

On January 22, 2025, SG Building entered into a Cash Advance Agreement (the “Core Cash Advance Agreement”) with Core Funding Source LLC (“Core”) pursuant to which SG Building sold to Pawn \$104,930 of its future receivables for a purchase price of \$70,000, less underwriting fees and expenses paid, for net funds provided of \$63,000. Pursuant to the Core Cash Advance Agreement, Core is expected to receive \$2,998 a day directly from SG Building until the \$104,930 due to Core is paid in full. In the event of a default (as defined in the Core Cash Advance Agreement), Core, among other remedies, can demand payment in full of all amounts remaining due under the Core Cash Advance Agreement. As of June 30, 2025 the outstanding balance amounted to \$0.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

8. Notes Payable (continued)

Enhanced Note

On September 20, 2024, SG Echo entered into a Loan and Security Agreement (the “Enhanced Loan Agreement”) with Enhanced Capital Oklahoma Rural Fund, LLC (“Enhanced”) pursuant to which SG Echo borrowed \$4,000,000 (the “Principal”) from Enhanced, and whereby SG Echo executed and delivered a Secured Promissory Note (the “Enhanced Note”) to Enhanced to evidence SG Echo’s obligations under the Enhanced Loan Agreement. The Enhanced Note shall bear interest at a rate equal to the greater of (i) the Secured Overnight Financing Rate (“SOFR”) plus six and sixty-five tenths percent (6.65%) and (ii) ten percent (10.0%) per annum (the “Interest Rate”). SG Echo shall pay to Enhanced a closing fee of \$80,000, which shall be due and payable on October 1, 2025, unless such date shall be extended by Lender. SG Echo’s obligations under the Enhanced Loan Agreement and the Enhanced Note have been guaranteed by the Company.

Pursuant to the terms of the Enhanced Note, SG Echo shall make monthly payments of accrued interest on the first business day of each calendar month until December 31, 2025. Commencing January 2026, SG Echo shall make monthly payments of accrued interest and additionally shall make a monthly principal payment on the Note in an amount equal to \$22,222.22. The maturity date of the Note shall be the sixty-month anniversary of the closing date (the “Enhanced Maturity Date”). All outstanding principal and accrued interest shall be due and payable on the Enhanced Maturity Date.

Pursuant to the terms of the Enhanced Loan Agreement, on the closing date, \$360,000 (the “Interest Reserve”) will be deposited in a segregated deposit account in SG Echo’s name, which account shall be subject to a Control Agreement in favor of the Lender (the “Interest Reserve Account”). The monthly payments due under the Enhanced Note are withdrawn from the Interest Reserve Account until the Interest Reserve has been fully withdrawn. SG Echo shall have no obligation to replenish amounts withdrawn from the Interest Reserve Account.

Pursuant to the terms of the Enhanced Loan Agreement, SG Echo shall grant Enhanced a first priority mortgage on the real property located at 101 Waldron Rd., Durant, Oklahoma. Additionally, SG Echo shall grant Lender a continuing security interest in, a general lien upon, collateral assignment of, and a right of set-off against all of SG Echo’s right, title, and interest in and to all assets of SG Echo.

In the event of default (as defined in the Enhanced Loan Agreement), Enhanced, among other remedies, can demand all amounts and/or liabilities owing from time to time by SG Echo to Enhanced pursuant to the Enhanced Loan Agreement and the Enhanced Note (with accrued interest thereon) and all other amounts owing under the Enhanced Loan Agreement due and payable. As of June 30, 2025 and December 31, 2024 the outstanding balance amounted to \$4,000,000.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

8. Notes Payable (continued)

Galvin Promissory Note

On December 14, 2023, the Company entered into a promissory note with Paul Galvin, the Company's Chairman and CEO, for \$75,000 ("Galvin Note Payable"). The note shall not accrue interest, and the entire unpaid principal balance is due December 14, 2024. During the three months ended March 31, 2024 the Company entered into an additional promissory note with Mr. Galvin in the amount of \$10,000. The note shall not accrue interest, and the entire unpaid principal balance is due December 14, 2024. During the three months ended, \$0 in principal payments were made. The Galvin Note Payable is currently in default. As of June 30, 2025 and December 31, 2024 the outstanding balance amounted to \$17,805 and \$17,000, respectively.

1800 Diagonal Note

On March 5, 2024, the Company issued a promissory note (the "1800 Diagonal Note") in favor of 1800 Diagonal Lending LLC ("1800 Diagonal") in the aggregate principal amount of \$149,500 pursuant to a Securities Purchase Agreement, dated March 5, 2024 (the "SPA").

The 1800 Diagonal Note was purchased by 1800 Diagonal for a purchase price of \$130,000, representing an original issue discount of \$19,500. A one-time interest charge of ten percent (10%) (the "Interest Rate") will be applied on the issuance date to the Principal. Under the terms of the 1800 Diagonal Note, beginning on April 15, 2024, the Company is required to make nine monthly payments of accrued, unpaid interest and outstanding principal, subject to adjustment, in the amount of \$18,272.23. The Company shall have a five business day grace period with respect to each payment. Any amount of principal or interest on this 1800 Diagonal Note which is not paid when due will bear interest at the rate of 22% per annum from the due date thereof until the same is paid ("Default Interest"). The Company has right to accelerate payments or prepay in full at any time with no prepayment penalty.

Among other things, an event of default will be deemed to have occurred if the Company fails to pay the principal or interest when due on the 1800 Diagonal Note, whether at maturity, upon acceleration or otherwise, if bankruptcy or insolvency proceedings are instituted by or against the Company or if the Company fails to maintain the listing of its common stock on The Nasdaq Stock Market. Upon the occurrence of an event of default, the 1800 Diagonal Note will become immediately due and payable and the Company will be obligated to pay to the Investor, in satisfaction of its obligations under the 1800 Diagonal Note, an amount equal to 200% times the sum of the then outstanding principal amount of the 1800 Diagonal Note plus accrued and unpaid interest on the unpaid principal amount of this 1800 Diagonal Note to the date of payment plus Default Interest, if any.

After an event of default, at any time following the six month anniversary of the 1800 Diagonal Note, 1800 Diagonal will have the right, to convert all or any part of the outstanding and unpaid amount of the 1800 Diagonal Note into shares of the Company's common stock at a conversion price equal to the greater of \$0.08 or 65% multiplied by the lowest closing bid price during the 10 trading days prior to the conversion date (representing a discount rate of 35%). The 1800 Diagonal Note may not be converted into shares of the Company's common stock if the conversion would result in 1800 Diagonal and its affiliates owning an aggregate of in excess of 4.99% of the then outstanding shares of the Company's common stock. In addition, unless the Company obtains shareholder approval of such issuance, the Company shall not issue a number of shares of its common stock under 1800 Diagonal Note, which when aggregated with all other securities that are required to be aggregated for purposes of Nasdaq Rule 5635(d), would exceed 19.99% of the shares of the Company's common stock outstanding as of the date of definitive agreement with respect to the first of such aggregated transactions (the "Conversion Limitation"). Upon the occurrence of an event of default as a result of the Company being delisted from Nasdaq, the Conversion Limitation shall no longer apply. As of June 30, 2025 and December 31, 2024 the outstanding balance amounted to \$19,334 and \$135,334, respectively.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

8. Notes Payable (continued)

On August 28, 2024, the Company issued a promissory note (the “August 1800 Diagonal Note”) in favor of 1800 Diagonal in the principal amount of \$290,000 for a purchase price of \$250,000, representing an original issue discount of \$40,000. A one-time interest charge of twelve percent (12%) be applied on the issuance date to the principal balance. Under the terms of the August 1800 Diagonal Note, beginning on February 28, 2025, the Company is required to make five monthly payments of accrued, unpaid interest and outstanding principal, subject to adjustment, in the amount of \$40,600, with \$162,400 being due on February 28, 2025. The Company has right to accelerate payments or prepay in full at any time with no prepayment penalty. The connection with the August 1800 Diagonal Note, the Company incurred \$8,000 in debt issuance costs. The August 1800 Diagonal Note has default terms similar to the 1800 Diagonal Note as described above. As of June 30, 2025 and December 31, 2024 the outstanding balance amounted to \$0 and \$290,000, respectively.

On January 22, 2025, the Company issued a promissory note (the “January 1800 Diagonal Note”) in favor of 1800 Diagonal in the principal amount of \$143,750 for a purchase price of \$125,000, representing an original issue discount of \$18,750. A one-time interest charge of twelve percent (15%) be applied on the issuance date to the principal balance. Under the terms of the January 1800 Diagonal Note, beginning on February 28, 2025, the Company is required to make nine monthly payments of accrued, unpaid interest and outstanding principal, subject to adjustment, in the amount of \$18,368, with \$165,310 being due on February 28, 2025. The Company has right to accelerate payments or prepay in full at any time with no prepayment penalty. The connection with the January 1800 Diagonal Note, the Company incurred \$8,000 in debt issuance costs. The January 1800 Diagonal Note has default terms similar to the 1800 Diagonal Note as described above. As of June 30, 2025 the outstanding balance amounted to \$63,889.

Firstfire

On February 12, 2025, the Company executed and issued a Promissory Note (“Note”) in favor of Firstfire Global Opportunities Fund, LLC (the “Firstfire”) in the aggregate principal amount of \$360,000 (the “Firstfire Principal”), and an accompanying Securities Purchase Agreement, executed on February 12, 2025 (the “Firstfire SPA”).

The Note was purchased by Firstfire for a purchase price of \$300,000, representing an original issue discount of \$60,000. The Note shall bear interest at a rate of fifteen percent (15%) per annum, with the understanding that the first twelve months of interest under the Note (equal to \$54,000), shall be guaranteed and earned in full as of February 12, 2025. Any amount of Principal or interest due under the Note which is not paid when due shall bear interest at eighteen percent (18%) per annum (“Default Interest”). The Note may not be prepaid in whole or in part except as explicitly set forth in the Note.

Firstfire will have the right, on any calendar day, at any time on or after the Issue Date, to convert all or any portion of the then-outstanding Principal and interest (including any Default Interest) into fully paid and non-assessable shares of common stock, par value \$0.01 per share, of the Company (the “Common Stock”). The per share conversion price into which the Principal, interest (including any Default Interest) shall be equal to \$0.65, subject to adjustment as provided in the Note (the “Conversion Price”). If at any time the Conversion Price for any conversion would be less than the par value of the Common Stock, then at the sole discretion of the Lender, the Conversion Price may equal such par value for such conversion, and the conversion amount shall be increased to include Additional Principal (where “Additional Principal” means such additional amount to be added to the conversion amount to the extent necessary to cause the number of conversion shares issuable upon such conversion to equal the same number of conversion shares as would have been issued if the Conversion Price had not been adjusted by the Lender to the par value price. The Lender shall be entitled to deduct \$1,750 from the conversion amount in each notice of conversion to cover Lender’s fees associated with each notice of conversion. The Note may not be converted into shares of the Company’s common stock if the conversion would result in the Lender and its affiliates owning an aggregate of in excess of 4.99% of the then-outstanding shares of the Company’s common stock.

In connection with the issuance of the Note and the SPA, the Company will issue to the Lender common stock purchase warrants (the “Warrant”), which shall be exercisable into 450,000 shares of Common Stock. The relative fair value of the warrants amounted to \$158,883 and are recorded as a debt discount to the underlying Note.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

8. Notes Payable (continued)

Among others, the following shall be considered events of default under the Note (“Event of Default”): if the Company fails to pay the Principal Amount or interest when due on the Note; the Company fails to issue conversion shares to the Lender upon exercise by the Lender of the conversion rights under the Note; or the Company breaches any covenant, agreement, or other term or condition of the Note or the accompanying Securities Purchase Agreement, Registration Rights Agreement, Irrevocable Transfer Agent Instructions, or Warrants.

After an Event of Default, in addition to all other rights under the Note, the Lender shall have the right to convert any portion of the Note at any time at a price per share equal to the Alternate Price. The “Alternate Price” shall mean the lesser of (i) the applicable conversion price under the Note, (ii) the closing price of the Common Stock on the date of the Event of Default, or (iii) \$0.52. As of June 30, 2025 the outstanding balance amounted to \$0.

Tysadco

On March 6, 2025, the Company closed and issued a promissory note (the “Note”) in favor of Tysadco Partners LLC (the “Tysadco”), with an effective date of February 25, 2025, in the aggregate principal amount up to \$1,875,000 (the “Principal”), and an accompanying Securities Purchase Agreement (the “SPA”). All outstanding Principal and interest shall be due on November 30, 2025 (the “Maturity Date”). The Note was purchased for up to \$1,500,000, representing an original issue discount of twenty-five percent (25%), equal to \$375,000 if the Note is fully funded. The Note shall bear interest at twelve percent (12%) interest per annum. Tysadco has the right to convert all or any portion of the then-outstanding Principal and interest into fully paid and non-assessable shares of common stock of the Company, par value \$0.01 per share (the “Conversion Shares”). The per share conversion price into which the Principal and interest converts shall be fifty cents (\$0.50) per share. Among others, the following shall be considered events of default under the Note (each an “Event of Default”): if the Company fails to pay the Principal or interest when due under the Note; if the Company fails to issue Conversion Shares to Tysadco upon exercise by Tysadco of the conversion rights under the Note; or if the Company breaches any covenant, agreement, or other term or condition of the Note or the accompanying SPA. Upon the occurrence of an Event of Default, then the outstanding balance shall immediately increase to 125% of the outstanding balance immediately prior to the occurrence of the Event of Default, and a daily penalty of \$500 will accrue until the default is remedied.

If the Company has not obtained approval from the holders of the Company’s Common Stock, as required by applicable rules and regulation of Nasdaq, the Company shall not issue any number of shares of Common Stock under the Note that would exceed 4.99% of the shares of Common Stock outstanding as of the date of the Note. Additionally, the Company shall not effect any conversion of the Note, and the Lender shall not have the right to convert any portion of the Note or receive shares of Common Stock as payment of interest hereunder to the extent that after giving effect to such conversion or receipt of such interest payment, the Lender, together with any affiliates thereof, would beneficially own in excess of 4.99% of the number of shares of Common Stock outstanding immediately after giving effect to such conversion or receipt of shares as payment of interest.

In connection with the issuance of the Note and the SPA, the Company will issue 294,000 shares of Common Stock (the “Commitment Shares”) as additional consideration for the purchase of the Note. As of June 30, 2025 the outstanding balance amounted to \$225,000.

GS Capital

On March 3, 2025, the Company executed and issued a Promissory Note (“Note”) in favor of GS Capital Partners, LLC (the “GS”) in the aggregate principal amount of \$360,000 (the “Principal”), and an accompanying Securities Purchase Agreement (the “SPA”) and Registration Rights Agreement (the “RRA”).

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

8. Notes Payable (continued)

The Note was purchased by GSA for a purchase price of \$300,000, representing an original issue discount of \$60,000. The Note shall bear interest at a rate of fifteen percent (15%) per annum, with the understanding that the first twelve months of interest under the Note (equal to \$54,000), shall be guaranteed and earned in full as of the Issue Date. Any amount of Principal or interest due under the Note which is not paid when due shall bear interest at eighteen percent (18%) per annum ("Default Interest"). The Note may not be prepaid in whole or in part except as explicitly set forth in the Note. The Company shall make monthly payments on the Note in the amount of \$44,000, due and payable on the 3rd of each month commencing on June 3, 2025, and ending on February 3, 2025, with a final payment due and payable on March 3, 2026, in the amount equal to any remaining outstanding balance of the Note.

GSA will have the right to convert all or any portion of the then-outstanding Principal and interest including any Default Interest (as defined in the Note) into fully paid and non-assessable shares of common stock of the Company, par value \$0.01 per share (the "Common Stock"). Such conversion right is wholly contingent and subject to the approval of such conversion by a sufficient amount of holders of the Company's common stock to satisfy the shareholder approval requirements for such action as provided in Nasdaq Rule 5635(d) ("Shareholder Approval"). GSA may, on any calendar day, at any time after Shareholder Approval of such conversion, convert all or any portion of the then-outstanding Principal and interest (including any Default Interest) into fully paid and non-assessable share of common stock, par value \$0.01 per share, of the Company (the "Common Stock"). The per share conversion price into which the Principal, interest (including any Default Interest) shall be equal to \$0.65, subject to adjustment as provided in the Note (the "Conversion Price"). If at any time the Conversion Price for any conversion would be less than the par value of the Common Stock, then at the sole discretion of GSA, the Conversion Price may equal such par value for such conversion, and the conversion amount shall be increased to include Additional Principal (where "Additional Principal" means such additional amount to be added to the conversion amount to the extent necessary to cause the number of conversion shares issuable upon such conversion to equal the same number of conversion shares as would have been issued if the Conversion Price had not been adjusted by GSA to the par value price. GSA shall be entitled to deduct \$1,750 from the conversion amount in each notice of conversion to cover GSA's fees associated with each notice of conversion. The Note may not be converted into shares of the Company's common stock if the conversion would result in GSA and its affiliates owning an aggregate of in excess of 4.99% of the then-outstanding shares of the Company's common stock.

Among others, the following shall be considered events of default under the Note ("Event of Default"): if the Company fails to pay the Principal Amount or interest when due on the Note; the Company fails to issue conversion shares to GSA upon exercise by GSA of the conversion rights under the Note; or the Company breaches any covenant, agreement, or other term or condition of the Note or the accompanying Securities Purchase Agreement, Registration Rights Agreement, Irrevocable Transfer Agent Instructions, or Warrants.

After an Event of Default, in addition to all other rights under the Note, GSA shall have the right to convert any portion of the Note at any time at a price per share equal to the Alternate Price. The "Alternate Price" shall mean the lesser of (i) the applicable conversion price under the Note, (ii) the closing price of the Common Stock on the date of the Event of Default, or (iii) \$0.52. As of June 30, 2025 the outstanding balance amounted to \$316,000.

Generating Alpha

On March 27, 2025, the Company executed and issued a Promissory Note ("Note") in favor of Generating Alpha Ltd. (the "Generating") in the aggregate principal amount of \$375,700 (the "Principal"), and an accompanying Securities Purchase Agreement (the "SPA") and Registration Rights Agreement (the "RRA").

The Note was purchased by Generating for a purchase price of \$300,560, representing an original issue discount of \$75,140. The Note shall bear interest at a rate of fifteen percent (15%) per annum, with the understanding that the first twelve months of interest under the Note (equal to \$56,355), shall be guaranteed and earned in full as of March 27, 2025. Any amount of Principal or interest due under the Note which is not paid when due shall bear interest at eighteen percent (18%) per annum ("Default Interest"). The Company shall make monthly payments on the Note (each an "Amortization Payment") in the amount of \$43,205.50, due and payable on the 6th of each month commencing on June 6, 2025, and ending on March 6, 2026. The Company may accelerate the payment date of any Amortization Payment by giving notice to Generating.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

8. Notes Payable (continued)

If the Company fails to pay any Amortization Payment when due, in addition to all other rights under the Note, Generating shall have the right to convert at any time any portion of the Note at a price per share equal to the Market Price. "Market Price" shall mean the lesser of (i) the then applicable conversion price under the Note or (ii) 80% of the lowest closing price of the Company's shares of common stock, par value \$0.01 ("Common Stock") on any trading day during the ten trading days prior to the conversion date. If an event of default occurs under the Note, then, in addition to all other rights under the Note, the Lender shall have the right to convert at any time any portion of the Note at a price per share equal to the Alternate Price. "Alternate Price" shall mean the lesser of (i) the then applicable conversion price, (ii) the closing price of the Common Stock on the date of the event of default (provided, however, that if such date is not a trading day, then the next trading day after the event of default), or (iii) \$0.52 (subject to adjustment as provided in the Note).

The total cumulative number of shares of Common Stock issued to Generating under the Note, together with the SPA and RRA, may not exceed the requirements of Nasdaq Listing Rule 5635(d) (the "Nasdaq 19.99% Cap"), except that is the number of shares of Common Stock issued to Lender reaches the Nasdaq 19.99% Cap, the Company, at its election, will use reasonable commercial efforts to obtain stockholder approval of the Note and the issuance of additional conversion shares, in accordance with the requirements of Nasdaq Listing Rule 5635(d) (the "Approval"). If the Company is unable to obtain such Approval, any remaining outstanding balance of the Note must be repaid in cash.

Among others, the following shall be considered events of default under the Note ("Event of Default"): if the Company fails to pay an Amortization Payment when due on the Note; the Company fails to perform or observe any covenant, term, provision, condition, agreement, or obligation of the Company under the Note, the SPA, or the RRA; the Company shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business.

After an Event of Default, in addition to all other rights under the Note, Generating shall have the right to convert any portion of the Note at any time at a price per share equal to the Alternate Price. The "Alternate Price" shall mean the lesser of (i) the applicable conversion price under the Note, (ii) the closing price of the Common Stock on the date of the Event of Default, or (iii) \$0.52. As of June 30, 2025 the outstanding balance amounted to \$375,000.

Prosperity

On June 3, 2025 (the "Effective Date"), Olenox entered into a Promissory Note (the "Note") in favor of Prosperity Bank (the "Lender") in the aggregate principal amount of \$2,000,000 (the "Principal"). The Note evidences a revolving Line of Credit of Olenox with the Lender. Olenox received net loan proceeds of \$1,350,000 through June 30, 2025. The Note is secured by the Company's Certificate of Deposit held with the Lender with an approximate balance of \$2,000,000.

The Note shall bear interest at a rate of five percent (5%) per annum. Interest shall be calculated based on a year of 360 days. The Note shall be due in full immediately upon Lender's demand. If no demand is made, Borrower will pay all outstanding principal and all accrued unpaid interest on June 2, 2026. In addition, the Borrower will pay regular monthly payments of all accrued interest due as of each payment date, beginning July 2, 2025. The Borrower may prepay all or a portion of the principal without penalty earlier than it is due. If a payment is 10 days or more late, the Borrower will be charged a late charge 5.00% of the unpaid portion of the regular payment. The Lender reserves a right of setoff in all of the Borrower's accounts with the Lender (whether checking, savings, or some other account). The Borrower authorizes the Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts. The Note provides for a commercial guaranty by Michael McLaren.

Among others, the following shall constitute an event of default under the Note (each an "Event of Default"): if the Borrower fails to make any payment when due under the Note; if the Borrower fails to comply with or to perform any other term, obligation, covenant, or condition contained in the Note or any related documents; any representation or statement made by the Borrower to the Lender is false or misleading in any material respect; a change in ownership of twenty-five percent (25%) or more of the common stock of the Borrower; or a material adverse change in the Borrower's financial condition. Upon an Event of Default, the interest rate on the Note shall be 18.00%.

The Note contains covenants applicable to the Borrower pertaining to the line of credit, including, among others, that the Borrower agrees to: maintain books and records of its operations (the "Books and Records") to the need for the line of credit; permit the Lender or any of the Lender's representatives, inspect and/or copy the Books and Records; and to provide the Lender any documentation requested which support the reason for making any advance under the line of credit. Further, the Note provides that the Borrower shall furnish from time to time to the Lender, upon the Lender's request, copies of balance sheets of the Borrower, and copies of statements of income and cash flows of the Borrower.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

8. Notes Payable (continued)

Acquisition Notes

The following notes were acquired in the acquisition of NAHD.

Note A - Note payable dated June 23, 2022 for \$250,000, with interest at 9.5% per annum and due on September 23, 2022. The Note is unsecured. The Note is currently in default. As of June 30, 2025 the outstanding balance amounted to \$250,000.

Note B - Note payable dated June 6, 2022 for \$350,000, with interest at 9.5% per annum and due on September 23, 2022. The Note is secured. The Note is currently in default. As of June 30, 2025 the outstanding balance amounted to \$281,316.

Note C - Note payable dated September 14, 2022 for \$106,400, with interest at 6.75% per annum and due on September 23, 2023. The Note is unsecured. The Note is currently in default. As of June 30, 2025 the outstanding balance amounted to \$106,400.

Note D - Note payable dated September 21, 2022 for \$210,000, with interest at 9.5% per annum and due on November 21, 2022. The Note is unsecured. The Note is currently in default. As of June 30, 2025 the outstanding balance amounted to \$210,000.

Note E - Note payable dated October 10, 2024 for \$150,000, with interest at 15.32% per annum and due on October 8, 2029. The Note is unsecured. As of June 30, 2025 the outstanding balance amounted to \$136,038.

Note F - Note payable dated February 6, 2022 for \$125,000, with interest at 7% per annum and due on August 6, 2022. The Note is convertible at a price equal to fifty percent (50%) of the 5 day average closing price for the Common Stock from the trading day immediately preceding the conversion. The Note is in default. As of June 30, 2025 the outstanding balance amounted to \$125,000.

Note G - Note payable dated October 4, 2022 for \$65,000, with interest at 7% per annum and due on April 4, 2023. The Note is convertible at a price equal to fifty percent (50%) of the 5 day average closing price for the Common Stock from the trading day immediately preceding the conversion. The Note is in default. As of June 30, 2025 the outstanding balance amounted to \$65,000.

Note H - Note payable of \$500,000 on June 28, 2022, for cash of \$500,000, with interest at 10% per annum and due June 28, 2024. The Note is convertible at a conversion price equal to the lesser of (i) the price paid per share for Equity Securities by the Investors in the Qualified Financing multiplied by 0.80, and (ii) the quotient resulting from dividing \$20,000,000.00 by the number of outstanding shares of common stock of the Company immediately prior to the Qualified Financing. The Note is currently in default. As of June 30, 2025 the outstanding balance amounted to \$500,000.

Note I - Note payable of \$250,000 on July 12, 2023, for cash of \$250,000, with interest at 10% per annum and due July 12, 2025. The Note is convertible at a conversion price equal to the lesser of (i) the price paid per share for Equity Securities by the Investors in the Qualified Financing multiplied by 0.80, and (ii) the quotient resulting from dividing \$20,000,000.00 by the number of outstanding shares of common stock of the Company immediately prior to the Qualified Financing. As of June 30, 2025 the outstanding balance amounted to \$250,000.

Note J - Note payable dated April 30, 2023, for \$125,000, with interest at 7% per annum and due on April 30, 2024. The Note is convertible at a price equal to fifty percent (50%) of the 5 day average closing price for the Common Stock from the trading day immediately preceding the conversion. The Note is in default. This noteholder is a related party. As of June 30, 2025 the outstanding balance amounted to \$12,000.

Note K - Note payable of \$98,231 during year-ended December 31, 2024, for cash of \$98,231, with interest at 7% per annum and due December 31, 2025. The Note is convertible at a price equal to fifty percent (50%) of the 5 day average closing price for the Common Stock from the trading day immediately preceding the conversion. As of June 30, 2025 the outstanding balance amounted to \$98,321.

Note L - Note payable of \$1,574,096 dated Feb 23, 2023 with interest at 12% per annum and due on Aug 23, 2023. The Company assumed the convertible notes payable, of which the note holder was the Chief executive officer, on an asset purchase agreement effective on February 23, 2023. The note is due on demand. The note is in default. As of June 30, 2025 the outstanding balance amounted to \$1,674,096.

Note M - Note payable to a related party of \$33,722 on various dates and due on demand. There is no interest on the Note. As of June 30, 2025 the outstanding balance amounted to \$0.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

8. Notes Payable (continued)

As of June 30, 2025 and December 31, 2024, long term notes payable consisted of the following:

	2025	2024
Authority Loan Agreement	750,000	750,000
Diagonal January 2025	63,889	—
Core Funding	—	—
July Cash Advance Agreement	1,526,699	1,536,700
Pawn Advance Agreement	249,832	249,832
Enhanced Note	4,000,000	4,000,000
1800 Diagonal Note	19,334	135,334
December Cash Advance Agreement	102,270	184,700
December Cash Advance Agreement 2	132,898	203,000
August 1800 Diagonal Note	—	290,000
Galvin Note Payable	17,805	17,000
Generating Alpha	375,000	—
GS Capital	316,000	—
Prosperity	1,350,000	—
Tyscado	225,000	—
Firstfire	—	—
Note A	250,000	—
Note B	281,316	—
Note C	106,400	—
Note D	210,000	—
Note E	136,039	—
Note F	125,000	—
Note G	65,000	—
Note H	500,000	—
Note I	250,000	—
Note J	12,000	—
Note K	98,231	—
Note L	1,674,097	—
Note M	—	—
Total	12,836,810	7,366,566
Less: debt discount and debt issuance costs	(330,010)	(546,501)
Total debt, net	12,506,800	6,820,065
Less: current maturities, net	(7,352,896)	(2,098,381)
Long-term debt, net	\$ 5,153,904	\$ 4,721,684

Scheduled maturities of notes payable is as follows for the years ending December 31,:

2025	\$ 8,173,008
2026	266,667
2027	266,667
2028	266,667
2029	1,016,667
Thereafter	2,874,134
	<u>\$ 12,836,810</u>

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

9. Net Income (Loss) Per Share

Basic net income (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common and potentially dilutive common shares outstanding during the period. Potentially dilutive common shares consist of the common shares issuable upon the exercise of stock options and warrants. Potentially dilutive common shares are excluded from the calculation if their effect is antidilutive.

At June 30, 2025, there were options, restricted stock units and warrants of 1,822, 459,962 and 993,547,834, respectively, outstanding that could potentially dilute future net income per share. Because the Company had a net loss as of March 31, 2025, it is prohibited from including potential common shares in the computation of diluted per share amounts. Accordingly, the Company has used the same number of shares outstanding to calculate both the basic and diluted loss per share. At June 30, 2024, there were options, restricted stock units and warrants of 1,822, 14,887 and 4,023,411, respectively, outstanding that could potentially dilute future net income per share.

10. Construction Backlog

The following represents the backlog of signed construction and engineering contracts in existence at June 30, 2025 and December 31, 2024, which represents the amount of revenue the Company expects to realize from work to be performed on uncompleted contracts in progress and from contractual agreements in effect at June 30, 2025 and December 31, 2024, respectively, on which work has not yet begun:

	2025	2024
Balance - beginning of period	\$ 1,182,955	\$ 1,902,332
New contracts and change orders during the period	1,045,889	4,257,241
Adjustments and cancellations, net	—	—
Subtotal	2,228,844	6,159,573
Less: contract revenue earned during the period	(1,019,637)	(4,976,618)
Balance - end of period	<u>\$ 1,209,207</u>	<u>\$ 1,182,955</u>

The Company's remaining backlog as of June 30, 2025 represents the remaining transaction price of firm contracts for which work has not been performed and excludes unexercised contract options.

The Company expects to satisfy its backlog which represents the remaining unsatisfied performance obligation on contracts as of March 31, 2025 over the following period:

	2025
Within 1 year	\$ 1,209,207
1 to 2 years	—
Total Backlog	<u><u>\$ 1,209,207</u></u>

Although backlog reflects business that is considered to be firm, cancellations, deferrals or scope adjustments may occur. Backlog is adjusted to reflect any known project cancellations, revisions to project scope and cost and project deferrals, as appropriate.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

11. Stockholders' Equity

Issuance of common stock for debt issuance – During the six months ended June 30, 2025, the Company issued 294,000 shares of common stock and warrants for issuances of debt. The value of the shares amounted to \$332,049, which was recorded as a debt discount.

Restricted Stock Units – During the six months ended June 30, 2025, the Company issued 68,229 shares of common stock with a value of \$212,596 for vested restricted stock units.

Forgiveness of related party debt – As disclosed in Note 2, the Company entered into the Mutual Release with SG DevCorp. As a result of the Mutual Release the Company recorded \$1,275,416 in additional paid in capital which resulted from the forgiveness of its debt along with the transfer of SG DevCorp shares. Additionally, during the six months ended June 30, 2025, the Company issued 1,216,000 shares of common stock for the forgiveness of accrued interest on a note payable from the Company's chief executive officer. The total amount amounted to \$494,912 which has been recorded to additional paid in capital.

Issuance of common stock for preferred – During the six months ended June 30, 2025, the Company issued 2,000,000 shares of common stock for the relinquishment of 151,360 preferred shares, which were issued in connection with the Merger of NAHD. Such shares were issued to former stockholders of NAHD.

Inducement - On March 8, 2024, the Company entered into a warrant inducement agreement (the "Inducement Agreement") with a certain holder (the "Holder") of warrants to purchase shares of the Company's common stock, par value \$0.01 per share (the "Common Stock"), issued in a private placement offering that closed on October 27, 2021 (the "Existing Warrants"). Pursuant to the Inducement Agreement, the Holder of the Existing Warrants agreed to exercise for cash the Existing Warrants to purchase up to 1,898,630 shares of common stock (94,932 as adjusted for the May Stock Split), at an exercise price of \$ 0.2603 per share (\$5.206 as adjusted for the May Stock Split). The Company recognized common stock deemed dividends in the amount of \$670,881 which resulted from the excess initial fair value of the New Warrants Shares issued described below. In addition, the Company incurred \$454,867 of equity related costs which have been netted with the net proceeds from the July 2022 Offering. The Company received aggregate gross proceeds of approximately \$494,213, before deducting placement agent fees and other expenses payable by the Company.

In consideration of the Holder's immediate exercise of the Existing Warrants, the Company issued unregistered warrants (the "New Warrants") to purchase 3,797,260 shares of Common Stock (189,863 as adjusted for the May Stock Split) (200% of the number of shares of common stock issued upon exercise of the Existing Warrants) (the "New Warrant Shares") to the Holder.

The issuance of the shares of Common Stock underlying the Existing Warrants have been registered pursuant to an existing registration statement on Form S-1 (File No. 333-260996), which was declared effective by the Securities and Exchange Commission (the "SEC") on November 23, 2021.

In addition, pursuant to the Inducement Agreement, the Company agreed not to issue any shares of Common Stock or Common Stock equivalents (as defined in the Inducement Agreement) or to file any other registration statement with the SEC (in each case, subject to certain exceptions) until thirty (30) days after the closing. The Company has also agreed not to effect or agree to effect any Variable Rate Transaction (as defined in the Inducement Agreement) until sixty (60) days after closing.

The Company agreed in the Inducement Agreement to file a registration statement to register the resale of the New Warrant Shares (the "Resale Registration Statement") on or before thirty (30) days from the initial closing of the transactions contemplated by the Inducement Agreement, and to use commercially reasonable efforts to have such Resale Registration Statement declared effective by the SEC within sixty (60) days (or, in the event of a full review, ninety (90) calendar days) following the date of filing the Resale Registration Statement.

Under the Inducement Agreement, to the extent required under the rules and regulations of the Nasdaq Stock Market, the Company agreed to hold a special or annual meeting of shareholders no later than the 60th calendar date following the date of the Inducement Agreement for the purpose of seeking the Stockholder Approval (as defined below). If the Company does not obtain Stockholder Approval at the first meeting, the Company shall call a meeting every ninety (90) days thereafter to seek Stockholder Approval until the earlier of the date Stockholder Approval is obtained or the New Warrants are no longer outstanding.

The Company expects to use the net proceeds from these transactions for working capital and other general corporate purposes.

Maxim served as the Company's financial advisor in connection with the transactions described in the Inducement Agreement, and the Company paid Maxim (i) a cash fee equal to 7.0% of the aggregate gross proceeds received from the Holder upon exercise of the Existing Warrants and the exercise of the New Warrants, and (ii) \$10,000 for legal fees and other out-of-pocket expenses.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

11. Stockholders' Equity (continued)

May 2024 Private Placement - On May 3, 2024, the Company entered into a Securities Purchase Agreement (the "May Securities Purchase Agreement") for a private placement (the "Private Placement") with a single accredited institutional investor (the "Purchaser"). Pursuant to the Securities Purchase Agreement, the Purchaser agreed to purchase 130,000 shares (the "Shares") of the Company's common stock, par value \$0.01 per share (the "Common Stock"), and pre-funded warrants to purchase 1,249,310 shares of Common Stock in lieu thereof (the "Pre-Funded Warrants") and common warrants (the "Common Warrants") to purchase up to 2,758,620 shares of Common Stock. Pursuant to the May Securities Purchase Agreement, the combined offering price of each Share and Common Warrant was set at \$2.90 and the combined offering price of each Pre-Funded Warrant and Common Warrant was set at \$2.8999. The Shares, the Pre-Funded Warrants, the Common Warrants and the shares of Common Stock issuable upon exercise of the Pre-Funded Warrants and Common Warrants are collectively referred to herein as the "Securities."

The Pre-Funded Warrants are exercisable immediately following the date of issuance, may be exercised at any time until all of the Pre-Funded Warrants are exercised in full, and have an exercise price of \$0.0001 per share. The Common Warrants are exercisable immediately following the date of issuance, have a term of five years from the effective date of the Registration Statement (as defined below) registering the Shares and the shares of Common Stock issuable upon exercise of the Pre-Funded Warrants and the Common Warrants and have an exercise price of \$2.65 per share. A holder may not exercise any Pre-Funded Warrants that would cause the aggregate number of shares of common stock beneficially owned by the holder to exceed 9.99% of the Company's outstanding Common Stock immediately after exercise. A holder may not exercise any Common Warrants that would cause the aggregate number of shares of common stock beneficially owned by the holder to exceed 4.99% of the Company's outstanding Common Stock immediately after exercise. The Pre-Funded Warrants and the Common Warrants are subject to adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Common Stock and also upon any distributions for no consideration of assets to the Company's stockholders. In the event of certain corporate transactions, the holders of the Pre-Funded Warrants and the Common Warrants will be entitled to receive, upon exercise of the Pre-Funded Warrants and the Common Warrants, respectively, the kind and amount of securities, cash or other property that the holders would have received had they exercised the Pre-Funded Warrants and the Common Warrants immediately prior to such transaction. The Pre-Funded Warrants and the Common Warrants do not entitle the holders thereof to any voting rights or any of the other rights or privileges to which holders of common stock are entitled.

In the event of a "Fundamental Transaction," which term is defined in the Pre-Funded Warrants and the Common Warrants and generally includes (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person (as defined in the Pre-Funded Warrants and Common Warrants) in which the Company is not the surviving entity (other than a reincorporation in a different state, a transaction for changing the Company's name, or a similar transaction pursuant to which the surviving company remains a public company), (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of the Company's assets in one or a series of related transactions (which, for the avoidance of doubt, shall not include such transactions that do not require approval of the Company's stockholders), (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of more than 50% of the voting power of the common equity of the Company, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property other than a stock split, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the voting power of the common equity of the Company, the holders of the Pre-Funded Warrants and Common Warrants will be entitled to receive upon exercise of the Pre-Funded Warrants and the Common Warrants the kind and amount of securities, cash or other property that the holders would have received had they exercised such warrants immediately prior to such Fundamental Transaction. Additionally, as more fully described in the Common Warrants, in the event of certain Fundamental Transactions, the holders of the Common Warrants will be entitled to receive consideration in an amount equal to the Black Scholes Value (as defined in the Common Warrants) of the remaining unexercised portion of the Common Warrants on the date of consummation of such Fundamental Transaction.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

11. Stockholders' Equity (continued)

The Private Placement closed on May 7, 2024. The Company received net proceeds from the Private Placement of \$3,590,386. Additionally, during the year ended December 31, 2024, 294,310 prefunded warrants were exercised.

April Private Placement - On April 14, 2025, the Company consummated a private placement (the "April Private Placement") pursuant to a securities purchase agreement (the "April Purchase Agreement") with institutional investors (the "Purchasers") for the purchase and sale of approximately \$8 million of shares of the Company's common stock (the "Common Stock") and investor warrants at a price of \$0.392 per Common Unit. The Company issued 2,504,000 shares of common stock in this transaction. The entire transaction was priced at the market under Nasdaq rules. The offering consisted of the sale of Common Units (or Pre-Funded Units), each consisting of (i) one (1) share of Common Stock or one (1) Pre-Funded Warrant ("April Pre-Funded Warrants"), (ii) one (1) Series A PIPE Common Warrant to purchase one (1) share of Common Stock per warrant at an exercise price of \$0.784 (the "Series A Warrant") and (iii) one (1) Series B PIPE Common Warrant to purchase one (1) share of Common Stock per warrant at an exercise price of \$0.98 (the "Series B Warrant" and together with the Series A Warrant, the "Warrants").

The initial exercise price of each Series A Warrant is \$0.784 per share of Common Stock. The Series A Warrants are exercisable following stockholder approval and expire five (5) years thereafter. The number of securities issuable under the Series A Warrant is subject to adjustment as described in more detail in the Series A Warrant. The initial exercise price of each Series B Warrant is \$0.98 per share of Common Stock or pursuant to an alternative cashless exercise option. The Series B Warrants are exercisable following stockholder approval and expire two and one-half (2.5) years thereafter. The number of securities issuable under the Series B Warrant is subject to adjustment as described in the Series B Warrant.

Each Pre-Funded Warrant is exercisable for one share of Common Stock for \$0.0001 immediately upon issuance until all of the Pre-Funded Warrants are exercised in full. The number of Pre-Funded Warrant Shares are subject to adjustments for stock splits, recapitalizations, and reorganizations. The shares of Common Stock, shares underlying the Series A Warrants and shares underlying the Series B Warrants are collectively referred to as the "Securities".

In connection with the April Private Placement, the Company entered into a registration rights agreement with the Purchasers on April 14, 2025 (the "Registration Rights Agreement"), pursuant to which the Company is required to file a registration statement covering the resale of the Securities by April 30, 2025.

Pursuant to the terms of the letter of engagement with D. Boral Capital LLC (the "Placement Agent"), the Company paid the Placement Agent a placement agent commission equal to 6.0% of the aggregate gross proceeds from the offering, and an additional 1.0% for non-accountable expenses. In addition, the Company agreed to reimburse the placement agent for certain of out-of-pocket expenses, including for reasonable legal fees and disbursements for its counsel. Additionally, pursuant to the Company's letter of engagement with Aegis Capital Corp. ("Aegis"), the Company has agreed to pay Aegis a commission equal to 5.0% of the aggregate gross proceeds from the offering.

The Purchase Agreement contains customary representations and warranties, indemnification rights, agreements and obligations, conditions to closing and termination provisions. The offering closed on April 14, 2025. The net proceeds to the Company from the Offering were \$6,635,294, after deducting placement agent fees and the payment of other offering expenses associated with the offering that were payable by the Company.

May ELOC - On May 29, 2025 the Company entered into a Stock Purchase Agreement (the "ELOC Purchase Agreement") with Generating Alpha Ltd., a Saint Kitts and Nevis Company (the "Purchaser"), whereby the Company shall issue and sell to the Purchaser, subject to the terms and conditions of the ELOC Purchase Agreement, up to an aggregate of \$100 million (the "Commitment Amount") of newly issued shares (the "ELOC Shares") of the Company's common stock, par value \$0.01 per share (the "Common Stock").

The Company does not have a right to commence any sales of Common Stock to the ELOC Purchaser under the ELOC Purchase Agreement until the time when all of the conditions to the Company's right to commence sales of Common Stock to the ELOC Purchaser set forth in the ELOC Purchase Agreement have been satisfied, including that a registration statement of such shares is declared effective by the SEC and the final form of prospectus is filed with the SEC (the "Commencement Date"). Over the period ending on the earlier of May 8, 2026, or the date on which the Purchaser shall have purchased ELOC Shares pursuant to the ELOC Purchase Agreement for an aggregate purchase price of the Commitment Amount, the Company will control the timing and amount of any sales of ELOC Shares to the ELOC Purchaser. Actual sales of shares of Common Stock to the ELOC Purchaser under the ELOC Purchase Agreement will depend on a variety of factors to be determined by the Company from time to time, including, among others, market conditions, the trading price of the Common Stock and determinations made by the Company as to appropriate sources of funding.

The purchase price of the shares of ELOC Shares that the Company elects to sell to the ELOC Purchaser pursuant to the ELOC Purchase Agreement will be equal to the lowest traded price of Common Stock during the seven (7) trading days prior to the applicable closing date multiplied by 90%. As of June 30, 2025, no shares have been purchased under the ELOC Purchase Agreement.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

12. Segments and Disaggregated Revenue

The Company's Chief Operating Decision Maker ("CODM") as defined under GAAP, who is the Company's Chief Financial Officer and Chief Executive Officer, has determined that the Company is currently organized its operations into the segments as follows. We have organized our operations into three segments: Construction, Medical, Development and Environmental. We allocate to segment results the operating expenses "Payroll and related expenses," "General and administrative," "Marketing and business development," and "Pre-project" based on usage, which is generally reflected in the segment in which the costs are incurred. These segments reflect the way our executive team evaluates the Company's business performance and manages its operations. The Construction segment includes the Company's manufacturing unit SG ECHO and other modules projects. The Medical segment mainly consists of minimal expenses for this segment. The Environmental segment has had no activity through December 31, 2024. Corporate and support consists of general corporate expenses such as our executive office; the corporate finance, accounting, audit, tax, human resources, risk management, information technology, marketing, and legal groups; corporate overhead and other items not allocated to any of the Company's segments. From time to time, the Company revises the measurement of each segment's cost of revenue and operating expenses, including any corporate overhead allocations, as determined by the information regularly reviewed by its executive team. The CODM continually reviews a monthly statement of operations separated by segment, along with an analysis of the significant segment expenses as described below. Information for the Company's segments, as well as for Corporate and support, is provided in the following table:

	Construction	Medical	Corporate and support	Oil and Gas	Consolidated
Three Months Ended June 30, 2025					
Revenue	\$ 523,558	\$ —	\$ —	197,793	\$ 721,351
Significant segment expenses:					
Costs of revenue:					
Direct labor	204,330	—	—	50,000	254,330
Materials	438,146	—	—	7,529	445,675
Allocated overhead	655,939	—	—	247,862	903,801
Other costs of revenue	112,013	—	—	—	112,013
	<u>1,410,428</u>	<u>—</u>	<u>—</u>	<u>305,931</u>	<u>1,715,819</u>
Operating expenses:					
Payroll and related	50,312	—	415,324	272,158	737,794
Professional fees	—	—	949,992	519,465	1,469,457
Other expenses	10,937	140	186,493	288,491	486,061
	<u>61,249</u>	<u>140</u>	<u>1,551,809</u>	<u>1,080,114</u>	<u>2,693,312</u>
Operating loss	(948,119)	(140)	(1,551,809)	(1,187,712)	(3,687,780)
Other expense	(113,656)	—	(511,959)	(260,475)	(886,090)
Net loss	<u>\$ (1,061,775)</u>	<u>\$ (140)</u>	<u>\$ (2,063,768)</u>	<u>\$ (1,448,187)</u>	<u>\$ (4,573,870)</u>
Total assets	\$ 5,428,040	\$ 1,406	\$ 28,089,142	20,345,088	\$ 53,863,675
Depreciation and amortization	\$ 56,830	\$ —	\$ 652	200,331	\$ 257,812
Three Months Ended June 30, 2024					
Revenue	\$ 1,211,254	\$ —	\$ —	\$ —	\$ 1,211,245
Significant segment expenses:					
Cost of revenue					
Direct Labor	27,971	—	—	—	27,971
Materials	304,048	—	—	—	304,048
Allocated overhead	595,157	—	—	—	595,157
Other costs of revenue	167,073	—	—	—	167,073
	<u>1,094,249</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,094,249</u>
Operating expenses:					
Payroll and related	—	—	1,134,084	—	1,134,084
Professional fees	—	—	672,705	—	672,705
Other expenses	91,281	50,076	59,983	—	201,249
	<u>91,281</u>	<u>50,076</u>	<u>1,866,682</u>	<u>—</u>	<u>2,008,039</u>
Operating income (loss)	25,724	(50,076)	(1,866,682)	—	(1,891,034)
Other expense	(137,955)	—	(2,648,011)	—	(2,785,966)
Net loss	<u>\$ (112,231)</u>	<u>\$ (50,076)</u>	<u>\$ (4,514,693)</u>	<u>\$ —</u>	<u>\$ (4,677,000)</u>
Total assets	\$ 5,479,525	\$ 1,406	\$ 2,793,342	\$ —	\$ 8,274,273
Depreciation and amortization	\$ 6,484	\$ —	\$ 1,807	\$ —	\$ 8,291

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

12. Segments and Disaggregated Revenue (continued)

	<u>Construction</u>	<u>Medical</u>	<u>Corporate and support</u>	<u>Oil and gas</u>	<u>Consolidated</u>
Six Months Ended June 30, 2025					
Revenue	\$ 1,019,637	\$ —	\$ —	268,068	\$ 1,287,705
Significant segment expenses:					
Costs of revenue:					
Direct labor	392,423	—	—	50,000	442,423
Materials	583,019	—	—	7,528	590,549
Allocated overhead	1,136,267	—	—	252,487	1,388,773
Other costs of revenue	153,164	—	—	31,020	184,183
	<u>2,264,873</u>	<u>—</u>	<u>—</u>	<u>341,035</u>	<u>2,605,928</u>
Operating expenses:					
Payroll and related	50,312	—	855,193	388,027	1,293,532
Professional fees	—	—	1,552,634	519,465	2,630,190
Other expenses	12,002	967	326,779	496,160	157,817
	<u>62,314</u>	<u>967</u>	<u>2,734,606</u>	<u>1,403,652</u>	<u>4,201,539</u>
Operating loss	(1,307,550)	(967)	(2,734,606)	(1,476,639)	(5,519,762)
Other expense	(264,031)	—	(1,224,516)	(312,229)	(1,800,776)
Net loss	<u>\$ (1,571,581)</u>	<u>\$ (967)</u>	<u>\$ (3,959,122)</u>	<u>(1,788,868)</u>	<u>\$ (7,320,538)</u>
Total assets	\$ 5,428,040	\$ 1,406	\$ 27,969,142	\$ 20,345,088	\$ 53,743,675
Depreciation and amortization	\$ 103,691	\$ —	\$ 1,272	259,577	\$ 364,539
Capital expenditure	—	—	—	—	—
Six Months Ended June 30, 2024					
Revenue	\$ 2,179,369	\$ —	\$ —	\$ —	\$ 2,179,369
Significant segment expenses:					
Costs of revenue:					
Direct labor	27,971	—	—	—	27,971
Materials	351,646	—	—	—	351,646
Allocated overhead	1,163,247	—	—	—	1,163,247
Other costs of revenue	196,368	—	—	—	196,368
	<u>1,739,232</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,739,232</u>
Operating expenses:					
Payroll and related	—	—	2,386,006	—	2,386,066
Professional fees	—	—	1,237,944	—	1,237,944
Other expenses	91,814	85,960	60,030	—	237,744
	<u>91,814</u>	<u>85,960</u>	<u>3,683,980</u>	<u>—</u>	<u>3,861,754</u>
Operating income (loss)	348,323	(85,960)	(3,683,980)	—	(3,421,617)
Other expense	(187,908)	—	(6,550,035)	—	(6,737,943)
Income (loss) before income taxes	160,415	(85,960)	(10,234,015)	—	(10,159,560)
Common stock deemed dividend	—	—	(1,638,149)	—	(1,638,149)
Income from discontinued operations	—	—	2,684,678	—	2,684,678
Net income (loss) attributable to common stockholders	<u>\$ 160,415</u>	<u>\$ (85,960)</u>	<u>\$ (9,187,486)</u>	<u>\$ —</u>	<u>\$ (9,113,031)</u>
Total assets	\$ 5,479,525	\$ 1,406	\$ 2,793,342	\$ —	\$ 8,274,273
Depreciation and amortization	\$ 81,547	\$ —	\$ 3,487	\$ —	\$ 85,034
Capital expenditure	7,873	—	—	—	7,873

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

13. Warrants

In conjunction with the June 2017 Public Offering, the Company issued to certain affiliates of the underwriters, as compensation, warrants to purchase an aggregate of 4,313 shares of common stock (216 shares as adjusted for the May Stock Split), at an exercise price of \$125.00 per share (\$2,500.00 as adjusted for the May Stock Split). The warrants are exercisable at the option of the holder on or after June 21, 2018 and expire June 21, 2023. The fair value of warrants was calculated utilizing a Black-Scholes model and amounted to \$63,796. The fair market value of the warrants as of the date of issuance has been included in issuance costs in additional paid-in capital.

In conjunction with the Purchase Agreement in April 2019, the Company also sold warrants to purchase up to an aggregate of 42,388 shares of common stock (2,119 shares as adjusted for the May Stock Split), at an initial exercise price of \$27.50 per share (\$550.00 as adjusted for the May Stock Split). The warrants are exercisable at the option of the holder on or after October 29, 2019 and expire October 29, 2024. The Company issued to certain affiliates of the underwriters, as compensation, warrants to purchase an aggregate of 4,239 shares of common stock (212 shares as adjusted for the May Stock Split), at an initial exercise price of \$27.50 per share (\$550.00 as adjusted for the May Stock Split). The warrants are exercisable at the option of the holder on or after October 29, 2019 and expire April 24, 2024.

In conjunction with the Underwriting Agreement in August 2019, the Company issued to the underwriter, as compensation, warrants to purchase an aggregate of 2,250 shares of common stock (112 shares as adjusted for the May Stock Split), at an initial exercise price of \$21.25 per share (\$425.00 as adjusted for the May Stock Split). The warrants are exercisable at the option of the holder on or after February 1, 2020 and expire August 29, 2024.

In conjunction with the Underwriting Agreement in May 2020, the Company issued to the underwriter, as compensation, warrants to purchase an aggregate of 300,000 shares of common stock (15,000 shares as adjusted for the May Stock Split), at an initial exercise price of \$3.14 per share (\$62.80 as adjusted for the May Stock Split). The warrants are exercisable at the option of the holder on or after November 6, 2020 and expire May 5, 2025. During the year ended December 31, 2021, 226,300 (11,315 shares as adjusted for the May Stock Split), warrants were exercised and converted into common stock of the Company. The Company has received proceeds of approximately \$707,000 from the exercise of the warrants.

In conjunction with the Purchase Agreement in October 2021, the Company also issued Series A warrants to purchase up to 1,898,630 shares of Common Stock (94,932 shares as adjusted for the May Stock Split), in a concurrent private placement. The warrants have an exercise price of \$4.80 per share, (\$96.00 as adjusted for the May Stock Split), exercisable at the option of the holder on or after October 26, 2021 and will expire five years from the date of issuance. These warrants were exercised in connection with the Inducement Agreement during the three months ended March 31, 2024.

In conjunction with the issuance of the Debenture in February 2023, the Company issued the Peak Warrant to purchase 500,000 shares of the Company's common stock (25,000 shares as adjusted for the May Stock Split). The Peak Warrant expires five years from its date of issuance. The Peak Warrant is exercisable, at the option of the holder, at any time, for up to 500,000 of shares of common stock (25,000 shares as adjusted for the May Stock Split), of the Company at an exercise price equal to \$2.25 (the "Exercise Price") (\$45.00 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 Peak Warrant is outstanding, issues, sells or grants any option to purchase, or sells or grants any right to reprice, 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 Exercise Price. In the event of any such anti-dilutive event, the Exercise 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 (\$8.00 as adjusted for the May Stock Split) unless and until the Company obtains shareholder approval for any issuance below such floor price. The initial fair value of the Peak Warrant amounted to \$278,239 and was recorded, in combination with common stock issued above, as a debt discount of \$354,329 at the time of issuance of the Debenture.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

13. Warrants (continued)

In connection with the issuance of the Holdings Debenture in January 2024, the Company issued the “Peak Warrant” #3 to purchase up to 375,000 shares of the Company’s common stock (18,750 as adjusted for the May Stock Split) to Peak One’s designee, as described in the January 2024 Purchase Agreement. The Peak Warrant #3 expires five years from its date of issuance. The Peak Warrant #3 is exercisable, at the option of the holder, at any time, for up to 375,000 of shares of common stock (18,750 as adjusted for the May Stock Split) of the Company at an exercise price equal to \$0.53 (the “Exercise Price”) (\$10.60 as adjusted for the May Stock Split), subject to adjustment for any stock splits, stock dividends, recapitalizations and similar events, as well as anti-dilution price protection provisions that are subject to a floor price as set forth in the Peak Warrant #3. The Peak Warrant #3 provides for cashless exercise under certain circumstances. The initial fair value of the Peak Warrant #3 amounted to \$109,161 and was recorded, in combination with common stock issued above, as a debt discount of \$251,361 at the time of issuance of the Debenture.

In connection with the Private Placement in May 2024, the Company issued common warrants (the “Common Warrants”) to purchase up to 2,758,620 shares of the Company’s common stock. The Common Warrants are exercisable immediately following the date of issuance, have a term of five years from the effective date of the corresponding registration statement registering the shares of Company common stock and the shares of Company common stock issuable upon exercise of the Common Warrants and have an exercise price of \$2.65 per share. A holder may not exercise any Common Warrants that would cause the aggregate number of shares of common stock beneficially owned by the holder to exceed 4.99% of the Company’s outstanding common stock immediately after exercise. The Common Warrants are subject to adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the common stock and also upon any distributions for no consideration of assets to the Company’s stockholders. In the event of certain corporate transactions, the holders of the Common Warrants will be entitled to receive, upon exercise of the Common Warrants the kind and amount of securities, cash or other property that the holders would have received had they exercised the Common Warrants immediately prior to such transaction. The Common Warrants do not entitle the holders thereof to any voting rights or any of the other rights or privileges to which holders of common stock are entitled.

In connection with the issuance of debt to Firstfire in February 2025, the Company issued warrants (the “Firstfire Warrants”) to purchase up to 450,000 shares of the Company’s common stock. The Firstfire Warrants are exercisable immediately following the date of issuance, have a term of five years and have an exercise price of \$0.80 per share. A holder may not exercise any of the Firstfire Warrants that would cause the aggregate number of shares of common stock beneficially owned by the holder to exceed 4.99% of the Company’s outstanding common stock immediately after exercise. The Firstfire Warrants are subject to adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the common stock and also upon any distributions for no consideration of assets to the Company’s stockholders. In the event of certain corporate transactions, the holders of the Firstfire Warrants will be entitled to receive, upon exercise of the Firstfire Warrants the kind and amount of securities, cash or other property that the holders would have received had they exercised the Common Warrants immediately prior to such transaction. The Firstfire Warrants do not entitle the holders thereof to any voting rights or any of the other rights or privileges to which holders of common stock are entitled.

In connection with the April Private Placement pursuant to a securities purchase agreement (the “April Purchase Agreement”) with institutional investors (the “Purchasers”) for the purchase and sale of approximately \$8 million of shares of the Company’s common stock (the “Common Stock”) and investor warrants at a price of \$0.392 per Common Unit. The entire transaction was priced at the market under Nasdaq rules. The offering consisted of the sale of Common Units (or Pre-Funded Units), each consisting of (i) one (1) share of Common Stock or one (1) Pre-Funded Warrant, (ii) one (1) Series A PIPE Common Warrant to purchase one (1) share of Common Stock per warrant at an exercise price of \$0.784 (the “Series A Warrant”) and (iii) one (1) Series B PIPE Common Warrant to purchase one (1) share of Common Stock per warrant at an exercise price of \$0.98 (the “Series B Warrant” and together with the Series A Warrant, the “Warrants”).

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

13. Warrants (continued)

The initial exercise price of each Series A Warrant is \$0.784 per share of Common Stock. The Series A Warrants are exercisable following stockholder approval and expire five (5) years thereafter. The number of securities issuable under the Series A Warrant is subject to adjustment as described in more detail in the Series A Warrant. The initial exercise price of each Series B Warrant is \$0.98 per share of Common Stock or pursuant to an alternative cashless exercise option. The Series B Warrants are exercisable following stockholder approval and expire two and one-half (2.5) years thereafter. The number of securities issuable under the Series B Warrant is subject to adjustment as described in the Series B Warrant.

Each Pre-Funded Warrant is exercisable for one share of Common Stock for \$0.0001 immediately upon issuance until all of the Pre-Funded Warrants are exercised in full. The number of Pre-Funded Warrant Shares are subject to adjustments for stock splits, recapitalizations, and reorganizations. The shares of Common Stock, shares underlying the Series A Warrants and shares underlying the Series B Warrants are collectively referred to as the “Securities”.

In connection with the April Private Placement, the Company entered into a registration rights agreement with the Purchasers on April 14, 2025 (the “Registration Rights Agreement”), pursuant to which the Company is required to file a registration statement covering the resale of the Securities by April 30, 2025.

Pursuant to the terms of the letter of engagement with D. Boral Capital LLC (the “Placement Agent”), the Company paid the Placement Agent a placement agent commission equal to 6.0% of the aggregate gross proceeds from the offering, and an additional 1.0% for non-accountable expenses. In addition, the Company agreed to reimburse the placement agent for certain of out-of-pocket expenses, including for reasonable legal fees and disbursements for its counsel. Additionally, pursuant to the Company’s letter of engagement with Aegis Capital Corp. (“Aegis”), the Company has agreed to pay Aegis a commission equal to 5.0% of the aggregate gross proceeds from the offering.

Warrant activity for the six months ended June 30, 2025 are summarized as follows:

Warrants	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding and exercisable - January 1, 2025	5,809,799	\$ 1.19	4.82	—
Granted	987,741,720			—
Expired	—			
Exercised	—			
Outstanding and exercisable – June 30, 2025	993,551,519	\$ 0.92	4.25	\$ —

The fair value of warrants granted during the six months ended June 30, 2025 were valued using a Black-Scholes Value model, with the following assumptions

Risk-free interest rate	4.48%
Contractual term	5 years
Dividend yield	0%
Expected volatility	143%

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

14. Share-based Compensation

On October 26, 2016, the Company's Board of Directors approved the issuance of up to 25,000 shares of the Company's common stock (1,250 shares as adjusted for the May Stock Split), in the form of restricted stock or options ("2016 Stock Plan"). Effective January 30, 2017, the 2016 Stock Plan was amended and restated as the SG Blocks, Inc. Stock Incentive Plan, as further amended effective June 1, 2018 as further amended on July 30, 2020, as further amended on August 18, 2021 and as further amended effective October 5, 2023 (as amended, the "Incentive Plan"). The Incentive Plan authorizes the issuance of up to 8,625,000 shares of common stock (431,250 shares as adjusted for the May Stock Split). It authorizes the issuance of equity-based awards in the form of stock options, stock appreciation rights, restricted shares, restricted share units, other share-based awards and cash-based awards to non-employee directors and to officers, employees and consultants of the Company and its subsidiary, except that incentive stock options may only be granted to the Company's employees and its subsidiary's employees. The Incentive Plan expires on October 26, 2026, and is administered by the Company's Compensation Committee of the Board of Directors. Each of the Company's employees, directors, and consultants are eligible to participate in the Incentive Plan. As of March 31, 2025, there were — shares of common stock available for issuance under the Incentive Plan.

Stock-Based Compensation Expense

Stock-based compensation expense is included in the condensed consolidated statements of operations as follows:

	Six Months Ended June 30,	
	2025	2024
Payroll and related expenses	\$ 212,595	\$ 527,336
Total	\$ 212,595	\$ 527,336

Stock-Based Option Awards

The Company has issued no stock-based options during the six months ended June 30, 2025 or 2024.

Because the Company does not have significant historical data on employee exercise behavior, the Company uses the "Simplified Method" to calculate the expected life of the stock-based option awards granted to employees. The simplified method is calculated by averaging the vesting period and contractual term of the options.

The following table summarizes stock-based option activities and changes during the six months ended June 30, 2025 as described below:

	Shares	Weighted Average Fair Value Per Share	Weighted Average Exercise Price Per Share	Weighted Average Remaining Terms (in years)	Aggregate Intrinsic Value
Outstanding – December 31, 2024	1,822	\$ 496.00	\$ 1,574.20	4.34	—
Granted	—	—	—	—	—
Exercised	—	—	—	—	—
Cancelled	—	—	—	—	—
Outstanding – June 30, 2025	1,822	\$ 496.00	\$ 1,574.20	3.59	—
Exercisable – December 31, 2024	1,822	496.00	1,574.20	—	—
Exercisable – June 30, 2025	—	\$ —	\$ —	—	—

Restricted Stock Units

During the six months ended June 30, 2025, a total of 80,000 of restricted stock units were granted to the board of directors the Company, under the Company's stock-based compensation plan at a fair value of \$0.94 per share, which represents the closing price of the Company's common stock at the grant date. The restricted stock units granted vest over two years.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

14. Share-based Compensation (continued)

As of June 30, 2025, there was \$0 unrecognized compensation costs related to non-vested restricted stock units.

The following table summarized restricted stock unit activities during the three months ended June 30, 2025:

	Number of Shares
Non-vested balance at January 1, 2025	404,924
Granted	80,000
Vested	(79,999)
Forfeited/Expired	—
Non-vested balance at June 30, 2025	404,925

15. Commitments and Contingencies

Legal Proceedings

The Company is subject to certain claims and lawsuits arising in the normal course of business. The Company assesses liabilities and contingencies in connection with outstanding legal proceedings utilizing the latest information available. Where it is probable that the Company will incur a loss and the amount of the loss can be reasonably estimated, the Company records a liability in our consolidated financial statements. These legal accruals may be increased or decreased to reflect any relevant developments on a quarterly basis. Where a loss is not probable or the amount of the loss is not estimable, the Company does not record an accrual, consistent with applicable accounting guidance. Based on information currently available, advice of counsel, and available insurance coverage, the Company believes that the established accruals are adequate and the liabilities arising from the legal proceedings will not have a material adverse effect on the consolidated financial condition. However, in light of the inherent uncertainty in legal proceedings, there can be no assurance that the ultimate resolution of a matter will not exceed established accruals. As a result, the outcome of a particular matter or a combination of matters may be material to the results of operations for a particular period, depending upon the size of the loss or the income for that particular period.

L.) Pizzarotti Litigation - On or about August 10, 2018, Pizzarotti, LLC (“Pizzarotti”) filed a complaint against the Company and Mahesh Shetty, the Company’s former President and CFO, and others, seeking unspecified damages for an alleged breach of contract by the Company and another entity named Phipps & Co. (“Phipps”). The lawsuit was filed as Pizzarotti, LLC. v. Phipps & Co., et al., Index No. 653996/2018 and commenced in the Supreme Court of the State of New York for the County of New York. On or about April 1, 2019, Phipps filed cross-claims against the Company and Mr. Shetty asserting claims for indemnification, contribution, fraud, negligence, negligent misrepresentation, and breach of contract. The Company has likewise cross claimed against Phipps for indemnification and contribution, claiming that any damages to the Plaintiff were the result of the acts or omissions of Phipps and its principals.

Pizzarotti’s suit arose from a contract dated April 3, 2018 that it executed with Phipps whereby Pizzarotti, a construction manager, engaged Phipps to perform stone procuring and tile work at a construction project located at 161 Maiden Lane, New York 10038. Pizzarotti’s claims against the Company arise from a purported assignment agreement dated August 10, 2018, whereby Pizzarotti claims that the Company agreed to assume certain obligations of Phipps under a certain trade contract between Pizzarotti and Phipps. Phipps’ claims against the Company arise from a purported assignment agreement, dated as of May 30, 2018, among Pizzarotti, Phipps and the Company (the “Assignment Agreement”), pursuant to which, it is alleged, that the Company agreed to provide a letter of credit in connection with the sub-contracted work to be provided by Phipps to Pizzarotti.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

15. Commitments and Contingencies (continued)

The Company believes that the Assignment Agreement was void for lack of consideration and moved to dismiss the case on those and other grounds. On June 17, 2020, the New York Supreme Court entered an order dismissing certain claims against the Company brought by cross claimant Phipps. Specifically, the court dismissed Phipps' claims for indemnification, contribution, fraud, negligence and negligent misrepresentation. The court did not dismiss Phipps' claim for breach of the Assignment Agreement. The issue of the validity of the Assignment Agreement, and the Company's defenses to the claims brought by the plaintiff Pizzarotti and cross claimant Phipps, are being litigated. The Company maintains that the Assignment Agreement, to the extent valid and enforceable, was properly terminated and/or there are no damages, and, consequently, that the claims brought against the Company are without merit. The Company intends to continue to vigorously defend the litigation. The parties have engaged in written discovery but no depositions have been conducted as of yet. By motion dated February 24, 2021, Pizzarotti moved to stay the entire action pending the outcome of a separate litigation captioned *Pizzarotti, LLC v. FPG Maiden Lane, LLC et. al.*, Index No. 651697/2019, involving some of the same parties (but excluding the Company). Phipps cross moved to consolidate the two actions. The Company opposed both motions. On April 26, 2021, the court denied both motions and directed the parties to meet and confer concerning the scheduling of depositions. On May 10, 2021, the parties jointly filed with the court a proposed order providing the completion of depositions of all parties and nonparties by September 30, 2021. On April 4, 2024, the court entered an order setting forth the following dates for the completion of the parties depositions: (1) deposition of plaintiff shall occur by May 31, 2024, (2) deposition of Phipps shall occur by June 30, 2024, (3) deposition of the Company shall occur by July 20, 2024, (4) deposition of Mr. Shetty shall occur by August 9, 2024, (5) deposition of FPG Maiden Lane, & J. Landau shall occur by August 30, 2024, and (6) depositions of non-parties shall occur by September 30, 2024. As of March 31, 2025, the Company cannot estimate any potential loss.

2.) CPF GP 2019-1, LLC ("CPF GP") Litigation – In September 2023, a suit was filed in the form of a declaratory judgment to say CPF GP did not owe certain monies to the Company. The Company filed counterclaims for the amounts owed. The case settled in February 2024 in exchange for mutual dismissals and monthly payments of the balance due, which is \$745,000 in total to the Company from CPF GP.

3.) Farnam Litigation – In October 2023, Farnam Street Financial, Inc. ("Farnam") filed suit against the Company in the United States District Court for the District of Minnesota (Case No. 23-CV-3212) alleging breaches by the Company under a certain lease agreement between Farnam and the Company dated as of October 13, 2021. Farnam sought monies owed under such lease agreement. On August 1, 2024, the Company, SG Echo and SG Environmental Solutions Corp. ("SG Environmental"), a wholly owned subsidiary of the Company, entered into a settlement agreement (the "Settlement") with Farnam to resolve the pending litigation. Simultaneously with the execution of the Settlement, (i) the Company, SG Environmental and Farnam entered into an assignment and assumption agreement, pursuant to which SG Environmental was substituted for the Company as the lessee under the lease agreement, and (ii) SG Environmental and Farnam executed a new Lease Schedule No. 001R ("Schedule 1R"), which replaced the prior schedule in its entirety. The terms of the Settlement included the following: (i) SG Environmental will be the signatory under the "Lessee" under the lease; (ii) the initial term (the "Initial Term") of Schedule 1R is 18 months; (iii) the "Commencement Date" of Schedule 1R is August 1, 2024; (iv) the original cost of the equipment subject to Schedule 1R is \$1,556,163.00; (v) so long as there has been no default under the lease and Schedule 1R, SG Environmental shall have the option to purchase the equipment at the end of the Initial Term for thirty-five percent (35%) of the original cost of the equipment, or \$544,657.05, plus applicable taxes; (vi) the "Monthly Lease Charge" under Schedule 1R is \$65,880.95, plus applicable taxes; and (vii) SG Environmental shall provide a new security deposit under Schedule 1R in the amount of \$167,056.00, which shall be paid on or before August 1, 2024. Simultaneously with the execution of the Settlement, the Company and SG Echo executed a guaranty, whereby each of the Company and SG Echo jointly and severally guarantee SG Environmental's full and prompt payment and performance under the lease and Schedule 1R. Per the Settlement, Farnam shall retain as income all prior payments from the Company (or any Company affiliate) under the lease, the prior schedule, or any other agreement with the Company or its affiliates, including all monthly lease charges, interim rent, taxes, interest, fees, late charges, and any security deposits, including the deposit under the prior schedule. Under the terms of the Settlement, Farnam and the Company each agree to waive and release any and all claims against the other, except with respect to each party's performance under the Settlement and each party's future obligations under the lease, Schedule 1R and guaranty agreements. The case remains ongoing as disputes have arisen post-Settlement between the Company and Farnam. As of March 31, 2025, the Company cannot estimate any potential loss, besides the original amounts of approximately \$1.5 million which are included in accounts payable and accrued expenses.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

15. Commitments and Contingencies (continued)

(4) American Express Litigation – In December 2023, American Express Travel Related Services Company, Inc. (“AMEX”) filed suit against the Company in the Supreme Court of the State of New York, County of New York (Case No. 162231/2023) alleging breaches of a commercial credit card agreement between AMEX and the Company, dated as of November 8, 2022. AMEX sought monies owed under the commercial credit card agreement, with a balance of \$232,218.94 as of the commencement of the action. In August 2024, AMEX filed a Motion for Default Judgment, which was granted by the court on or about September 19, 2024, for the amount of damages requested in AMEX’s motion. As of March 31, 2024 the estimated potential loss to the Company is approximately \$232,000 which is included in accounts payable and accrued expenses.

(5) Choctaw Litigation – In March 2024, the Choctaw Nation of Oklahoma (“Choctaw Nation”) filed suit against SG Echo, LLC (“SG Echo”) and the Company in the District Court of Bryan County, State of Oklahoma (Case No. CJ-2024-41) alleging: (a) breaches by SG Echo under a certain commercial lease agreement between SG Echo and the Choctaw Nation related to commercial property located at 2917 Big Lots Road, Durant, Oklahoma 74701; and (b) declaratory and injunctive relief relating to certain cranes, declaring the Choctaw Nation to be the owner of the cranes and not SG Echo. The Company disputes the Choctaw Nation’s allegations. As of March 31, 2025, the case remains pending. As of March 31, 2025, the estimated potential loss to the Company is approximately \$138,000 which is included in accounts payable and accrued expenses.

(6) Durant Industrial Authority Litigation – In November 2024, The Durant Industrial Authority (“DIA”) filed suit against the Company, SG Echo, LLC, among others, alleging breaches by the Company and SG Echo under a certain forgivable promissory note executed between SG Echo as the borrower and the DIA as the lender in the principal sum of \$750,000 (the “Forgivable Note”). The indebtedness under the Forgivable Note would be forgiven in three separate phases based upon the schedule set forth in the Forgivable Note. The DIA’s allegations include, among others, that due to SG Echo’s alleged breaches, the Forgivable Note is no longer forgivable and has been accelerated and is due in full. The Company and SG Echo dispute the DIA’s allegations. As of March 31, 2025, the case remains pending. As of March 31, 2025, the Company cannot estimate any additional potential loss, however as of March 31, 2025 the \$750,000 is included in short-term notes payable.

(7) Rulien Litigation – In March, 2024, Rulien Advisors, LLC (“Rulien”) filed suit against the Company in the Supreme Court of the State of New York Commercial Division, Kings County (Case No. 506426/2024) alleging breaches of a consulting agreement entered into by the Company and Rulien, dated as of December 17, 2018 (the “Consulting Agreement”), whereby the Company engaged Rulien to act as a non-exclusive independent sales representative to promote the sale of, and to solicit orders for, products and services offered for sale by the Company. Rulien alleges that it has earned commissions for (a) the alleged sale of property located at 1900 American Drive, Lago Vista, Texas, and (b) the Company’s spin-off of the Company’s wholly-owned subsidiary, Safe and Green Development Corporation, into a separate publicly traded company listed on the Nasdaq stock exchange. The Company disputes Rulien’s claims. The case remains pending. As of March 31, 2025, the Company cannot estimate any potential loss.

(8) Caliber Litigation – In June 2024, Caliber Corporate Advisers, LLC (“Caliber”) filed suit against the Company in the Supreme Court of the State of New York, County of New York (Case No. 652893/2024) alleging breaches of a Consulting Services Agreement between Caliber and the Company (the “Services Agreement”), alleging a balance owed of \$46,350. The Company disputes Caliber’s claims, and claims that Caliber failed to provide meaningful services as set forth in the Services Agreement. As of March 31, 2025, the case remains pending. As of March 31, 2025, the Company cannot estimate any potential loss.

(9) MDisrupt Litigation – In August 2024, MDisrupt, Inc. (“MDisrupt”) filed suit against Safe and Green Medical Corporation (“SG Medco”) and the Company in the 353rd District Court of Travis County, Texas (Case No. D-1-GN-24-003213) alleging breaches of a consulting services agreement between Medco and MDisrupt entered into on or about September 20, 2023 (the “Services Agreement”), alleging a balance owed of \$183,901. Medco and the Company dispute MDisrupt’s allegations. Further, the Company was not party to the Services Agreement. As of March 31, 2025, the case remains pending. As of March 31, 2025, the estimated potential loss to the Company is \$183,901 which is included in accounts payable and accrued expenses.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

15. Commitments and Contingencies (continued)

Vendor Litigation

1.) SG Blocks, Inc. v HOLA Community Partners, et. al.

On April 13, 2020, Plaintiff SG Blocks, Inc. (the “Company”) filed a Complaint against HOLA Community Partners (“HCP”), Heart of Los Angeles Youth, Inc. (“HOLA” and together with HCP, the “HOLA Defendants”), and the City of Los Angeles (“City”) in the United States District Court for the Central District of California, Case No. 2:20-cv-03432-ODW (“HOLA Action”). The Company asserted seven claims against HOLA Defendants arising out of and related to the Heart of Los Angeles construction project in Los Angeles (the “HOLA Project”), to wit, for: (1) breach of contract; (2) conversion; (3) default and judicial foreclosure under the original agreement between the Company and HOLA (“Agreement”) as a security agreement; (4) misappropriation of trade secrets under California Civil Code section 3426; (5) misappropriation of trade secrets under 18 U.S.C. § 1836; and (6) intentional interference with contractual relations. On April 20, 2020, HOLA filed a separate action against the Company in the Los Angeles Superior Court arising out of the HOLA Project, asserting claims of (1) negligence; (2) strict products liability; (3) strict products liability, (4) breach of contract; (5) breach of express warranty; (6) violation of Business and Professions Code § 7031(b); and (7) violation of California’s unfair competition law, Business and Professions Code section 17200 (“UCL”) (“HOLA State Court Action”). The HOLA State Court Action was removed to the Central District of California and consolidated with the HOLA Action.

On January 22, 2021, the Company filed a Third-Party Complaint in the HOLA Action against Third-Party Defendants Teton Buildings, LLC, Avesi Construction, LLC, and American Home Building and Masonry Corp (“AHB”) for indemnity and contribution with respect to HOLA’s claims. The Company has also notified its general liability carrier Sampo International regarding coverage concerning HOLA’s claims. On February 25, 2021, the Court entered an order dismissing the Company’s claims for (1) breach of contract; (2) conversion; (3) default and judicial foreclosure under the Agreement as a security agreement; (4) misappropriation of trade secrets under California Civil Code section 3426; (5) misappropriation of trade secrets under 18 U.S.C. § 1836; but denied dismissal of the Company’s claims for intentional interference with contractual relations. The Court also denied the Company’s motion to dismiss HOLA’s claims.

On March 12, 2021, the HOLA Defendants filed an answer to the Company’s complaint against it denying liability and asserting affirmative defenses. On March 12, 2021, the Company filed an answer to the HOLA Defendants’ First Amended Consolidated Complaint against it, denying liability and asserting affirmative defenses.

On April 26, 2021, the Company and the HOLA Defendants filed a Joint Stipulation to Dismiss HOLA Community Partners’ Sixth Claim for Relief (violation of California Business and Professions Code §7031(b)), with prejudice, pursuant to Fed. R. Civ. P. 41(a)(1)(A)(ii).

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

15. Commitments and Contingencies (continued)

On July 23, 2021, the Company filed a First Amended Third-Party Complaint adding the following additional third party defendants seeking, *inter alia*, contractual indemnity, equitable indemnity; and contribution: American Home Building and Masonry Corp. (“American Home”), Anderson Air Conditioning, L.P. (“Anderson”), Broadway Glass and Mirror, Inc. (“Broadway”), Marne Construction, Inc. (“Marne”), The McIntyre Company (“McIntyre”), Dowell & Bradley Construction, Inc. dba J R Construction (“JR Construction”) Junior Steel Co. (“Junior Steel”) Saddleback Roofing, Inc. (“Saddleback”) Schindler Elevator Corporation (“Schindler”) U.S. Smoke & Fire Corp. (“U.S. Smoke”) and FirstForm, Inc. (“FirstForm”) (collectively the “Additional Third Party Defendants”).

On September 2, 2021, Schindler Elevator Corp. filed its answer to the First Amended Third-Party Complaint. On September 3, 2021, Junior Steel Co. filed its answer to the First Amended Third-Party Complaint. On September 7, 2021, Anderson Air Conditioning, L.P. filed its answer to the First Amended Third-Party Complaint. On October 6, 2021, the McIntyre Group filed its answer to the First Amended Third-Party Complaint.

On February 7, 2022, the Company filed a request for entry of a Clerk’s default against the following defendants: American Home Building and Masonry Corp., Avesi Construction, Marne Construction, Inc., FirstForm, Inc., Dowell & Bradley Construction, Inc., Saddleback Roofing, Inc., and US Smoke and Fire Corp. On February 9, 2022, the court entered a clerk’s default pursuant to Federal Rule 55 against the following defendants: American Home Building and Masonry Corp. Avesi Construction, Dowell & Bradley Construction, Inc., Saddleback Roofing Inc. and US smoke and Fire Corp. The parties that have answered and appeared in the case are currently engaged in discovery.

The dispute between SG Blocks, Inc., HOLA Community Partners, and others in the above-described lawsuit settled, and a formal settlement agreement was executed in December 2022. In accordance with the settlement agreement, all funds to be paid were, in fact, paid. On February 27, 2023, the settling parties filed a Joint Stipulation to Dismiss All Causes of Action Against All Parties Except Avesi Construction, LLC (“Aveshi”), and Saddleback Roofing, Inc. (“Saddleback”). The claims against the settling parties, pursuant to the settlement, were to be dismissed and have since been dismissed. SG Blocks, Inc. had taken defaults against Aveshi and Saddleback, and is continuing to pursue default judgments against same.

On February 17, 2025, the Company executed a Settlement Agreement and Release with Saddleback, to release all claims between the parties. As part of the settlement, Saddleback agreed to pay a settlement payment of \$400,000. All of the settlement proceeds were refunded to the Company’s Insurer Sompco, based on monies already paid out by Sompco in the underlying matter. As the matter is now settled, the parties will shortly move the court to dismiss the Saddleback matter.

2.) *SG Blocks, Inc. v. EDI International, PC*

On June 21, 2019, SG Blocks, Inc. filed a lawsuit against EDI International, PC (“EDI”), a New Jersey corporation, in connection with the parties’ consulting agreement, dated June 29, 2016, pursuant to which EDI, was to provide, for a fee, certain architectural and design services for the original project between the Company and HOLA (“Project”). The lawsuit is styled SG Blocks, Inc. v. EDI et al., and was filed in California Superior Court, for the County of Los Angeles, case no. 19STCV21725. SG Blocks, Inc. claims that EDI, tortiously interfered with SG Blocks, Inc.’s economic relationship with HCP and HOLA. The complaint seeks in excess of \$1,275,754 in damages. EDI, filed a cross-complaint for alleged unpaid fees and tortious interference with EDI contractual relationship with HCP and HOLA. EDI cross-complaint seeks in excess of \$30,428.71 in damages. On July 8, 2020, SG Blocks, Inc. added PVE LLC as a defendant in the lawsuit, claiming PVE LLC is liable to the same extent as EDI. In May 2021, the parties settled EDI affirmative claims, and its cross-complaint was dismissed with prejudice on August 23, 2021. On SG Blocks, Inc.’s remaining claims, trial is set for October 2024. On or about November 15, 2024, the Company received a jury verdict in its favor in the amount of \$1.274 million against EDI styled as SG Blocks, Inc. v EDI et al, case no. 19STCV21725. EDI may appeal the verdict, thus there remains uncertainty whether the verdict will be reduced to a final judgment. Should the Company secure a final judgment, there remains uncertainty whether the Company will be able to collect on the judgment.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

15. Commitments and Contingencies (continued)

3.) Teton Buildings, LLC

(i) On January 1, 2019, the Company commenced an action against Teton Buildings, LLC (“Teton”) in Harris County, Texas (“Teton Texas Action”) to recover approximately \$2,100,000 arising from defendant’s breach of the operative contract related to the HOLA Project entered into on or about June 2, 2017. The Petition brought claims of breach of contract, negligence, and breach of express warranty. In or about February 2022, the Company dismissed without prejudice the Teton Texas Action.

(ii) On or about September 12, 2018, the Company entered into a Firm Price Quote and Purchase (the “GVL Contract”) with Teton to govern the manufacture and provision of 23 shipping containers and modular units (the “Teton GVL Modules”) for the Four Oaks Gather GVL project in South Carolina (the “GVL Project”). The Company maintains that Teton breached the GVL Contract by (i) failing to timely deliver the Teton GVL Modules, (ii) delivering Teton GVL Modules that were defective in their design and manufacture, (iii) otherwise failed to meet South Carolina Building Code regulations and (iv) breached applicable warranties. As a result of the breach and defects in performance, design and manufacture by Teton, Company asserts that it has sustained \$761,401.66 in actual and consequential damages, excluding attorney’s fees. On October 16, 2019, Teton filed for Chapter 11 in the United States Bankruptcy Court for Southern District of Texas, Houston Division styled In re: Teton Buildings, LLC and bearing the case number 19-35811. On February 11, 2020, the Company filed a proof of claim again Teton in the amount of \$2,861,401.66 arising from the HOLA Project and the GVL Contract.

On or about March 16, 2020, the Bankruptcy Court converted Teton’s Chapter 11 reorganization case to a Chapter 7 liquidation case. On July 18, 2019, Ronald Sommers, the Chapter 7 Trustee, filed a Report of No Distribution stating that there is no property available for distribution to creditors. On August 20, 2019, the Bankruptcy Court closed the Teton bankruptcy case. As such, there is no prospect of any recovery against Teton.

On January 22, 2021, the Company filed a third-party complaint against Teton in the United States District Court for the Central District of California, Case No. 2:20-cv-03432 in the HOLA Action (described above), seeking to determine Teton’s liability in its capacity as a bankruptcy debtor in order to collect any damages payable from Teton’s liability insurance carrier or carriers. On July 23, 2021, the Company filed a First Amended Third-Party Complaint against Teton and other named third party defendants (see #2 below). Teton has been served with the First Amended Third-Party Complaint and on or about February 11, 2022, Teton filed an answer and affirmative defenses.

On or about December 31, 2022, the parties who appeared in the HOLA Action, including Teton by and through its insurance carrier, executed a Settlement Agreement and Release. On February 28, 2023 the court “so ordered” the parties’ stipulation dismissing all causes of action against the parties to the Settlement Agreement and Release.

Other Litigation

1.) SG Blocks, Inc. v. *Osang Healthcare Company, Ltd.*,

On April 14, 2021, the Company commenced an action against Osang Healthcare Company, Ltd. (“Osang”) in the United States District Court, Eastern District of New York, Case No. 21-01990 (“Osang Action”). The Company has asserted that Osang materially breached a certain Managed Supply Agreement (“MSA”) entered into between the parties on October 12, 2020, pursuant to which the Company received on consignment two million (2,000,000) units of Osang’s “Genefinder Plus RealAmp Covid-19 PCR Test” (the “Covid-19 Test”) for domestic and international distribution. The Company has also asserted that Osang breached the covenant of good faith and fair dealing, fraudulently induced it to enter into the MSA, and violated §349 of the New York General Business Law’s prohibition of deceptive business practices.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

15. Commitments and Contingencies (continued)

On June 18, 2021, Osang served a motion to dismiss the Osang Action pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure. On July 30, 2021, the Company served its opposition to the motion to dismiss. On September 22, 2022, the court entered an order granting in part and denying in part Osang's motion to dismiss. The court denied that part of Osang's motion that sought dismissal of the Company's causes of action for breach of contract (but denied recovery of lost profits) and fraud, but dismissed the Company's causes of action for breach of implied covenant of good faith and fair dealing, indemnification, accounting, and violation of the New York Unlawful and Deceptive Trade Practices Act (GBL §349).

A status conference was held on November 16, 2022 at which time the Court entered a scheduling order for the conducting of discovery. Discovery is ongoing. A settlement conference was held by the Court on March 14, 2023, of which the Company was granted \$450,000.

2.) John Williams Shaw and Leo Patrick Shaw

On March 15, 2023, a complaint was filed against John Williams Shaw and Leo Patrick Shaw (the "Defendants") in the United States District Court of the Southern District of New York seeking damages to recover short swing profits from the Defendants pursuant to Section 16(b) of the Exchange Act. On September 26, 2023, the matter was settled and on, October 3, 2023, a Stipulation and Order of Dismissal with Prejudice was filed and so-ordered by the assigned judge. The Company is currently unable to predict the outcome or possible recovery, if any, associated with the resolution of this litigation, and, accordingly, the Company has made no provision related to this matter in the consolidated financial statements.

Commitments

On May 1, 2023, the Company appointed Patricia Kaelin as the Company's Chief Financial Officer and entered into an employment agreement with Patricia Kaelin (the "Kaelin Employment Agreement") to employ Ms. Kaelin in such capacity for an initial term of two (2) years, which provides for an annual base salary of \$250,000, a discretionary bonus of up to 20% of her base salary upon achievement of objectives as may be determined by the Company's board of directors and severance in the event of a termination without cause on or after September 30, 2023 in amount equal to one year's annual base salary and benefits. The Kaelin Employment Agreement also provides for the grant to Ms. Kaelin of a restricted stock grant under the Company's Stock Incentive Plan, as amended and as available for grant, of 60,000 shares of the Company's common stock, vesting quarterly on a pro-rata basis over the next eighteen (18) months of continuous service. Ms. Kaelin is subject to a one-year post-termination non-compete and non-solicit of employees and clients. She is also bound by confidentiality provisions. During July 2023, Ms. Kaelin's annual base salary was adjusted to \$300,000, retroactive to May 1, 2023.

On January 3, 2025, the Board of Directors (the "Board") of the Company approved the appointment of Michael McLaren as the Company's Chief Executive Officer and on January 5, 2025, the Company entered into an employment agreement with Mr. McLaren (the "Employment Agreement") to employ Mr. McLaren in such capacity for an initial term of two (2) years, which Employment Agreement provides for an annual base salary of \$250,000 which shall be increased to \$400,000 upon the closing of a capital event which cures the Company's stockholders' equity deficiency with Nasdaq, a signing bonus of \$50,000 payable within thirty (30) days of the Employment Agreement's effective date, a long-term incentive bonus with a range of between two (2) to four (4) times Mr. McLaren's then-base salary, subject to approval by the Company's Board of Directors.

On January 16, 2025, the Company appointed Jim Pendergast as the Company's Chief Operating Officer and entered into an employment agreement with Mr. Pendergast (the "Employment Agreement") to employ Mr. Pendergast in such capacity for an initial term of two (2) years, which Employment Agreement provides for an annual base salary of \$200,000, a restricted stock grant under the Company's Stock Incentive Plan for 200,000 shares of the Company's common stock, vesting quarterly on a pro-rata basis over the next eighteen (18) months of continuous service, and an annual performance bonus of up to 20% of Mr. Pendergast's then-base salary, payable in cash and/or equity, as determined by Company's by the Company's Board of Directors.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

16. Related Party Transactions

As disclosed in Note 8, on December 14, 2023, the Company and Mr. Galvin entered into the Galvin Note Payable.

As of June 30, 2025, the Company has accrued approximately \$450,000 for amounts due to Paul Galvin, the former CEO, for deferred salary due to him.

As disclosed in Note 8, in connection with the acquisition of NAHD, the Company acquired Note J, L and M, which are due to related parties.

As of June 30, 2025, \$3,474,727 is due to related parties, which are a result of the acquisition of NAHD. Certain shareholders and related parties paid operating expenses and outstanding bills on behalf of the Olenox, including vendor obligations and setup-related costs. These payments were made to support the Olenox's early-stage operations and reflect the ongoing financial backing from key stakeholders. The amounts advanced by related parties are recorded as related party liabilities.

17. Deconsolidation

As disclosed in Note 2, during 2024 the Company recognized the effects of the Deconsolidation. Prior to the Deconsolidation, SG DevCorp was consolidated in the Company's financial statements. Upon the Deconsolidation, the Company accounts for its investment in SG DevCorp on the equity method. The effect of the Deconsolidation resulted in a derecognition of \$12,274,844 of assets, \$9,022,017 of liabilities, and \$1,657,829 in the carrying value of the non-controlling interest in SG DevCorp. Additionally, upon the Deconsolidation, the Company reduced its previously amount recorded as due from SG DevCorp in the amount of \$394,329 and recorded an amount of \$1,717,694 due to SG DevCorp which was previously eliminated in consolidation. The Company recognized a gain of \$4,728,348 which resulted from the difference between the fair value of the Company's investment upon deconsolidation of \$8,126,350, and the net assets and carrying value of the non-controlling interest as described above. The gain is included in income (loss) from discontinued operations. The assets and liabilities of SG DevCorp at the time of Deconsolidation amounted to the following:

Assets:	
Cash	\$ 567,473
Assets held for sale	4,400,361
Prepaid expenses and other current assets	429,331
Total current assets	<u>5,397,165</u>
Property, plant and equipment, net	1,194,117
Project development costs and other non-current assets	91,490
Intangible assets, net	138,678
Goodwill	1,810,787
Investment in and advances to equity affiliates	3,642,607
Total long-term assets	<u>6,877,679</u>
Liabilities:	
Accounts payable and accrued expenses	1,600,294
Contingent consideration payable	945,000
Short-term notes payable, net	6,476,723
	<u>\$ 9,022,017</u>

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

18. Discontinued Operations

The financial results of SG DevCorp are presented as income (loss) from discontinued operations. The following table represents the financial results of SG DevCorp:

The financial results of SG DevCorp are presented as income (loss) from discontinued operations. The following table represents the financial results of SG DevCorp:

	Six Months Ended June 30, 2024
Operating Expenses:	
Payroll and related expenses	\$ 1,223,511
General and administrative expenses	295,664
Marketing and business development expenses	10,219
Operating loss	(1,529,394)
Other income (expense)	(422,941)
Net loss	<u>\$ (1,952,335)</u>

The total income from discontinued operations for the three months ended March 31, 2024, is comprised of the following:

Gain from Deconsolidation	\$ 4,637,013
Net loss from discontinued operations	(1,952,335)
Net loss	<u>\$ 2,684,678</u>

19. Business Combinations

NAHD

On February 2, 2025, the Company entered into the Merger Agreement with NAHD. Following the Merger, NAHD and its operating subsidiaries will be indirect, wholly owned subsidiaries of the Company. As merger consideration, the Company will issue four million (4,000,000) shares of Series A non-voting convertible preferred shares of the Company, par value \$1.00 (the “Preferred Shares”), to NAHD’s shareholders, with each Preferred Share having the right to convert into fifteen (15) shares of common stock of the Company, provided, however, that any such conversion is subject to the approval by the Company’s common stockholders. The Merger Agreement contains conditions to the completion of the Merger, including the filing of the articles of incorporation and/or organization for the merger subsidiaries, and the adoption of board resolutions and/or sole member resolutions by the merger subsidiaries approving the Merger. On February 13, 2025, all of the closing conditions to the Merger Agreement have been satisfied or waived, the Preferred Shares have been issued to NAHD’s shareholders, and the transactions set forth in the Merger Agreement have been fully completed and closed.

The purchase consideration amounted to \$34,569,600, which is the fair value of the Preferred Shares.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

19. Business Combinations (continued)

The following table summarizes the preliminary allocation of the purchase price to the assets acquired and liabilities assumed for the Merger:

Cash and cash equivalents	\$ 77,013
Accounts receivable	49,418
Inventory	469,961
Oil and gas, on the basis of full cost accounting	2,441,712
Property, plant and equipment	168,609
Reserves	1,560,000
Goodwill	38,350,202
Investment	34,000
Intangible assets	812,938
Project development cost and other assets	2,244
Accounts payable and accrued expenses	(1,601,573)
Due to related parties	(3,476,828)
Contract liabilities	(552,500)
Long-term debt	(3,765,596)
Total consideration	<u>\$ (34,569,600)</u>

As of June 30, 2025, the Company has not completed its measurement period with respect to the acquisition. The amounts above represent provisional amounts recorded at this time and are subject to adjustments once the measurement period has ended.

County Line

On April 8, 2025 (the “Effective Date”), the Company entered into an asset purchase agreement (the “Asset Purchase Agreement”) with County Line Industrial LLC (“County Line”) to acquire all of the assets and operating business of County Line (the “Assets”) for a purchase price of \$1,000,000 (the “Purchase Price”). The acquisition of County Line’s business includes the acquisition of all of County Line’s existing customers and business pipeline, and the hiring of County Line’s existing employees, and the hiring of County Line’s sole member, Carter Fields.

Pursuant to the Asset Purchase Agreement, the Company will pay the Purchase Price as follows: a cash payment in the amount of \$125,000 due on or before April 15, 2025, a cash payment in the amount of \$100,000 due on or before May 15, 2025; a cash payment in the amount of \$250,000 due on or before July 15, 2025; and a cash payment in the amount of \$525,000 due on or before January 31, 2026. The payments will bear no interest. In addition to the Purchase Price, the Company shall pay its current payable due to County Line, in the amount of \$76,000, on or before May 1, 2025. County Line shall pay all obligations of its three vehicles for an approximate total amount of \$92,000.

The Asset Purchase Agreement contains customary representations and warranties for this type of transaction, including but not limited to, County Line shall deliver all of the Assets free and clear of all liabilities, liens, loans, and encumbrances, and shall ensure that the Assets are in good working condition, subject to normal wear and tear. The Company shall not assume or be responsible for any of County Line’s liabilities, debts, obligations, whether presently existing or arising thereafter. County Line and its sole member have agreed to customary restrictive covenants including non-competition, non-circumvention, and non-solicitation for a period of two years.

The following table summarizes the preliminary allocation of the purchase price to the assets acquired and liabilities assumed in the Asset Purchase Agreement:

Property, plant and equipment	\$ 214,000
Goodwill	786,000
Total consideration	<u>\$ 1,000,000</u>

As of June 30, 2025, the Company has not completed its measurement period with respect to the acquisition. The amounts above represent provisional amounts recorded at this time and are subject to adjustments once the measurement period has ended.

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

19. Business Combinations (continued)

Sherman Oil

On May 28, 2025, the Company entered into an asset purchase agreement (the “Second Asset Purchase Agreement”) with Sherman Oil Company LLC and its affiliates (“Sherman Oil”), pursuant to which the Company will acquire approximately 1,600 acres of held-by-production oil leases for oil wells located in Wichita County and Wilbarger County, Texas (the “Second Assets”) for a purchase price of \$1,000,000 (the “Second Purchase Price”). The purchase of the Second Assets includes Sherman Oil’s operational equipment of the oil wells.

Pursuant to the Second Asset Purchase Agreement, the Company will pay the Second Purchase Price as follows: \$250,000 in cash on the closing date, \$250,000 in cash within 90 days of the closing date, \$250,000 in cash within 180 days of the closing date, and \$250,000 in cash within 240 days of the closing date. The payments will bear no interest.

The Second Asset Purchase Agreement contains customary representations, warranties, and covenants. The Second Asset Purchase Agreement also contain conditions to the completion of the Merger including the filing of the articles of incorporation and/or organization for the merger subsidiaries, and the adoption of board resolutions and/or sole member resolutions by the merger subsidiaries approving the Merger. There are no assurances that the parties will satisfy all of the conditions to the merger.

The following table summarizes the preliminary allocation of the purchase price to the assets acquired and liabilities assumed in the Second Asset Purchase Agreement:

Oil and gas properties	\$ 1,000,000
Total consideration	\$ 1,000,000

As of June 30, 2025, the Company has not completed its measurement period with respect to the acquisition. The amounts above represent provisional amounts recorded at this time and are subject to adjustments once the measurement period has ended.

The following unaudited pro forma consolidated results of operations for the three months ended June 30, 2025 and 2024 assume the acquisitions of NAHD, County Line and Sherman Oil were completed on January 1, 2024:

	<i>For the Three Months Ended June 30, 2025</i>	<i>For the Three Months Ended June 30, 2024</i>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Pro-forma total revenues	\$ 745,859	\$ 1,526,820
Pro-forma net loss	\$ (4,549,362)	\$ (4,505,436)

The following unaudited pro forma consolidated results of operations for the six months ended June 30, 2024 assume the acquisitions of NAHD, County Line and Sherman Oil were completed on January 1, 2024:

	<i>For the Six Months Ended June 30, 2025</i>	<i>For the Six Months Ended June 30, 2024</i>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Pro-forma total revenues	\$ 1,747,905	\$ 2,816,225
Pro-forma net loss	\$ (7,117,796)	\$ (8,764,180)

SAFE & GREEN HOLDINGS CORP. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

20. Subsequent Events

On July 8, 2025, the Company received a decision letter from the Nasdaq Hearings Panel (the “Panel”) granting the Company’s request for continued listing on the Nasdaq Capital Market. The decision is conditioned on the Company maintaining full compliance with all continued listing requirements of the Nasdaq Capital Market by August 28, 2025. On or before August 28, 2025, the Company must effect a reverse stock split and demonstrate compliance with Nasdaq Listing Rule 5550(a)(2) by achieving a closing bid price of \$1.00 or more per share for at least ten (10) consecutive business days.

On or before July 18, 2025, the Company must publicly disclose that it has restructured the terms of its April 2025 offering to eliminate the Class B warrants and provide Nasdaq with confirmation that no shares underlying the Class B warrants were issued.

The Panel’s decision follows the Company’s hearing before the Panel on June 17, 2025, during which the Company presented a plan to regain compliance, including its intention to implement a reverse stock split and restructure certain previously issued warrants to mitigate dilution concerns.

The company intends to satisfy the conditions imposed by the Panel within the required timeframes. However, there can be no assurance that the Company will be able to do so.

On July 17, 2025, the Company entered into an Exchange Agreement (the “Exchange Agreement”) by and among the Company and the Investors. Pursuant to the Exchange Agreement, the parties intended to effect a voluntary security exchange transaction (the “Transaction”) whereby the Investors will exchange the Series A and Series B Warrants previously purchased in the April 14, 2025 private placement (the “April 2025 Private Placement”) for an aggregate of 60,000 shares of Series B Preferred Stock (the “Exchange Shares”), with the New Series B Convertible Preferred Stock’s rights and preferences being set forth on that certain certificate of designation (the “Certificate of Designation”) of the Company, filed with the State of Delaware on July 17, 2025, in substantially in the form set forth hereto as Exhibit 3.1.

The Exchange Agreement contains other customary provisions including representations and warranties for the Company and the Investors, governing law, and notice.

The Certificate of Designation, the form of Exchange Agreement and the form of Registration Rights Agreement are filed as Exhibits 3.1, 10.1 and 10.2 to this Current Report on Form 8-K, respectively, and are incorporated herein by reference. The above descriptions of the terms of the Exchange Agreement are not complete and are qualified in their entirety by reference to such exhibits.

In connection with the Transaction, the Company entered into a registration rights agreement with the Purchasers on July 17, 2025 (the “Registration Rights Agreement”), pursuant to which the Company is required to file a registration statement covering the resale of the Securities by July 28, 2025.

On July 28, 2025 (the “Effective Date”), the Company, entered into a non-binding Letter of Intent (the “Letter of Intent”) with Rock Springs Energy Group, LLC (the “Seller”) to purchase one hundred percent (100%) of the equity securities of Rock Springs for a estimated purchase price of \$35 million with the final amount subject to confirmation through the due diligence process (the “Purchase Price”), entitling the Company to full and complete ownership of Rock Springs’ mothballed, incomplete oil refinery located at Rock Springs, Wyoming (the “Transaction”). The Transaction will be subject to the execution of a mutually acceptable definitive purchase agreement, including standard representations, warranties, and indemnities. The Letter of Intent does not constitute a binding commitment to purchase or sell, except for the provisions regarding due diligence, exclusivity and confidentiality.

The Purchase Price will be finally determined based on due diligence findings, market conditions, and mutual agreement between the Company and Rock Springs. The Letter of Intent provides for a due diligence period of 60 days from the execution of the Letter of Intent. The Company reserves the right to terminate the Letter of Intent without liability if due diligence findings are unsatisfactory.

On July 1, 2025, 1800 Diagonal converted the outstanding balance on the 1800 Diagonal Note. The conversion resulted in the issuance of 86,615 shares of common stock to 1800 Diagonal.

On July 1, 2025, the Company issued 234,243 restricted shares of common stock of the Company to CSHQA, Inc. (“CSHQA”) per the terms of the settlement agreement dated June 21, 2024.

On July 1, 2025, the Company issued 22,817 restricted shares of common stock of the Company to Stephen Rossiter as settlement of an outstanding commission owed to Mr. Rossiter.

Commencing on July 31, 2025, and ending on August 8, 2025, the Company received exercises notices for the pre-funded warrants issued to institutional investors (the “Investors”) pursuant to the private placement consummated by the Company on April 14, 2025 (the “April PIPE”). The Investors exercised a total of 17,904,120 pre-funded warrants and were correspondingly issued 17,904,120 shares of common stock of the Company. As of August 9, 2025, there are no pre-funded warrants issued pursuant to the April PIPE that remain outstanding.

On August 6, 2025, 1800 Diagonal converted the outstanding balance of the Diagonal January 2025 Note. The conversion resulted in the issuance of 551,040 shares of common stock of the Company to 1800 Diagonal.

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

Introduction and Certain Cautionary Statements

As used in this Quarterly Report on Form 10-Q for the period ended March 31, 2025 (this “Quarterly Report on Form 10-Q”), unless the context requires otherwise, references to the “Company,” “we,” “us,” and “our” refer to Safe & Green Holdings Corp. and its subsidiaries. The following discussion and analysis of the financial condition and results of our operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes and schedules included elsewhere in this Quarterly Report on Form 10-Q and with our audited condensed consolidated financial statements and notes for the year ended December 31, 2024, which were included in our Annual Report on Form 10-K for the year then ended December 31, 2024, as filed with the Securities and Exchange Commission (the “SEC”) on March 31, 2025 (the “2024 Form 10-K”). This discussion, particularly information with respect to our future operations, includes forward-looking statements that involve risks and uncertainties as described under the heading “Special note regarding forward-looking statements” in this Quarterly Report on Form 10-Q. You should review the disclosure under the heading “Risk Factors” in the 2024 Form 10-K and in this Quarterly Report on Form 10-Q for a discussion for important factors that could cause our actual results to differ materially from those anticipated in these forward-looking statements.

Special note regarding forward-looking statements

This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed in the forward-looking statements. The statements contained in this report that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Statements contained in this Quarterly Report on Form 10-Q may use forward-looking terminology, such as “anticipates,” “believes,” “could,” “would,” “estimates,” “may,” “might,” “plan,” “expect,” “intend,” “should,” “will,” or other variations on these terms or their negatives. All statements other than statements of historical facts are statements that could potentially be forward-looking. The Company cautions that forward-looking statements involve risks and uncertainties and actual results could differ materially from those expressed or implied in these forward-looking statements or could affect the extent to which a particular objective, projection, estimate or prediction is realized. Factors that could cause or contribute to such differences include, but are not limited to: our ability to continue as a going concern; our ability to obtain additional financing on acceptable terms, if at all, or to obtain additional capital in other ways; general economic, political and financial conditions, including inflation, both in the United States and internationally; our ability to increase sales, generate income, effectively manage our growth and realize our backlog; competition in the markets in which we operate, including the consolidation of our industry, our ability to expand into and compete in new geographic markets and our ability to compete by protecting our proprietary manufacturing process; a disruption or cybersecurity breach in our or third-party suppliers’ information technology systems; our ability to adapt our products and services to industry standards and consumer preferences and obtain general market acceptance of our products; product shortages and the availability of raw materials, and potential loss of relationships with key vendors, suppliers or subcontractors; the seasonality of the construction industry in general, and the commercial and residential construction markets in particular; a disruption or limited availability with our third party transportation vendors; the loss or potential loss of any significant customers; exposure to product liability, including the possibility that our liability for estimated warranties may be inadequate, and various other claims and litigation; our ability to attract and retain key employees; our ability to attract private investment for sales of product; the credit risk from our customers and our customers’ ability to obtaining third-party financing if and as needed; an impairment of goodwill; the impact of federal, state and local regulations, including changes to international trade and tariff policies, and the impact of any failure of any person acting on our behalf to comply with applicable regulations and guidelines; costs incurred relating to current and future legal proceedings or investigations; the cost of compliance with environmental, health and safety laws and other local building regulations; our ability to utilize our net operating loss carryforwards and the impact of changes in the United States’ tax rules and regulations; dangers inherent in our operations, such as natural or man-made disruptions to our facilities and project sites and other restrictions on business and commercial activity and the adequacy of our insurance coverage; our ability to comply with the requirements of being a public company; fluctuations in the price of our common stock, including decreases in price due to sales of significant amounts of stock; potential dilution of the ownership of our current stockholders due to, among other things, public offerings or private placements by the Company or issuances upon the exercise of outstanding options or warrants and the vesting of restricted stock units; the ability of our principal stockholders, management and directors to potentially exert control due to their ownership interest; any ability to pay dividends in the future; potential negative reports by securities or industry analysts regarding our business or the construction industry in general; Delaware law provisions discouraging, delaying or preventing a merger or acquisition at a premium price; our ability to remain listed on the Nasdaq Capital Market and the possibility that our stock will be subject to penny stock rules; our classification as a smaller reporting company resulting in, among other things, a potential reduction in active trading of our common stock or increased volatility in our stock price; and any factors discussed in “Part II - Item 1A. Risk Factors” to this Quarterly Report on Form 10-Q as well as “Part I – Item 1A. Risk Factors” in our 2024 Form 10-K, and other filings with the SEC. In addition, certain information presented below is based on unaudited financial information. There can be no assurance that there will be no changes to this information once audited financial information is available. As a result, readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of this report. The Company will not undertake to update any forward-looking statement herein or that may be made from time to time on behalf of the Company.

Overview

We operate in the following four segments: (i) construction; (ii) medical; (ii) oil and gas; and (iv) environmental. The construction segment designs and constructs modular structures built in our factories using raw materials that are Made-in-America. In the medical segment we use our modular technology to offer turnkey solutions to medical testing and treatment and generating revenue from medical testing.. The environmental segment, the newest segment, is a sustainable medical and waste management solution that has a patented technology to collect waste and treat waste for safe disposal.

We are a provider of modular facilities (“Modules”). We currently provide Modules made out of both code-engineered cargo shipping containers and wood for use as both permanent or temporary structures for residential housing use and commercial use, including for health care facilities. Prior to the COVID-19 pandemic, the Modules we supplied were primarily for retail, restaurant and military use and were manufactured by third party suppliers using our proprietary technology and design and engineering expertise, which modifies code-engineered cargo shipping containers and purpose-built modules for use for safe and sustainable commercial, industrial and residential building. Since our acquisition in September 2020 of Echo DCL, LLC (“Echo”), one of our key supply chain providers, we now have more control over the manufacturing process and have increased our product offerings to add Modules made out of wood. In March 2020, in response to the COVID-19 pandemic we began increasing our focus on providing our Modules as health care facilities for deployable medical response solutions. In February 2023, we entered into an agreement with The Peoples Health Care, in Glendale, California, working in conjunction with Teamsters Local 848, to deliver four Modules to provide medical services to union members. In March 2023, we formed Safe & Green Medical Corporation to focus on our medical segment with an objective to establish a national presence with various clinics and labs that cater to the specific needs of local communities. During 2021, through our subsidiary, Safe and Green Development Corporation. (“SG DevCorp”), we also began to focus on acquiring property to build multi-family housing communities that allows us to utilize the manufacturing services of Echo. SG Environmental Solutions Corp. (“SG Environmental”), formed in Delaware is focused on biomedical waste removal and will utilize a patented technology that it licenses to shred and disinfect biomedical waste, rendering the waste disinfected, unrecognizable, and of no greater risk to the public health than residential household waste.

In connection with our acquisition of NAHD we now operate in the oil and gas industry. During 2024, NAHD acquired Olenox Corp. (“Olenox”), a Wyoming corporation. Olenox is an advanced energy company with three vertically integrated business units: Oil & Gas Production, Energy Services, and Energy Technologies. The company specializes in acquiring and revitalizing underdeveloped energy assets, leveraging proprietary plasma pulse and ultrasonic cleaning tools to enhance production efficiency while reducing environmental impact. Olenox’s strategic focus on distressed oil and gas fields in Texas, Oklahoma, and Kansas has resulted in significant production growth, positioning the company for long-term success in the energy sector. Additionally, during 2024, NAHD acquired Machfu, Inc. (“Machfu”), a Delaware corporation. Olenox is an advanced energy company with three vertically integrated business units: Oil & Gas Production, Energy Services, and Energy Technologies. The company specializes in acquiring and revitalizing underdeveloped energy assets, leveraging proprietary plasma pulse and ultrasonic cleaning tools to enhance production efficiency while reducing environmental impact. Olenox’s strategic focus on distressed oil and gas fields in Texas, Oklahoma, and Kansas has resulted in significant production growth, positioning the company for long-term success in the energy sector.

Recent Developments

On January 22, 2025, SG Building entered into a Cash Advance Agreement (the “Core Cash Advance Agreement”) with Core Funding Source LLC (“Core”) pursuant to which SG Building sold to Pawn \$104,930 of its future receivables for a purchase price of \$70,000, less underwriting fees and expenses paid, for net funds provided of \$63,000. Pursuant to the Core Cash Advance Agreement, Core is expected to receive \$2,998 a day directly from SG Building until the \$104,930 due to Core is paid in full. In the event of a default (as defined in the Core Cash Advance Agreement), Core, among other remedies, can demand payment in full of all amounts remaining due under the Core Cash Advance Agreement.

On January 22, 2025, the Company issued a promissory note (the “January 1800 Diagonal Note”) in favor of 1800 Diagonal in the principal amount of \$143,750 for a purchase price of \$125,000, representing an original issue discount of \$18,750. A one-time interest charge of twelve percent (15%) be applied on the issuance date to the principal balance. Under the terms of the January 1800 Diagonal Note, beginning on February 28, 2025, the Company is required to make nine monthly payments of accrued, unpaid interest and outstanding principal, subject to adjustment, in the amount of \$18,368, with \$165,310 being due on February 28, 2025. The Company has right to accelerate payments or prepay in full at any time with no prepayment penalty. The connection with the January 1800 Diagonal Note, the Company incurred \$8,000 in debt issuance costs. The January 1800 Diagonal Note has default terms similar to the 1800 Diagonal Note as described above.

On February 12, 2025, the Company executed and issued a Promissory Note (“Note”) in favor of Firstfire Global Opportunities Fund, LLC (the “Firstfire”) in the aggregate principal amount of \$360,000 (the “Firstfire Principal”), and an accompanying Securities Purchase Agreement, executed on February 12, 2025 (the “Firstfire SPA”).

The Note was purchased by Firstfire for a purchase price of \$300,000, representing an original issue discount of \$60,000. The Note shall bear interest at a rate of fifteen percent (15%) per annum, with the understanding that the first twelve months of interest under the Note (equal to \$54,000), shall be guaranteed and earned in full as of February 12, 2025. Any amount of Principal or interest due under the Note which is not paid when due shall bear interest at eighteen percent (18%) per annum (“Default Interest”). The Note may not be prepaid in whole or in part except as explicitly set forth in the Note.

Firstfire will have the right, on any calendar day, at any time on or after the Issue Date, to convert all or any portion of the then-outstanding Principal and interest (including any Default Interest) into fully paid and non-assessable shares of common stock, par value \$0.01 per share, of the Company (the “Common Stock”). The per share conversion price into which the Principal, interest (including any Default Interest) shall be equal to \$0.65, subject to adjustment as provided in the Note (the “Conversion Price”). If at any time the Conversion Price for any conversion would be less than the par value of the Common Stock, then at the sole discretion of the Lender, the Conversion Price may equal such par value for such conversion, and the conversion amount shall be increased to include Additional Principal (where “Additional Principal” means such additional amount to be added to the conversion amount to the extent necessary to cause the number of conversion shares issuable upon such conversion to equal the same number of conversion shares as would have been issued if the Conversion Price had not been adjusted by the Lender to the par value price. The Lender shall be entitled to deduct \$1,750 from the conversion amount in each notice of conversion to cover Lender’s fees associated with each notice of conversion. The Note may not be converted into shares of the Company’s common stock if the conversion would result in the Lender and its affiliates owning an aggregate of in excess of 4.99% of the then-outstanding shares of the Company’s common stock.

In connection with the issuance of the Note and the SPA, the Company will issue to the Lender common stock purchase warrants (the “Warrant”), which shall be exercisable into 450,000 shares of Common Stock.

Among others, the following shall be considered events of default under the Note (“Event of Default”): if the Company fails to pay the Principal Amount or interest when due on the Note; the Company fails to issue conversion shares to the Lender upon exercise by the Lender of the conversion rights under the Note; or the Company breaches any covenant, agreement, or other term or condition of the Note or the accompanying Securities Purchase Agreement, Registration Rights Agreement, Irrevocable Transfer Agent Instructions, or Warrants.

After an Event of Default, in addition to all other rights under the Note, the Lender shall have the right to convert any portion of the Note at any time at a price per share equal to the Alternate Price. The “Alternate Price” shall mean the lesser of (i) the applicable conversion price under the Note, (ii) the closing price of the Common Stock on the date of the Event of Default, or (iii) \$0.52.

On March 6, 2025, the Company closed and issued a promissory note (the “Note”) in favor of Tysadco Partners LLC (the “Tysadco”), with an effective date of February 25, 2025, in the aggregate principal amount up to \$1,875,000 (the “Principal”), and an accompanying Securities Purchase Agreement (the “SPA”). All outstanding Principal and interest shall be due on November 30, 2025 (the “Maturity Date”). The Note was purchased for up to \$1,500,000, representing an original issue discount of twenty-five percent (25%), equal to \$375,000 if the Note is fully funded. The Note shall bear interest at twelve percent (12%) interest per annum. Tysadco has the right to convert all or any portion of the then-outstanding Principal and interest into fully paid and non-assessable shares of common stock of the Company, par value \$0.01 per share (the “Conversion Shares”). The per share conversion price into which the Principal and interest converts shall be fifty cents (\$0.50) per share. Among others, the following shall be considered events of default under the Note (each an “Event of Default”): if the Company fails to pay the Principal or interest when due under the Note; if the Company fails to issue Conversion Shares to Tysadco upon exercise by Tysadco of the conversion rights under the Note; or if the Company breaches any covenant, agreement, or other term or condition of the Note or the accompanying SPA. Upon the occurrence of an Event of Default, then the outstanding balance shall immediately increase to 125% of the outstanding balance immediately prior to the occurrence of the Event of Default, and a daily penalty of \$500 will accrue until the default is remedied.

If the Company has not obtained approval from the holders of the Company’s Common Stock, as required by applicable rules and regulation of Nasdaq, the Company shall not issue any number of shares of Common Stock under the Note that would exceed 4.99% of the shares of Common Stock outstanding as of the date of the Note. Additionally, the Company shall not effect any conversion of the Note, and the Lender shall not have the right to convert any portion of the Note or receive shares of Common Stock as payment of interest hereunder to the extent that after giving effect to such conversion or receipt of such interest payment, the Lender, together with any affiliates thereof, would beneficially own in excess of 4.99% of the number of shares of Common Stock outstanding immediately after giving effect to such conversion or receipt of shares as payment of interest.

In connection with the issuance of the Note and the SPA, the Company will issue 294,000 shares of Common Stock (the “Commitment Shares”) as additional consideration for the purchase of the Note.

On March 3, 2025, the Company executed and issued a Promissory Note (“Note”) in favor of GS Capital Partners, LLC (the “GS”) in the aggregate principal amount of \$360,000 (the “Principal”), and an accompanying Securities Purchase Agreement (the “SPA”) and Registration Rights Agreement (the “RRA”).

The Note was purchased by GSA for a purchase price of \$300,000, representing an original issue discount of \$60,000. The Note shall bear interest at a rate of fifteen percent (15%) per annum, with the understanding that the first twelve months of interest under the Note (equal to \$54,000), shall be guaranteed and earned in full as of the Issue Date. Any amount of Principal or interest due under the Note which is not paid when due shall bear interest at eighteen percent (18%) per annum (“Default Interest”). The Note may not be prepaid in whole or in part except as explicitly set forth in the Note. The Company shall make monthly payments on the Note in the amount of \$44,000, due and payable on the 3rd of each month commencing on June 3, 2025, and ending on February 3, 2025, with a final payment due and payable on March 3, 2026, in the amount equal to any remaining outstanding balance of the Note.

GSA will have the right to convert all or any portion of the then-outstanding Principal and interest including any Default Interest (as defined in the Note) into fully paid and non-assessable shares of common stock of the Company, par value \$0.01 per share (the “Common Stock”). Such conversion right is wholly contingent and subject to the approval of such conversion by a sufficient amount of holders of the Company’s common stock to satisfy the shareholder approval requirements for such action as provided in Nasdaq Rule 5635(d) (“Shareholder Approval”). GSA may, on any calendar day, at any time after Shareholder Approval of such conversion, convert all or any portion of the then-outstanding Principal and interest (including any Default Interest) into fully paid and non-assessable share of common stock, par value \$0.01 per share, of the Company (the “Common Stock”). The per share conversion price into which the Principal, interest (including any Default Interest) shall be equal to \$0.65, subject to adjustment as provided in the Note (the “Conversion Price”). If at any time the Conversion Price for any conversion would be less than the par value of the Common Stock, then at the sole discretion of GSA, the Conversion Price may equal such par value for such conversion, and the conversion amount shall be increased to include Additional Principal (where “Additional Principal” means such additional amount to be added to the conversion amount to the extent necessary to cause the number of conversion shares issuable upon such conversion to equal the same number of conversion shares as would have been issued if the Conversion Price had not been adjusted by GSA to the par value price. GSA shall be entitled to deduct \$1,750 from the conversion amount in each notice of conversion to cover GSA’s fees associated with each notice of conversion. The Note may not be converted into shares of the Company’s common stock if the conversion would result in GSA and its affiliates owning an aggregate of in excess of 4.99% of the then-outstanding shares of the Company’s common stock.

Among others, the following shall be considered events of default under the Note (“Event of Default”): if the Company fails to pay the Principal Amount or interest when due on the Note; the Company fails to issue conversion shares to GSA upon exercise by GSA of the conversion rights under the Note; or the Company breaches any covenant, agreement, or other term or condition of the Note or the accompanying Securities Purchase Agreement, Registration Rights Agreement, Irrevocable Transfer Agent Instructions, or Warrants.

After an Event of Default, in addition to all other rights under the Note, GSA shall have the right to convert any portion of the Note at any time at a price per share equal to the Alternate Price. The “Alternate Price” shall mean the lesser of (i) the applicable conversion price under the Note, (ii) the closing price of the Common Stock on the date of the Event of Default, or (iii) \$0.52.

On March 27, 2025, the Company executed and issued a Promissory Note (“Note”) in favor of Generating Alpha Ltd. (the “Generating”) in the aggregate principal amount of \$375,700 (the “Principal”), and an accompanying Securities Purchase Agreement (the “SPA”) and Registration Rights Agreement (the “RRA”).

The Note was purchased by Generating for a purchase price of \$300,560, representing an original issue discount of \$75,140. The Note shall bear interest at a rate of fifteen percent (15%) per annum, with the understanding that the first twelve months of interest under the Note (equal to \$56,355), shall be guaranteed and earned in full as of March 27, 2025. Any amount of Principal or interest due under the Note which is not paid when due shall bear interest at eighteen percent (18%) per annum (“Default Interest”). The Company shall make monthly payments on the Note (each an “Amortization Payment”) in the amount of \$43,205.50, due and payable on the 6th of each month commencing on June 6, 2025, and ending on March 6, 2026. The Company may accelerate the payment date of any Amortization Payment by giving notice to Generating.

If the Company fails to pay any Amortization Payment when due, in addition to all other rights under the Note, Generating shall have the right to convert at any time any portion of the Note at a price per share equal to the Market Price. “Market Price” shall mean the lesser of (i) the then applicable conversion price under the Note or (ii) 80% of the lowest closing price of the Company’s shares of common stock, par value \$0.01 (“Common Stock”) on any trading day during the ten trading days prior to the conversion date. If an event of default occurs under the Note, then, in addition to all other rights under the Note, the Lender shall have the right to convert at any time any portion of the Note at a price per share equal to the Alternate Price. “Alternate Price” shall mean the lesser of (i) the then applicable conversion price, (ii) the closing price of the Common Stock on the date of the event of default (provided, however, that if such date is not a trading day, then the next trading day after the event of default), or (iii) \$0.52 (subject to adjustment as provided in the Note).

The total cumulative number of shares of Common Stock issued to Generating under the Note, together with the SPA and RRA, may not exceed the requirements of Nasdaq Listing Rule 5635(d) (the “Nasdaq 19.99% Cap”), except that if the number of shares of Common Stock issued to Lender reaches the Nasdaq 19.99% Cap, the Company, at its election, will use reasonable commercial efforts to obtain stockholder approval of the Note and the issuance of additional conversion shares, in accordance with the requirements of Nasdaq Listing Rule 5635(d) (the “Approval”). If the Company is unable to obtain such Approval, any remaining outstanding balance of the Note must be repaid in cash.

Among others, the following shall be considered events of default under the Note (“Event of Default”): if the Company fails to pay an Amortization Payment when due on the Note; the Company fails to perform or observe any covenant, term, provision, condition, agreement, or obligation of the Company under the Note, the SPA, or the RRA; the Company shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business.

After an Event of Default, in addition to all other rights under the Note, Generating shall have the right to convert any portion of the Note at any time at a price per share equal to the Alternate Price. The “Alternate Price” shall mean the lesser of (i) the applicable conversion price under the Note, (ii) the closing price of the Common Stock on the date of the Event of Default, or (iii) \$0.52.

Nasdaq Compliance

On May 13, 2025, Safe& Green Holdings Corp. (the “Company”) received a notification letter from the Listing Qualifications Department of The Nasdaq Stock Market LLC (“Nasdaq”), stating that based on its review of the Company’s public filings with the Securities and Exchange Commission (the “SEC”), its staff has determined to delist the Company’s securities pursuant to its discretionary authority under Listing Rule 5101. Specifically, as set forth in the letter, Nasdaq’s staff determined that the Company’s issuance of securities pursuant to the securities purchase agreement dated April 14, 2025, particularly the Series B warrants exercisable on an alternate cashless basis as described in the Company’s prior SEC filings, raises public interest concerns because the issuance resulted in substantial dilution for its shareholders. Accordingly, as set forth in the letter, this matter serves as an additional basis for delisting the Company’s securities from Nasdaq.

The letter serves as a formal notification that the Nasdaq Hearings Panel (the “Panel”) will consider this matter in rendering a determination regarding the Company’s continued listing on Nasdaq. Pursuant to Listing Rule 5810(d), the Company should present its views with respect to this additional deficiency at its upcoming Panel hearing.

As of the date hereof, the Company has submitted an appeal of this determination prior to the appeal deadline of May 20, 2025, and will submit a compliance plan to the Panel in connection with same. The Company also plans to apply for trading on the OTCQB market maintained by OTC Markets Group Inc. to address the risk of delisting from Nasdaq in the event of an unfavorable Panel decision.

Additionally, as previously disclosed, on December 12, 2024, the Nasdaq Staff (the “Staff”) had notified the Company that its bid price of its common stock (the “Common Stock”) had closed at less than \$1 per share over the previous 30 consecutive business days, and, as a result, did not comply with Nasdaq Listing Rule 5550(a)(2). In accordance with Listing Rule 5810(c)(3)(A), the Company was provided 180 calendar days, or until June 10, 2025, to regain compliance with the Nasdaq Listing Rules, as set forth above. As of June 10, 2025, the Company has not regained compliance with the Nasdaq Listing Rules, and the Staff has determined that the Company is not eligible for a second 180 day period.

The Nasdaq hearing panel has notified the Company that it will also consider this matter, along with the public interest concern matter, in rendering a determination regarding the Company’s continued listing on the Nasdaq Capital Market.

The Company’s hearing to address these matters with the Nasdaq hearing panel is scheduled for June 17, 2025.

On June 11, 2025, the Company received a notification letter from the Listing Qualifications Department of Nasdaq, stating that the Company has not regained compliance with the Rule and Staff has determined that the Company is not eligible for a second 180 day period. Specifically, the Company has appealed a Staff Delist Determination of a public interest concern in connection with a securities purchase agreement that the Company entered into in April 2025.¹ Accordingly, this matter serves as an additional basis for delisting the Company’s securities from The Nasdaq Stock Market.

This was a formal notification that the Nasdaq Hearings Panel (the “Panel”) will consider this matter in rendering a determination regarding the Company’s continued listing on The Nasdaq Capital Market. Pursuant to Listing Rule 5810(d), the Company should present its views with respect to this additional deficiency at its Panel hearing. If the Company fails to address the aforementioned issue, the Panel will consider the record as presented at the hearing and will make its determination based upon that information.

On July 8, 2025, the Company received a decision letter from the Nasdaq Hearings Panel (the “Panel”) granting the Company’s request for continued listing on the Nasdaq Capital Market. The decision is conditioned on the Company maintaining full compliance with all continued listing requirements of the Nasdaq Capital Market by August 28, 2025. On or before August 28, 2025, the Company must effect a reverse stock split and demonstrate compliance with Nasdaq Listing Rule 5550(a)(2) by achieving a closing bid price of \$1.00 or more per share for at least ten (10) consecutive business days.

On or before July 18, 2025, the Company must publicly disclose that it has restructured the terms of its April 2025 offering to eliminate the Class B warrants and provide Nasdaq with confirmation that no shares underlying the Class B warrants were issued.

The Panel’s decision follows the Company’s hearing before the Panel on June 17, 2025, during which the Company presented a plan to regain compliance, including its intention to implement a reverse stock split and restructure certain previously issued warrants to mitigate dilution concerns.

The company intends to satisfy the conditions imposed by the Panel within the required timeframes. However, there can be no assurance that the Company will be able to do so.

Results of Operations

Six Months Ended June 30, 2025 and 2024:

	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Total revenue	\$ 1,287,705	\$ 2,179,369
Total cost of revenue	(2,605,928)	(1,739,232)
Total payroll and related expenses	(1,293,532)	(2,386,066)
Total other operating expenses	(2,908,007)	(1,475,688)
Total operating loss	(5,519,762)	(3,421,617)
Total other expense	(1,800,776)	(6,737,943)
Total loss before income tax	(7,320,538)	(10,159,560)
Common stock deemed dividend	—	(1,638,149)
Income from discontinued operations	—	2,684,678
Net loss attributable to common stockholders	\$ (7,320,538)	\$ (9,113,031)

Revenue

During the six months ended June 30, 2025, we derived revenue primarily from our construction segment. Total revenue for the six months ended June 30, 2025 was \$1,287,705 compared to \$2,179,369 for the six months ended June 30, 2024. This decrease of \$891,664, or approximately 43%, was mainly driven by a decrease in construction services due to less jobs in progress.

Cost of Revenue and Gross Profit

Cost of revenue was \$2,605,928 for the six months ended June 30, 2025, compared to \$1,739,232 for the six months ended June 30, 2024. The increase of \$866,696, or an increase of approximately 50%, is primarily related to losses on construction jobs recognized during the six months ended June 30, 2025.

Gross loss was \$(1,318,223) and \$(440,137) for the six months ended June 30, 2025 and 2024, respectively.

Gross profit (loss) margin percentage decreased to (57)% for the six months ended June 30, 2025 compared to 33% for the six months ended June 30, 2024 primarily due to increased losses on construction jobs recognized during the six months ended June 30, 2025.

Operating Expenses

Payroll and related expenses for the six months ended June 30, 2025 were \$1,293,532 compared to \$2,386,066 for the six months ended June 30, 2024. This decrease was primarily caused by a decrease in the vesting of restricted stock units during the six months ended June 30, 2025 as compared to the prior year period.

Other operating expenses (general and administrative expenses and marketing and business development expenses) for the six months ended June 30, 2025 were \$2,908,007 compared to \$1,475,688 for the six months ended June 30, 2024. This increase was due to an overall increase in operating expenses spend during the six months ended June 30, 2025.

Other Income (Expense)

There was \$49,873 of other income for the six months ended June 30, 2025, and \$183,982 for the six months ended June, 2024. Interest expense for the six months ended June 30, 2025 and 2024 was \$1,539,089 and \$1,540,270, respectively. There was a change in fair value of equity-based investments of \$0 and \$5,210,625 recognized for the six months ended June 30, 2025 and 2024, respectively. Additionally, there was \$180,600 loss on sales of equity investments recognized during the six months ended June 30, 2024.

Three Months Ended June 30, 2025 and 2024:

	For the Three Months Ended June 30, 2025	For the Three Months Ended June 30, 2024
Total revenue	\$ 721,351	\$ 1,211,254
Total cost of revenue	(1,715,819)	(1,094,249)
Total payroll and related expenses	(737,794)	(1,134,084)
Total other operating expenses	(1,955,518)	(873,955)
Total operating loss	(3,687,780)	(1,891,034)
Total other expense	(886,090)	(2,785,966)
Total loss before income tax	(4,573,870)	(4,677,000)
Net loss attributable to common stockholders	\$ (4,573,870)	\$ (4,677,000)

Revenue

During the three months ended June 30, 2025, we derived revenue primarily from our construction segment. Total revenue for the three months ended June 30, 2025 was \$721,351 compared to \$1,211,254 for the three months ended June 30, 2024. This decrease of \$489,903, or approximately 43%, was mainly driven by a decrease in construction services due to less jobs in progress.

Cost of Revenue and Gross Profit

Cost of revenue was \$1,715,819 for the three months ended June 30, 2025, compared to \$1,094,249 for the three months ended June 30, 2024. The increase of \$621,570, or a increase of approximately 50%, is primarily related to losses on construction jobs recognized during the six months ended June 30, 2025.

Gross profit (loss) was \$(994,468) and \$117,005 for the three months ended June 30, 2025 and 2024, respectively.

Gross profit (loss) margin percentage decreased to (57)% for the three months ended June 30, 2025 compared to 33% for the three months ended June 30, 2024 primarily due to increased losses on construction jobs recognized during the three months ended June 30, 2025.

Operating Expenses

Payroll and related expenses for the three months ended June 30, 2025 were \$737,794 compared to \$1,134,084 for the three months ended June 30, 2024. This decrease was primarily caused by a decrease in the vesting of restricted stock units during the three months ended June 30, 2025 as compared to the prior year period.

Other operating expenses (general and administrative expenses and marketing and business development expenses) for the three months ended June 30, 2025 were \$1,955,518 compared to \$873,955 for the three months ended June 30, 2024. This increase was due to an overall increase in operating expenses spend during the three months ended June 30, 2025.

Other Income (Expense)

There was \$49,873 of other income for the three months ended June 30, 2025, and \$135,365 recognized for the three months ended June 30, 2024. Interest expense for the three months ended June 30, 2025 and 2024 was \$935,963 and \$823,509, respectively. The increase in interest expense resulted from an increase in notes payable balances during the three months ended June 30, 2025. There was a change in fair value of equity-based investments of \$0 and \$2,097,822 recognized for the three months ended June 30, 2025 and 2024, respectively.

Income Tax Provision

A 100% valuation allowance was provided against the deferred tax asset consisting of available net operating loss carry forwards and, accordingly, no income tax benefit was provided.

Impact of Inflation

Inflation has caused increases on some of the Company's estimated costs for construction projects in progress and completed during the past two fiscal years, which has affected the Company's revenue and income (loss) from continuing operations.

Our operations for the six months ended June 30, 2025 and 2024 may not be indicative of our future operations.

Liquidity and Capital Resources

As of June 30, 2025 and December 31, 2024, we had an aggregate of \$2,767,210 and \$375,873, respectively, of cash and cash equivalents and short-term investments.

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 for a period of one year after the date the financial statements in this Quarterly Report on Form 10-Q are issued.

We intend to meet our capital needs from revenue generated from operations and by containing costs, entering into strategic alliances, as well as exploring other options, including the possibility of raising additional debt or equity capital as necessary. There is, however, no assurance we will be successful in meeting our capital requirements prior to becoming cash flow positive. We do not have any additional sources secured for future funding, and if we are unable to raise the necessary capital at the times we require such funding, we may need to materially change our business plan, including delaying implementation of aspects of such business plan or curtailing or abandoning such business plan altogether.

We continue to generate losses from operations. As of June 30, 2025, our stockholders' equity was \$23,739,021 compared to \$(12,460,308) as of December 31, 2024, and we had an accumulated deficit of \$105,852,621, compared to \$98,532,083 as of December 31, 2024. Our net loss attributable to our common stockholders for the six months ended June 30, 2025 was \$7,320,538 and net cash used in operating activities was \$3,179,546.

We will need to generate additional revenues or secure additional financing sources, such as debt or equity capital, to fund future growth, which financing may not be available on favorable terms or at all. We are in the process of securing funding, which we believe will provide the needed working capital until we are cash flow positive, which we believe will be in the second half of 2025. If we are unable to raise the necessary capital at the times we require such funding, we may need to materially change our business plan, including delaying implementation of aspects of such business plan or curtailing or abandoning such business plan altogether.

Cash Flow Summary

	Six Months Ended June 30,	
	2025	2024
Net cash provided by (used in):		
Operating activities	\$ (3,179,546)	\$ (6,001,442)
Investing activities	(2,473,834)	(265,669)
Financing activities	8,044,717	7,245,444
Net increase (decreased) in cash and cash equivalents	\$ 2,391,337	\$ 978,333

Operating activities used net cash of \$3,179,546 during the six months ended June 30, 2025, and used net cash of \$6,001,442 during the six months ended June 30, 2024. Generally, our net operating cash flows fluctuate primarily based on changes in our profitability and working capital. Cash used in operating activities decreased by approximately \$2,821,895.

Investing activities used net cash of \$2,473,834 during the six months ended June 30, 2025, and \$265,669 net cash during the six months ended June 30, 2024 an increase in cash used of \$2,208,165. This amount resulted from \$1,364,847 in purchases of property and equipment, \$186,000 used for equity-based investment, \$1,000,000 paid for a business acquisition and \$77,013 cash received in business combination.

Financing activities provided net cash of \$8,044,717 and \$7,245,44 during the six months ended June 30, 2025 and 2024, respectively. This amount resulted from \$6,635,294 from the issuance of common stock, \$1,634,809 in repayments of short-term notes payable, and proceeds of \$3,044,232 from the issuances of short-term notes payable.

There can be no assurance that our customers will decide to and/or be able to proceed with these construction projects, or that we will ultimately recognize revenue from these projects in a timely manner or at all.

Off-Balance Sheet Arrangements

As of June 30, 2025 and December 31, 2024, we had no material off-balance sheet arrangements to which we are a party.

In the ordinary course of business, we enter into agreements with third parties that include indemnification provisions which, in our judgment, are normal and customary for companies in our industry sector. These agreements are typically with consultants and certain vendors. Pursuant to these agreements, we generally agree to indemnify, hold harmless, and reimburse indemnified parties for losses suffered or incurred by the indemnified parties with respect to actions taken or omitted by us. The maximum potential amount of future payments we could be required to make under these indemnification provisions is unlimited. We have not incurred material costs to defend lawsuits or settle claims related to these indemnification provisions. As a result, the estimated fair value of liabilities relating to these provisions is minimal. Accordingly, we have no liabilities recorded for these provisions as of June 30, 2025.

Critical Accounting Estimates

Our condensed consolidated financial statements have been prepared using generally accepted accounting principles in the United States of America ("GAAP"). In connection with the preparation of the financial statements, we are required to make assumptions and estimates and apply judgments that affect the reported amounts of assets, liabilities, revenue, and expenses, and the related disclosures. We base our assumptions, estimates, and judgments on historical experience, current trends, and other factors that we believe to be relevant at the time the consolidated financial statements are prepared. On a regular basis, we review the accounting policies, assumptions, estimates, and judgments to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

Our significant accounting policies are discussed in "Note 3— Summary of Significant Accounting Policies" of the notes to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. We believe that the following accounting policies are the most critical in fully understanding and evaluating our reported financial results.

Share-based payments. We measure the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees and directors, including non-employee directors, the fair value of the award is measured on the grant date. For non-employees, the fair value of the award is generally re-measured on interim financial reporting dates and vesting dates until the service period is complete. The fair value amount is then recognized over the period services are required to be provided in exchange for the award, usually the vesting period. We recognize stock-based compensation expense on a graded-vesting basis over the requisite service period for each separately vesting tranche of each award. Stock-based compensation expense to employees and all directors is reported within payroll and related expenses in the consolidated statements of operations. Stock-based compensation expense to non-employees is reported within marketing and business development expense in the consolidated statements of operations.

Other derivative financial instruments. We classify as equity any contracts that (i) require physical settlement or net-share settlement or (ii) provide a choice of net-cash settlement or settlement in our own shares (physical settlement or net-share settlement), provided that such contracts are indexed to our own stock. We classify as assets or liabilities any contracts that (i) require net-cash settlement (including a requirement to net-cash settle the contract if any event occurs and if that event is outside SGB's control) or (ii) give the counterparty a choice of net-cash settlement or settlement shares (physical settlement or net-cash settlement). SGB assesses classification of common stock purchase warrants and other free-standing derivatives at each reporting date to determine whether a change in classification between assets and liabilities or equity is required.

Critical Accounting Estimates (continued)

Convertible instruments. We bifurcate conversion options from their host instruments and accounts for them as free-standing derivative financial instruments according to certain criteria. The criteria include circumstances in which (i) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract; (ii) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not measured at fair value under otherwise applicable GAAP measures with changes in fair value reported in earnings as they occur; and (iii) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

We determined that the embedded conversion options that were included in the previously outstanding convertible debentures should be bifurcated from their host and a portion of the proceeds received upon the issuance of the hybrid contract has been allocated to the fair value of the derivative. The derivative was subsequently marked to market at each reporting date based on current fair value, with the changes in fair value reported in results of operations.

Revenue recognition – We determine, at contract inception, whether we will transfer control of a promised good or service over time or at a point in time, regardless of the length of contract or other factors. The recognition of revenue aligns with the timing of when promised goods or services are transferred to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. To achieve this core principle, we apply the following five steps in accordance with its revenue policy:

- (1) Identify the contract with a customer*
- (2) Identify the performance obligations in the contract*
- (3) Determine the transaction price*
- (4) Allocate the transaction price to performance obligations in the contract*
- (5) Recognize revenue as performance obligations are satisfied*

On certain contracts, the Company applies recognition of revenue over time, which is similar to the method the Company applied under previous guidance (i.e. percentage of completion). Due to uncertainties inherent in the estimation process, it is possible that estimates of costs to complete a performance obligation will be revised in the near-term. For those performance obligations for which revenue is recognized using a cost-to-cost input method, changes in total estimated costs, and related progress toward complete satisfaction of the performance obligation, are recognized on a cumulative catch-up basis in the period in which the revisions to the estimates are made. When the current estimate of total costs for a performance obligation indicate a loss, a provision for the entire estimated loss on the unsatisfied performance obligation is made in the period in which the loss becomes evident.

Goodwill – The Company performs its impairment test of goodwill at the reporting unit level each fiscal year, or more frequently if events or circumstances change that would more likely than not reduce the fair value of its reporting unit below its carrying values. The Company performs a goodwill impairment test by comparing the fair value of the reporting unit with its carrying value and recognizes an impairment charge for the amount by which the carrying value exceeds the fair value, not to exceed the total amount of goodwill. The amount by which the carrying value of the goodwill exceeds its implied fair value, if any, is recognized as an impairment loss. There were no impairments during the six months ended June 30, 2025 or 2024.

Intangible assets – Intangible assets consist of \$75,050 of website costs that are being amortized over 5 years and patents of \$801,207 that are being recognized over 7 years. The amortization expense for the six months ended June 30, 2025 and 2024 was \$62,076 and \$6,834, respectively. The accumulated amortization as of June 30, 2025 and December 31, 2024 was \$70,227 and \$63,392, respectively.

New Accounting Pronouncements

See Note 4 to the accompanying consolidated financial statements for all recently adopted and new accounting pronouncements.

Non-GAAP Financial Information

In addition to our results under GAAP, we also present EBITDA and Adjusted EBITDA for historical periods. EBITDA and Adjusted EBITDA are non-GAAP financial measures and have been presented as supplemental measures of financial performance that are not required by, or presented in accordance with, GAAP. We calculate EBITDA as net income (loss) attributable to common stockholders before interest expense, income tax benefit (expense), depreciation and amortization. We calculate Adjusted EBITDA as EBITDA before certain non-recurring, unusual or non-operational items, such as litigation expense, stock issuance expense and stock compensation expense. We believe that adjusting EBITDA to exclude the effects of these items that are not closely associated with ongoing corporate operations provides management and investors with a meaningful measure that increases period-to-period comparability of our operating performance.

We believe the presentation of EBITDA and Adjusted EBITDA is relevant and useful by enhancing the readers' ability to understand the Company's operating performance. Our management utilizes EBITDA and Adjusted EBITDA as a means to measure performance. EBITDA and Adjusted EBITDA are also frequently used by analysts, investors and other interested parties to evaluate companies in our industry. These measures, when used in conjunction with related GAAP financial measures, provide investors with an additional financial analytical framework that may be useful in assessing us and our results of operations.

Our measurements of EBITDA and Adjusted EBITDA may not be comparable to similar titled measures reported by other companies. Other companies, including other companies in our industry, may not use such measures or may calculate one or more of the measures differently than as presented in this Quarterly Report on Form 10-Q, limiting their usefulness as a comparative measure. EBITDA and Adjusted EBITDA are not measurements of financial performance under GAAP and should not be considered as an alternative to net income (loss) attributable to common stockholders, or any other measures of financial performance derived in accordance with GAAP. We do not consider these non-GAAP measures to be substitutes for or superior to the information provided by our GAAP financial results. The non-GAAP information should be read in conjunction with our consolidated financial statements and related notes.

These measures also should not be construed as an inference that our future results will be unaffected by the non-recurring, unusual or non-operational items for which these non-GAAP measures make adjustments. Additionally, EBITDA and Adjusted EBITDA are not intended to be liquidity measures.

The following is a reconciliation of EBITDA and Adjusted EBITDA to the nearest GAAP measure, net gain (loss) attributable to common stockholders:

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Net loss attributable to common stockholders of Safe & Green Holdings Corp.	\$ (4,573,870)	\$ (4,677,000)	\$ (7,320,538)	(9,113,031)
Addback interest expense	935,963	823,509	1,539,089	1,540,270
Addback interest income	—	—	—	(9,570)
Addback depreciation and amortization	327,655	45,714	434,382	122,101
EBITDA (non-GAAP)	(3,310,252)	(3,807,777)	(5,347,067)	(7,460,230)
Common stock deemed dividend	—	—	—	1,638,149
Gain on deconsolidation-SG DevCorp (including noncontrolling interest portion)	—	—	—	(4,637,013)
Change in fair value of equity-based investments	—	—	311,560	3,112,803
Loss on disposition of equity-based investments	—	—	—	180,600
Addback litigation expense	—	—	—	312,245
Addback stock compensation expense	106,298	348,308	212,595	527,337
Adjusted EBITDA (non-GAAP)	\$ (3,203,954)	\$ (3,459,469)	\$ (4,822,912)	(6,326,109)

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

Not required.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Management of Safe & Green Holdings Corp., with the participation of our Principal Executive Officer and the Principal Financial Officer carried out an evaluation of the effectiveness of our “disclosure controls and procedures” (as defined in the Exchange Act, Rules 13a-15(e) or 15d-15(e)) as of the end of the period covered by this Quarterly Report on Form 10-Q (the “Evaluation Date”). Based upon that evaluation, our Principal Executive Officer and our Principal Financial Officer concluded that, as of the Evaluation Date, our disclosure controls and procedures were not effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

The Principal Executive Officer and the Principal Financial Officer believe that the condensed consolidated financial statements and other information contained in this Quarterly Report on Form 10-Q present fairly, in all material respects, our business, financial condition and results of operations.

Changes in Internal Control over Financial Reporting

For the fiscal quarter ended June 30, 2025, there have been no changes in our internal control over financial reporting identified in connection with the evaluations required by Rule 13a-15(d) or Rule 15d-15(d) under the Exchange Act that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

The information included in “Note 17 - Commitments and Contingencies” of our condensed consolidated financial statements included elsewhere in this Quarterly Report Form 10-Q is incorporated by reference into this Item.

ITEM 1A. Risk Factors

Investing in our common stock involves a high degree of risk. You should consider carefully the following risks, together with all other information in this Quarterly Report on Form 10-Q, including our unaudited condensed consolidated financial statements and notes thereto. 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. The following information updates, and should be read in conjunction with, the information disclosed in Part I, Item 1A, “Risk Factors,” contained in the 2024 Form 10-K. There have been no material changes from the risk factors disclosed in “Part I—Item 1A. Risk Factors” in our 2024 Form 10-K, except as follows:

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, may be limited.

At June 30, 2025 and December 31, 2024, we had cash and cash equivalents and a short-term investment, collectively, of \$2,767,210 and \$375,873 respectively. If we are not successful with our efforts to increase revenue, we could experience a shortfall in cash over the next twelve months. If there is a shortfall, we may be forced to reduce operating expenses, among other steps, all of which would have a material adverse effect on our operations going forward.

We may also seek to obtain debt or additional equity financing to meet any cash shortfalls. 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. In addition, our inability to currently utilize a short form registration statement on Form S-3 may impair our ability to obtain capital in a timely fashion. 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. 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 June 30, 2025 and December 31, 2024, we had cash and cash equivalents and a short-term investment, collectively, of \$2,767,210 and \$375,873, respectively.

We have incurred losses since inception, have negative working capital of \$20,761,681 as of June 30, 2025 and have negative operating cash flows, which has raised substantial doubt about our ability to continue as a going concern. We expect our current cash and the proceeds from anticipated financings to be sufficient for working capital until we are cash flow positive, which we believe will be in the second half of 2025.

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. For example, for the six months ended June 30, 2025 approximately 81% of our revenue was generated from one customer and for the year ended December 31, 2024, approximately 87% of our revenue was generated from one customers. 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.

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. We include in backlog only those contracts for which we have reasonable assurance that the customer can obtain the permits for construction and can fund the construction. As of December 31, 2024, our backlog totaled approximately \$1.2 million and as of June 30, 2025, our backlog totaled approximately \$1.2 million. Our backlog is described more in detail in “Note 10—Construction Backlog” of the notes to our consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. 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 we have realized in the past.

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.

At June 30, 2025, there were options, restricted stock units and warrants of 1,822, 404,925 and 993,551,519, respectively, outstanding that could potentially dilute future net income per share. Because the Company had a net loss as of March 31, 2025, it is prohibited from including potential common shares in the computation of diluted per share amounts. Accordingly, the Company has used the same number of shares outstanding to calculate both the basic and diluted loss per share. At March 31, 2024, there were no restricted stock units and options and warrants of 1,822 and 239,321, respectively, outstanding that could potentially dilute future net income per share.

Changes in general economic conditions, geopolitical conditions, domestic and foreign trade policies, monetary policies and other factors beyond our control may adversely impact our business and operating results.

The uncertain financial markets, disruptions in supply chains, mobility restraints, and changing priorities as well as volatile asset values also affect our business operations and our ability to enter into collaborations and joint ventures. To date, inflation has caused increases on some of our estimated costs for construction projects in progress and completed during the past two fiscal years, which has affected our revenue and income(loss) from continuing operations. It is difficult to predict the impact on increasing inflation on our operations. We are actively monitoring the effects these disruptions and increasing inflation could have on our operations.

A number of other economic and geopolitical factors both in the U.S. and abroad, could ultimately have material adverse effects on our business, financial condition, results of operations or cash flows, including the following:

- effects of significant changes in economic, monetary and fiscal policies in the U.S. and abroad including currency fluctuations, inflationary pressures and significant income tax changes;
- supply chain disruptions;
- a global or regional economic slowdown in any of our market segments;
- changes in government policies and regulations affecting the Company or its significant customers;
- postponement of spending, in response to tighter credit, financial market volatility and other factors;
- rapid material escalation of the cost of regulatory compliance and litigation;

- the effects of the war in the Middle East;
- longer payment cycles;
- credit risks and other challenges in collecting accounts receivable; and
- the impact of each of the foregoing on outsourcing and procurement arrangements.

Failure to meet NASDAQ's continued listing requirements could result in the delisting of our common stock, negatively impact the price of our common stock and negatively impact our ability to raise additional capital.

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 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 Nasdaq Listing Rule 5550(a)(2) ("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 the Company's common stock had been at \$1.00 per share or greater, and accordingly the Company had regained compliance with Rule 5550(a)(2). However, the Company cannot provide assurances that it will be able to continue to comply with Rule 5550(a)(2) in the future.

On April 19, 2024, the Company received a letter from Nasdaq notifying it that it was not 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 SEC for continued listing. On May 13, 2024, 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, 2023, the Company had regained compliance with Rule 5250(c)(1). However, the Company cannot provide assurances that it will be 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 two of the last three most recently completed fiscal years, the alternative quantitative standards for continued listing 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.

The Company expects to regain compliance with Rule 5550(b)(1) as a result of the recent private placement, cost-cutting initiatives aimed at achieving positive cash flow in 2024, ongoing debt reduction and other strategic initiatives; provided that there can be no assurances that such measures will be consummated or that they will achieve their intended effects. If the Company does not regain compliance with Rule 5550(b)(1) by November 12, 2024, Nasdaq will provide written notice that our common stock is subject to delisting. At such time, the Company would be entitled to appeal the delisting determination to a Nasdaq Hearing Panel (the "Panel"). The hearing request would stay any suspension or delisting action pending the conclusion of the hearing process and expiration of any additional extension period granted by the Panel following the hearing.

Any delisting of the Company's common stock from Nasdaq, including as a result of its inability to regain compliance with Rule 5550(b)(1), 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 listed on another national securities exchange or quoted on an over-the-counter quotation system. In addition, delisting of the Company's common stock could deter broker-dealers from making a market in or otherwise seeking or generating interest in the Company's common stock and might deter certain institutions and persons from investing in the Company's securities at all. For these reasons and others, delisting could adversely affect the Company's business, financial condition and liquidity.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

Not applicable.

ITEM 5. Other Information

Rule 10b5-1 Trading Arrangements

During the three months ended March 31, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. Exhibits

EXHIBIT INDEX

Exhibit Number	Description
2.1	<u>Separation and Distribution Agreement by and between the Registrant and Safe and Green Development Corporation (incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8-K as filed by the Registrant with the Securities and Exchange Commission on September 28, 2023 (File No. 001-38037))</u>
3.1	<u>Amended and Restated Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K as filed by the Registrant with the Securities and Exchange Commission on July 7, 2016 (File No. 000-22563))</u>
3.2	<u>Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock (incorporated herein by reference to Exhibit 3.2 to the Current Report on Form 8-K as filed by the Registrant with the Securities and Exchange Commission on July 7, 2016 (File No. 000-22563))</u>
3.3	<u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K as filed by the Registrant with the Securities and Exchange Commission on February 28, 2017 (File No. 000-22563))</u>
3.4	<u>Certificate of Amendment to Certificate of Designation, dated May 11, 2017 (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K as filed by the Company with the Securities and Exchange Commission on May 12, 2017 (File No. 001-38037))</u>
3.5	<u>Certificate of Elimination of Series A Convertible Preferred Stock, dated December 13, 2018 (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K as filed by the Registrant with the Securities and Exchange Commission on December 17, 2018 (File No. 001-38037))</u>
3.6	<u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation dated June 5, 2019 (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K as filed by the Registrant with the Securities and Exchange Commission on June 5, 2019 (File No. 001-38037))</u>
3.7	<u>Form of Certificate of Designation of the Series B Convertible Preferred Stock (incorporated herein by reference to Exhibit 3.7 to the Registration Statement on Form S-1/A (File No. 333-235295) as filed by the Registrant with the Securities and Exchange Commission on December 9, 2019)</u>
3.8	<u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation, as amended, of the Company (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K as filed by the Registrant with the Securities and Exchange Commission on February 5, 2020 (File No. 001-38037))</u>
3.9	<u>Amended and Restated Bylaws of the Company dated June 4, 2021 (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K as filed by the Registrant with the Securities and Exchange Commission on June 7, 2021 (File No. 001-38037))</u>
3.10	<u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation, as amended, of the Company (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K as filed by the Registrant with the Securities and Exchange Commission on December 22, 2022 (File No. 001-38037))</u>
3.11	<u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation, as amended, of the Company (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K as filed by the Registrant with the Securities and Exchange Commission on October 17, 2023 (File No. 001-38037))</u>
3.12	<u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Safe & Green Holdings Corp. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K as filed by the Registrant with the Securities and Exchange Commission on May 2, 2024 (File No. 001-38037))</u>
4.1	<u>Form of Pre-Funded Warrant (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K as filed by the Registrant with the Securities and Exchange Commission on May 9, 2024 (File No. 001-38037))</u>
4.2	<u>Form of Common Warrant (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K as filed by the Registrant with the Securities and Exchange Commission on May 9, 2024 (File No. 001-38037))</u>
4.3	<u>Form of Placement Agent's Warrant (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K as filed by the Registrant with the Securities and Exchange Commission on May 9, 2024 (File No. 001-38037))</u>
4.4	<u>Form of Common Warrant (incorporated by reference to Exhibit 4.4 to the Quarterly Report on Form 10-Q as filed by the Registrant with the Securities and Exchange Commission on May 17, 2024 (File No. 001-38037))</u>

10.1	<u>Standard Cash Advance Agreement, dated July 31, 2024, by and between SG Building Blocks, Inc. and Cedar Advance LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K as filed by the Registrant with the Securities Exchange Commission on August 7, 2024 (File No. 001-38037))</u>
10.2	<u>Settlement Agreement, dated as of August 1, 2024, by and among Farnam Street Financial, Inc., Safe & Green Holdings Corp., SG Echo LLC, and SG Environmental Solutions Corp. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K as filed by the Registrant with the Securities Exchange Commission on August 7, 2024 (File No. 001-38037))</u>
10.3	<u>Lease Schedule No. 001R, dated as of August 1, 2024, by and between Farnam Street Financial, Inc., Safe & Green Holdings Corp., and SG Environmental Solutions Corp. (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K as filed by the Registrant with the Securities Exchange Commission on August 7, 2024 (File No. 001-38037))</u>
10.4	<u>Assignment and Assumption, dated as of August 1, 2024, by and between Farnam Street Financial, Inc., Safe & Green Holdings Corp. and SG Environmental Solutions Corp. (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K as filed by the Registrant with the Securities Exchange Commission on August 7, 2024 (File No. 001-38037))</u>
10.5	<u>Unconditional Continuing Guaranty, dated as of August 1, 2024, by Safe & Green Holdings Corp. and SG Echo, LLC in favor of Farnam Street Financial, Inc. (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K as filed by the Registrant with the Securities Exchange Commission on August 7, 2024 (File No. 001-38037))</u>
10.6	<u>Confession of Judgment in favor of Farnam Street Financial, Inc., by Safe & Green Holdings Corp., SG Echo LLC, and SG Environmental Solutions Corp. (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K as filed by the Registrant with the Securities Exchange Commission on August 7, 2024 (File No. 001-38037))</u>
31.1*	<u>Certification by Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.2*	<u>Certification by Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32.1**	<u>Certification by Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
32.2**	<u>Certification by Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File as the XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

** This certification is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SAFE & GREEN HOLDINGS CORP.
(Registrant)

By: /s/ Michael McLaren
Michael McLaren
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Patricia Kaelin
Patricia Kaelin
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Date: August 14, 2025

**CERTIFICATION PURSUANT TO
RULE 13a-14 AND 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Michael McLaren, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Safe & Green Holdings Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2025

/s/ Michael McLaren

Michael McLaren
Chairman, Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
RULE 13a 14 AND 15d 14 OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Patricia Kaelin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Safe & Green Holdings Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2025

/s/ Patricia Kaelin

Patricia Kaelin
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. §1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Safe & Green Holdings Corp. (the "Company") on Form 10-Q for the quarter ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael McLaren the Chief Executive Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2025

/s/ Michael McLaren

Name: Michael McLaren

Title: Chairman and Chief Executive Officer
(Principal Executive Officer)

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO 18 U.S.C. §1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Safe & Green Holdings Corp. (the “Company”) on Form 10-Q for the quarter ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Patricia Kaelin, the Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2025

/s/ Patricia Kaelin

Name: Patricia Kaelin

Title: Chief Financial Officer

(Principal Financial Officer)

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.