
**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

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: 001-39936

United Homes Group, Inc.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

85-3460766
(IRS Employer
Identification No.)

917 Chapin Road
Chapin, South Carolina 29036
(Address of principal executive offices)

(844) 766-4663
(Registrant's telephone number)

N/A
(Former name, former address and former 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
Class A Common Shares, par value \$0.0001 per share	UHG	The Nasdaq Stock Market LLC
Warrants, each whole warrant exercisable for one Class A Common Share, each at an exercise price of \$11.50 per share	UHGWW	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

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 checked="" 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 Exchange Act). Yes No

As of August 4, 2025, 21,828,983 Class A Common Shares, par value \$0.0001 per share, and 36,973,876 Class B Common Shares, par value \$0.0001 per share, were issued and outstanding.

FORM 10-Q
UNITED HOMES GROUP, INC.
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Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this Quarterly Report on Form 10-Q, other than historical facts, may be considered 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"). We intend for all such forward-looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act, as applicable. Such statements include, in particular, statements about our plans, strategies, and prospects and are subject to certain risks and uncertainties, including known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. Therefore, such statements are not intended to be a guarantee of our performance in future periods. Such forward-looking statements can generally be identified by our use of forward-looking terminology such as "may," "will," "should," "could," "would," "expect," "intend," "plan," "anticipate," "estimate," "believe," "seek," "continue," or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this report is filed with the Securities and Exchange Commission ("SEC"). We cannot guarantee the accuracy of any such forward-looking statements contained in this Form 10-Q, and we do not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. For further information regarding risks and uncertainties associated with our business, and important factors that could cause our actual results to vary materially from those expressed or implied in such forward-looking statements, please refer to the factors listed and described in this report and in our other SEC filings.

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

UNITED HOMES GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)
(Unaudited)

	June 30, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	\$ 36,538	\$ 22,629
Restricted cash	1,552	2,920
Accounts receivable, net	6,233	4,122
Inventories	144,454	139,270
Real estate inventory not owned	3,392	8,445
Due from related party	192	191
Related party note receivable	490	532
Income tax receivable	4,847	2,079
Lot deposits	44,938	48,153
Investment in joint venture	1,183	691
Property and equipment, net	832	759
Operating right-of-use assets	2,367	2,779
Deferred tax asset, net	15,411	15,248
Prepaid expenses and other assets	9,357	8,283
Goodwill	9,280	9,280
Total assets	\$ 281,066	\$ 265,381
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 22,257	\$ 17,801
Syndicated line of credit	64,196	50,196
Liabilities from real estate inventory not owned	2,596	6,584
Due to related parties	9	122
Other accrued expenses and liabilities	15,999	14,545
Operating lease liabilities	2,522	2,958
Derivative liabilities	24,011	39,158
Term loan, net	67,314	67,150
Total liabilities	198,904	198,514
<i>Commitments and contingencies (Note 9)</i>		
Preferred Stock, \$0.0001 par value; 40,000,000 shares authorized; none issued or outstanding	—	—
Class A common stock, \$0.0001 par value; 350,000,000 shares authorized; 21,628,512 and 21,607,007 shares issued and outstanding on June 30, 2025, and December 31, 2024, respectively	2	2
Class B common stock, \$0.0001 par value; 60,000,000 shares authorized; 36,973,876 shares issued and outstanding on June 30, 2025, and December 31, 2024, respectively	4	4
Additional paid-in capital	57,393	53,937
Retained earnings	24,763	12,924
Total stockholders' equity	82,162	66,867
Total liabilities and stockholders' equity	\$ 281,066	\$ 265,381

The accompanying unaudited Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

UNITED HOMES GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue, net of sales discounts	\$ 105,506	\$ 109,420	\$ 192,507	\$ 210,258
Cost of sales	85,587	89,842	158,460	174,586
Gross profit	19,919	19,578	34,047	35,672
Selling, general and administrative expense	18,016	19,614	34,176	36,668
Net income (loss) from operations	1,903	(36)	(129)	(996)
Other expense, net	(2,617)	(3,582)	(5,127)	(5,545)
Equity in net earnings from investment in joint venture	275	339	497	657
Change in fair value of derivative liabilities	(6,171)	32,055	15,038	58,435
(Loss) income before taxes	(6,610)	28,776	10,279	52,551
Income tax (benefit) expense	(269)	136	(1,560)	(1,027)
Net (loss) income	\$ (6,341)	\$ 28,640	\$ 11,839	\$ 53,578
(Loss)/earnings per share				
Basic	\$ (0.11)	\$ 0.59	\$ 0.20	\$ 1.11
Diluted	\$ (0.11)	\$ 0.50	\$ 0.20	\$ 0.93
Weighted-average number of shares				
Basic	58,602,388	48,373,812	58,598,816	48,368,200
Diluted	58,602,388	63,372,936	58,672,946	63,443,456

The accompanying unaudited Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

UNITED HOMES GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands, except share amounts)
(Unaudited)

	Common stock						Additional paid-in capital	Retained earnings	Total stockholders' equity
	Class A		Class B						
	Shares	Amount	Shares	Amount					
Balance as of December 31, 2024	21,607,007	\$ 2	36,973,876	\$ 4	\$ 53,937	\$ 12,924	\$ 66,867		
Taxes related to net share settlement of restricted stock units	—	—	—	—	(16)	—	(16)		
Issuance of shares related to restricted stock units	21,505	—	—	—	—	—	—		
Derecognition of derivative liability	—	—	—	—	113	—	113		
Stock-based compensation expense	—	—	—	—	1,957	—	1,957		
Net income	—	—	—	—	—	18,180	18,180		
Balance as of March 31, 2025	21,628,512	\$ 2	36,973,876	\$ 4	\$ 55,991	\$ 31,104	\$ 87,101		
Recognition of derivative liability related to equity incentive plan	—	—	—	—	(4)	—	(4)		
Taxes related to net share settlement of restricted stock units	—	—	—	—	(5)	—	(5)		
Stock-based compensation expense	—	—	—	—	1,411	—	1,411		
Net loss	—	—	—	—	—	(6,341)	(6,341)		
Balance as of June 30, 2025	21,628,512	\$ 2	36,973,876	\$ 4	\$ 57,393	\$ 24,763	\$ 82,162		

	Common stock						Additional paid-in capital	(Accumulated deficit) Retained earnings	Total stockholders' equity
	Class A		Class B						
	Shares	Amount	Shares	Amount					
Balance as of December 31, 2023	11,382,282	\$ 1	36,973,876	\$ 4	\$ 2,794	\$ (33,982)	\$ (31,183)		
Exercise of employee stock options	1,307	—	—	—	7	—	7		
Issuance of shares related to restricted stock units	14,000	—	—	—	—	—	—		
Stock-based compensation expense	—	—	—	—	1,510	—	1,510		
Net income	—	—	—	—	—	24,938	24,938		
Balance as of March 31, 2024	11,397,589	\$ 1	36,973,876	\$ 4	\$ 4,311	\$ (9,044)	\$ (4,728)		
Taxes related to net share settlement of performance stock units	—	—	—	—	(19)	—	(19)		
Exercise of employee stock options	2,614	—	—	—	7	—	7		
Issuance of shares related to performance stock units	5,567	—	—	—	—	—	—		
Forfeiture of stock options under the 2023 Plan	—	—	—	—	5	—	5		
Stock-based compensation expense	—	—	—	—	1,840	—	1,840		
Net income	—	—	—	—	—	28,640	28,640		
Balance as of June 30, 2024	11,405,770	\$ 1	36,973,876	\$ 4	\$ 6,144	\$ 19,596	\$ 25,745		

The accompanying unaudited Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

UNITED HOMES GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 11,839	\$ 53,578
Adjustments to reconcile net income to net cash flows from operating activities:		
Credit loss	64	39
Investment earnings in joint venture	(497)	(657)
Depreciation expense	102	101
Loss on disposal of property and equipment	43	20
Loss on extinguishment of debt	—	104
Gain on lease modification	—	(197)
Amortization of intangible assets	203	187
Amortization of deferred financing costs	756	661
Amortization of discount on Convertible Notes	—	1,001
Amortization of discount on private investor debt	—	60
Amortization of discount on term loan	164	—
Stock-based compensation expense	3,368	3,350
Amortization of operating lease right-of-use assets	613	771
Provision for deferred income taxes	(163)	(889)
Change in fair value of contingent earnout liability	(13,918)	(54,008)
Change in fair value of warrant liabilities	(1,044)	(4,262)
Change in fair value of equity incentive plan	(76)	(165)
Change in fair value of contingent consideration	46	(851)
Net change in operating assets and liabilities:		
Accounts receivable	(2,107)	743
Due from related party	(1)	88
Inventories	(131)	8,005
Lot deposits	3,215	(6,320)
Prepaid expenses and other assets	(1,979)	(890)
Accounts payable	4,456	(15,749)
Operating lease liabilities	(637)	(524)
Income tax receivable/ payable	(2,831)	(4,231)
Due to related parties	(113)	75
Other accrued expenses and liabilities	1,408	817
Net cash flows provided by (used in) operating activities	2,780	(19,143)
Cash flows from investing activities:		
Purchases of property and equipment	(269)	(29)
Proceeds from the sale of property and equipment	51	—
Payments on business acquisition	—	(12,743)
Proceeds from related party note receivable	42	39
Net cash flows used in investing activities	(176)	(12,733)
Cash flows from financing activities:		
Proceeds from syndicated line of credit	41,000	39,000
Repayments of syndicated line of credit	(27,000)	(47,429)
Proceeds from sale of real estate inventory not owned	—	18,050

Repayments of liabilities from real estate inventory not owned	(4,042)	(4,923)
Repayments on private investor loans	—	(4,012)
Payment of deferred financing costs	—	(577)
Taxes related to net share settlement of restricted stock units	(21)	—
Proceeds from exercise of employee stock options	—	11
Net cash flows provided by financing activities	9,937	120
Net change in cash, cash equivalents, and restricted cash	12,541	(31,756)
Cash, cash equivalents, and restricted cash, beginning of period	25,549	56,672
Cash, cash equivalents, and restricted cash, end of period	\$ 38,090	\$ 24,916
Supplemental cash flow information:		
Cash paid for interest	\$ 8,170	\$ 11,061
Cash paid for income taxes	\$ 1,433	\$ 4,093
Supplemental disclosures of non-cash activities:		
Derecognition of derivative liability	113	5
Modification of existing lease	77	2,212
Recognition of derivative liability related to equity incentive plan	4	—
Termination of existing lease	—	86
Noncash exercise of employee stock options	—	3
Taxes related to net share settlement of performance stock units	—	19
Total non-cash activities	\$ 194	\$ 2,325

The accompanying unaudited Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

UNITED HOMES GROUP, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 - Nature of business and summary of significant accounting policies

Nature of business

United Homes Group, Inc. (together with its subsidiaries, “UHG” or the “Company”), a Delaware corporation, is a homebuilding business which operates with a land-light strategy. UHG primarily constructs single-family residential homes and has active operations in South Carolina, North Carolina, and Georgia offering a range of residential products.

The Company is a former blank check company incorporated on October 7, 2020 under the name DiamondHead Holdings Corp. (“DHHC”) as a Delaware corporation formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. On September 10, 2022, DHHC entered into a Business Combination Agreement with Hestia Merger Sub, Inc., a South Carolina corporation and wholly owned subsidiary of DHHC (“Merger Sub”), and Great Southern Homes, Inc., a South Carolina corporation (“GSH”). Upon the consummation of the transaction on March 30, 2023, Merger Sub merged with and into GSH. As a result of the transaction, GSH became a wholly owned subsidiary of DHHC, which changed its name to UHG.

Basis of presentation

Unaudited interim condensed consolidated financial statements - The accompanying Condensed Consolidated Financial Statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) for interim financial information and the rules and regulations of Regulation S-X of the Securities and Exchange Commission (“SEC”). Accordingly, certain information, notes, and disclosures normally included in the annual financial statements prepared under GAAP have been condensed or omitted in accordance with SEC rules and regulations. Therefore, these Condensed Consolidated Financial Statements should be read in conjunction with the financial statements and notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024. Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification (“ASC”) and Accounting Standards Updates (“ASU”) of the Financial Accounting Standards Board (“FASB”). The accompanying Condensed Consolidated Financial Statements as of June 30, 2025 and for the three and six months ended June 30, 2025 and 2024 are unaudited. The unaudited interim Condensed Consolidated Financial Statements have been prepared on the same basis as the audited annual financial statements and, in the opinion of management, the accompanying unaudited Condensed Consolidated Financial Statements reflect all adjustments, which include only normal recurring adjustments, considered necessary for the fair presentation of the Company’s results for the interim periods presented. The financial data and other information disclosed in these notes related to the three and six months ended June 30, 2025 and 2024 are also unaudited. The Condensed Consolidated Balance Sheet at December 31, 2024 was derived from audited annual financial statements but does not contain all of the note disclosures from the annual financial statements. Other than policies noted below in these Notes, there have been no significant changes to the significant accounting policies disclosed since the Company’s previous annual financial statements. The results for the three and six months ended June 30, 2025 and 2024 are not necessarily indicative of results to be expected for the year ended December 31, 2025, any other interim periods, or any future year or period.

Principles of consolidation – The Condensed Consolidated Financial Statements include the accounts of the Company and its wholly owned subsidiaries. Intercompany transactions and balances have been eliminated upon consolidation. The Company’s fiscal year end is December 31, and, unless otherwise stated, all years and dates refer to the fiscal year.

Use of estimates – The preparation of the accompanying Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Management continually evaluates the estimates used to prepare the Condensed Consolidated Financial Statements and updates those estimates as necessary. In general, UHG’s estimates are based on historical experience, on information from third party professionals, and other various assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ materially from those estimates made by management.

Revenue recognition - The Company recognizes revenue in accordance with ASC 606. For the three months ended June 30, 2025 and 2024, revenue recognized at a point in time from speculative home closings totaled \$105.5 million and \$108.7 million, respectively, and revenue recognized over time from construction activities on land owned by customers

totaled less than \$0.1 million and \$0.8 million, respectively. For the six months ended June 30, 2025 and 2024, revenue recognized at a point in time from speculative homes totaled \$192.0 million and \$209.0 million, respectively, and for the six months ended June 30, 2025 and 2024, revenue recognized over time from land owned by customers totaled \$0.5 million and \$1.3 million, respectively.

Advertising – The Company expenses advertising and marketing costs as incurred and includes such costs within Selling, general, and administrative expense in the Condensed Consolidated Statements of Operations. For the three months ended June 30, 2025 and 2024, the Company incurred \$0.7 million and \$0.9 million, respectively, in advertising and marketing costs. For the six months ended June 30, 2025 and 2024, the Company incurred \$1.4 million and \$1.6 million, respectively.

Recently issued accounting pronouncements – In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state and foreign). ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions, among other changes. The guidance is effective for annual periods beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. ASU 2023-09 should be applied on a prospective basis, but retrospective application is permitted. The Company is currently evaluating the potential impact of adopting this new guidance on the Company's Consolidated Financial Statement disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures*, which requires entities to disclose specified details about costs and expenses within the notes to the financial statements. This ASU mandates that entities, at each interim and annual period, disclose the amounts of (a) inventory purchases, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depletion, depreciation, and amortization for oil and gas activities included within each relevant expense caption presented on the income statement within continuing operations. Entities are also required to (1) combine certain disclosures already mandated under GAAP with these new requirements, (2) provide qualitative descriptions of expenses that are not disaggregated quantitatively, and (3) disclose total selling expenses and, annually, the definition of selling expenses. The guidance is effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the potential impact of adopting this new guidance on the Company's Consolidated Financial Statement disclosures.

Note 2 - Variable interest entities

The Company enters into lot option contracts with third party and related party land developers, and land bank option contracts to procure land or lots for the construction of homes. Under these option contracts, the Company funds a stated deposit in consideration for the right, but not the obligation, to purchase land or lots at a future point in time at predetermined prices. Such contracts allow the Company to defer acquiring portions of properties owned by land sellers or land bank partners until the Company has determined whether and when to exercise the option, which may serve to reduce the Company's financial risks associated with long-term land holdings. Under the terms of the option contracts, the option deposits are not refundable. Management determined it holds a variable interest through its potential to absorb some of the land seller and land bank partners' first dollar risk of loss by placing a non-refundable deposit. Management determined that these counterparties to option contracts are Variable Interest Entities ("VIEs"), however the Company is not the primary beneficiary of the VIE as it does not have the power to direct the VIE's significant activities related to land development and therefore does not consolidate these VIEs. The creditors of the entities with which the Company has option agreements have no recourse against the Company and the maximum exposure to loss due to its involvement with the VIEs is limited to the non-refundable lot deposits and capitalized pre-acquisition costs. In certain instances where the Company has entered into option contracts to purchase developed lots from a land bank partner, the Company may also enter into an agreement to complete the development of the lots on behalf of the land bank partner at a fixed cost. The Company may be at risk for cost overruns related to the development of the property under option.

As of June 30, 2025, the Company had lot deposits of \$44.9 million related to option contracts with an aggregate remaining purchase price of \$340.9 million. As of December 31, 2024 the Company had lot deposits of \$48.2 million related to option contracts with an aggregate remaining purchase price of \$352.2 million. The Company had no forfeited option contract deposits during the three and six months ended June 30, 2025. For the three and six months ended June 30, 2024, the Company incurred \$0.3 million and \$0.3 million, respectively, in forfeited option contract deposits.

In limited circumstances, the Company may transfer developed lots it owns to a land banker and simultaneously enter into an option contract to repurchase those lots. In this instance, consistent with ASC 606, the Company is required to continue recognizing the finished lots sold on its Consolidated Balance Sheets as the transaction is accounted for as a

financing arrangement rather than a sale. At the time the Company sells finished lots to the land banker and simultaneously enters into option contracts to repurchase those finished lots, the net cash received by the land banker represents approximately 80% of the carrying value of the associated finished lots. In these circumstances, management determined it holds a variable interest in the land banker through its potential to absorb some of the third-party's first dollar risk of loss by not receiving an amount equal to or greater than the value of the associated finished lots the Company continues to recognize on its Consolidated Balance Sheets as Real estate inventory not owned. Management determined that the land banker is a VIE, however, the Company is not the primary beneficiary of the VIE as it does not have the power to direct the VIE's significant activities related to land development. The maximum exposure to loss with respect to the sale and subsequent repurchase of lots to the land banker is limited to the value of the real estate inventory not owned not financed by the land banker, which was \$0.8 million and \$1.9 million as of June 30, 2025 and December 31, 2024, respectively.

The Company has a shared services agreement with a related party that operates in the land development business in which the Company receives property maintenance services, due diligence and negotiation assistance with purchasing third party finished lots and previously provided accounting, IT, HR, and other administrative support services. Management has analyzed and concluded that it has a variable interest in this entity through the services agreement that provides the Company with the obligation to absorb losses and the right to receive benefits based on fees that are below market rates. Management determined the related party is a VIE, however, the Company is not the primary beneficiary of the VIE as it does not have the power to direct the VIE's most significant activities. Accordingly, the Company does not consolidate the VIE. As of June 30, 2025 and December 31, 2024, the Company recognized a receivable of \$0.2 million and \$0.2 million, respectively, related to the shared services agreement included within Due from related party on the Condensed Consolidated Balance Sheets.

Note 3 - Segment reporting

An operating segment is defined as a component of an enterprise for which separate financial information is available and for which segment results are evaluated regularly by the Company's Chief Operating Decision Maker ("CODM"). The Company's CODM is identified as the Executive Management Team, comprising the Company's Chief Executive Officer and President, Chief Financial Officer, and Co-Chief Operating Officers. Together, these individuals assess the performance of the Company's operating segments and allocate resources. The CODM functions collectively rather than as individuals, ensuring that decisions reflect a balanced and strategic approach to managing operations.

UHG primarily operates in the homebuilding business and is organized and reported by division. The identification of reporting segments is based primarily on similarities in economic and geographic characteristics, product types, regulatory environments, and methods used to sell and construct homes. The Company has three reportable segments: GSH South Carolina, Rosewood Communities, Inc. ("Rosewood"), and Other. Each segment represents distinct geographical and operational aspects of UHG's business.

GSH South Carolina represents the homebuilding operations of GSH primarily across the state of South Carolina. The main products for GSH South Carolina include entry-level homes and first-move-up homes, catering to a wide range of buyers transitioning into homeownership or seeking to upgrade from their initial purchase. South Carolina operations span the Upstate, Midlands, and Coastal regions, with a smaller presence in Georgia.

Rosewood, which also operates in South Carolina, encompasses UHG's operations focused on delivering second and third move-up homes in the South Carolina market. These homes cater to buyers seeking more luxurious and customized living spaces, and typically feature larger floor plans, high-end finishes, and premium amenities.

Other consists of UHG's homebuilding operations in Raleigh, NC and mortgage operations conducted through a mortgage banking joint venture ("Joint Venture"), Homeowners Mortgage, LLC, which do not meet the quantitative thresholds to be disclosed separately. Raleigh offers a similar product line to GSH South Carolina in a different geographical market, serving North Carolina, primarily in and around Raleigh. The Joint Venture is primarily engaged in brokering residential mortgage loans and enhances the Company's ability to offer integrated homebuying experiences by providing financing solutions directly to customers while generating additional income streams.

The accounting policies of the segments are consistent with those outlined in *Note 3 - Summary of significant accounting policies* of our most recent Annual Report on Form 10-K for the year ended December 31, 2024. The CODM evaluates performance and allocates resources for GSH South Carolina, Rosewood, and Other based on both segment gross profit and segment income or loss before taxes. These financial metrics are used to view operating trends, perform analytical comparisons and benchmark performance between periods and to monitor budget-to-actual variances on a monthly basis. Segment gross profit is used to evaluate product pricing strategies, monitor margins, and assess return on inventory, while segment income or loss before taxes is utilized to assess overall segment profitability and performance of each market and product type on a consistent and comparable basis.

The following tables summarize revenues, gross profit, income or loss before taxes and total assets by segment, with reconciliations to the amounts reported for the consolidated company, where applicable (in thousands):

Three Months Ended June 30, 2025						
	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals	
Segment revenue, net ⁽¹⁾	\$ 90,924	\$ 10,797	\$ 3,785	\$ —	\$ 105,506	
Cost of sales	72,237	9,508	3,293	549	85,587	
Segment gross profit (loss)	18,687	1,289	492	(549)	19,919	
Selling, general and administrative expense	11,471	1,035	427	5,083	18,016	
Other expense (income), net ⁽²⁾	2,199	427	77	(86)	2,617	
Total segment income (loss) before taxes	\$ 5,017	\$ (173)	\$ (12)	\$ (5,546)	\$ (714)	
<i>Reconciling items:</i>						
Reconciling items from equity method investments						275
Change in fair value of derivative liabilities						(6,171)
Consolidated loss before taxes						\$ (6,610)

Three Months Ended June 30, 2024						
	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals	
Segment revenue, net ⁽¹⁾	\$ 98,207	\$ 6,085	\$ 5,128	\$ —	\$ 109,420	
Cost of sales	78,481	5,689	4,527	1,145	89,842	
Segment gross profit (loss)	19,726	396	601	(1,145)	19,578	
Severance expense	92	—	1,088	—	1,180	
Selling, general and administrative expense	11,935	592	845	5,062	18,434	
Other expense, net ⁽²⁾	1,084	353	111	2,034	3,582	
Total segment income (loss) before taxes	\$ 6,615	\$ (549)	\$ (1,443)	\$ (8,241)	\$ (3,618)	
<i>Reconciling items:</i>						
Reconciling items from equity method investments						339
Change in fair value of derivative liabilities						32,055
Consolidated income before taxes						\$ 28,776

Six Months Ended June 30, 2025

	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals
Segment revenue, net ⁽¹⁾	\$ 162,957	\$ 18,459	\$ 11,091	\$ —	\$ 192,507
Cost of sales	130,535	16,604	9,945	1,376	158,460
Segment gross profit (loss)	32,422	1,855	1,146	(1,376)	34,047
Selling, general and administrative expense	21,202	1,704	1,064	10,206	34,176
Other expense (income), net ⁽²⁾	4,380	698	228	(179)	5,127
Total segment income (loss) before taxes	\$ 6,840	\$ (547)	\$ (146)	\$ (11,403)	\$ (5,256)
<i>Reconciling items:</i>					
Reconciling items from equity method investments					497
Change in fair value of derivative liabilities					15,038
Consolidated income before taxes				\$	10,279

Six Months Ended June 30, 2024

	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals
Segment revenue, net ⁽¹⁾	\$ 187,965	\$ 14,189	\$ 8,104	\$ —	\$ 210,258
Cost of sales	150,699	13,386	7,270	3,231	174,586
Segment gross profit (loss)	37,266	803	834	(3,231)	35,672
Severance expense	92	—	1,088	—	1,180
Selling, general and administrative expense	22,758	442	1,553	10,735	35,488
Other expense, net ⁽²⁾	1,050	342	64	4,089	5,545
Total segment income (loss) before taxes	\$ 13,366	\$ 19	\$ (1,871)	\$ (18,055)	\$ (6,541)
<i>Reconciling items:</i>					
Reconciling items from equity method investments					657
Change in fair value of derivative liabilities					58,435
Consolidated income before taxes				\$	52,551

As of June 30, 2025

	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals
Goodwill	\$ 3,573	\$ 5,207	\$ 500	\$ —	\$ 9,280
Investment in joint venture	—	—	—	1,183	1,183
Other assets	195,104	20,224	11,273	44,002	270,603
Total segment assets	\$ 198,677	\$ 25,431	\$ 11,773	\$ 45,185	\$ 281,066

As of December 31, 2024

	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals
Goodwill	\$ 3,573	\$ 5,207	\$ 500	\$ —	\$ 9,280
Investment in joint venture	—	—	—	691	691
Other assets	163,997	27,913	21,379	42,121	255,410
Total segment assets	\$ 167,570	\$ 33,120	\$ 21,879	\$ 42,812	\$ 265,381

	Three Months Ended June 30, 2025				
<i>Other segment disclosures</i>	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals
Equity in net earnings from investment in joint venture	\$ —	\$ —	\$ —	\$ 275	\$ 275
Depreciation and amortization	445	62	3	5	515
Interest expense ⁽⁴⁾	2,957	376	134	548	4,015

	Three Months Ended June 30, 2024				
<i>Other segment disclosures</i>	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals
Equity in net earnings from investment in joint venture	\$ —	\$ —	\$ —	\$ 339	\$ 339
Depreciation and amortization	401	66	3	6	476
Interest expense ⁽⁴⁾	1,329	304	162	3,442	5,237

	Six Months Ended June 30, 2025				
<i>Other segment disclosures</i>	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals
Equity in net earnings from investment in joint venture	\$ —	\$ —	\$ —	\$ 497	\$ 497
Depreciation and amortization	868	123	6	10	1,007
Interest expense ⁽⁴⁾	5,495	738	369	1,375	7,977

	Six Months Ended June 30, 2024				
<i>Other segment disclosures</i>	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals
Equity in net earnings from investment in joint venture	\$ —	\$ —	\$ —	\$ 657	\$ 657
Depreciation and amortization	777	133	6	10	926
Interest expense ⁽⁴⁾	2,726	304	192	7,670	10,892

- (1) Segment revenues include revenue recognized at a point in time from speculative home closings and revenue recognized over time from construction activities on land owned by customers, in accordance with the Company's revenue recognition policy.
- (2) Other (income) expense, net includes, among other items, interest expense not attributable to homebuilding activities, investment income, and amortization expense.
- (3) Corporate items included within consolidated income before taxes include unallocated corporate overhead, stock-based compensation, corporate interest income and expense, and other corporate level items not allocated to the segments. Similarly, corporate items included within consolidated assets include corporate cash and cash equivalents, deferred tax assets attributable to the corporate entity, and operating lease right-of-use assets.
- (4) Interest expense includes amounts recognized as interest expense in cost of sales and interest expense in other expense, net in the Condensed Consolidated Statements of Operations.

Note 4 - Fair value measurement

Certain assets and liabilities measured and reported at fair value under GAAP are classified in a three-level hierarchy that prioritizes the inputs used in the valuation process. Categorization within the valuation hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The hierarchy is based on the observability and objectivity of the pricing inputs as follows:

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

Level 2 – Significant directly observable data (other than Level 1 quoted prices) or significant indirectly observable data through corroboration with observable market data. Inputs would normally be (i) quoted prices in

active markets for similar assets or liabilities, (ii) quoted prices in inactive markets for identical or similar assets or liabilities or (iii) information derived from or corroborated by observable market data.

Level 3 – Prices or valuation techniques that require significant unobservable data inputs. These inputs would normally be the Company’s own data and judgments about assumptions that market participants would use in pricing the asset or liability.

Due to the short-term nature of the Company’s cash and cash equivalents, accounts receivable, and accounts payable, the carrying amounts of these instruments approximate their fair value. Lot deposits are recorded at the agreed-upon contract value, which approximates fair value. The interest rates on the syndicated line of credit and the term loan vary and are the greater of either a reference rate plus an applicable margin, or the base rate plus the aforementioned applicable margin. Refer to *Note 6 - Debt* for additional detail on the determination of these instruments’ interest rates. As the reference rate of the syndicated line of credit and the term loan at any point in time are reflective of the current interest rate environment the Company operates in, the carrying amount of these instruments approximates their fair value.

The derivative public warrant liability is classified within Level 1 of the fair value hierarchy because the Company values these instruments based on recent trades of securities in active markets. The estimated fair value of the contingent earnout liability, derivative private placement warrants liability, derivative stock option liability, and contingent consideration is determined using Level 3 inputs. The models and significant assumptions used in preparing the valuations are disclosed in *Note 11 - Stock-based compensation, Note 12 - Earnout shares, and Note 13 - Warrant liability*.

The following tables present information about the Company’s assets and liabilities that are measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation (in thousands):

Fair Value Measurements as of June 30, 2025				
	Level 1	Level 2	Level 3	Total
Contingent earnout liability	\$ —	\$ —	\$ 14,295	\$ 14,295
Derivative private placement warrant liability	—	—	2,640	2,640
Derivative public warrant liability	6,986	—	—	6,986
Derivative stock option liability	—	—	90	90
Total derivative liability	6,986	—	17,025	24,011
Contingent consideration	—	—	881	881
Total fair value	\$ 6,986	\$ —	\$ 17,906	\$ 24,892

Fair Value Measurements as of December 31, 2024				
	Level 1	Level 2	Level 3	Total
Contingent earnout liability	\$ —	\$ —	\$ 28,213	\$ 28,213
Derivative private placement warrant liability	—	—	2,907	2,907
Derivative public warrant liability	7,763	—	—	7,763
Derivative stock option liability	—	—	275	275
Total derivative liability	7,763	—	31,395	39,158
Contingent consideration	—	—	1,225	1,225
Total fair value	\$ 7,763	\$ —	\$ 32,620	\$ 40,383

Transfers to/from Levels 1, 2 and 3 are recognized at the beginning of the reporting period. There were no transfers to/from levels during the six month period ended June 30, 2025 and the year ended December 31, 2024.

The following table presents a roll forward of the Level 3 liabilities measured at fair value on a recurring basis (in thousands):

	Contingent earnout liability	Derivative private placement warrant liability	Derivative stock option liability	Contingent consideration
Liability at January 1, 2025	\$ 28,213	\$ 2,907	\$ 275	\$ 1,225
Settlements	—	—	—	(390)
Derecognition of derivative liability	—	—	(113)	—
Change in fair value	(17,976)	(860)	(90)	14
Liability at March 31, 2025	\$ 10,237	\$ 2,047	\$ 72	\$ 849
Recognition of derivative liability	—	—	4	—
Change in fair value	4,058	593	14	32
Liability at June 30, 2025	\$ 14,295	\$ 2,640	\$ 90	\$ 881

Note 5 - Inventories

The following table and descriptions summarize the Company's inventory (in thousands):

	June 30, 2025	December 31, 2024
Pre-acquisition land costs	\$ 8,528	\$ 4,737
Developed lots	30,137	15,491
Homes under construction	48,755	43,982
Finished homes	57,034	75,060
Total inventories	\$ 144,454	\$ 139,270

The Company capitalizes into inventories interest costs incurred on homes under construction during the construction period until they are substantially complete. A summary of capitalized interest is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Capitalized interest at beginning of the period:	\$ 2,616	\$ 2,541	\$ 3,149	\$ 3,026
Interest incurred	3,402	5,472	6,831	10,642
Interest expensed:				
Included in cost of sales	(1,632)	(1,659)	(3,133)	(5,172)
Directly to interest expense	(2,383)	(3,578)	(4,844)	(5,720)
Capitalized interest at end of the period:	\$ 2,003	\$ 2,776	\$ 2,003	\$ 2,776

Note 6 - Debt

The following table and descriptions summarize the amounts outstanding under the Company's syndicated line of credit and term loan (dollars presented in thousands):

	June 30, 2025	
	Weighted average interest rate	Outstanding Balance
<i>Syndicated line of credit</i>		
Wells Fargo Bank	7.61 %	\$ 17,386
Regions Bank	7.61 %	14,712
Flagstar Bank	7.61 %	13,374
United Bank	7.61 %	10,699
Third Coast Bank	7.61 %	8,025
Total Syndicated line of credit		\$ 64,196
Term loan, net	11.59 %	\$ 67,314
	December 31, 2024	
	Weighted average interest rate	Outstanding Balance
<i>Syndicated line of credit</i>		
Wells Fargo Bank	8.41 %	\$ 13,595
Regions Bank	8.41 %	11,503
Flagstar Bank	8.41 %	10,458
United Bank	8.41 %	8,366
Third Coast Bank	8.41 %	6,274
Total Syndicated line of credit		\$ 50,196
Term loan, net	11.70 %	\$ 67,150

Syndicated line of credit

On January 26, 2024, the Company entered into the Second Amendment to its existing credit facility (as amended, the "Syndicated Line"). As a result of this amendment the Company established a process for the joinder of additional subsidiary borrowers of the Company, and Rosewood was joined, jointly and severally with the Company and GSH, as a borrower to the Syndicated line of credit with Wells Fargo Bank, National Association ("Wells Fargo"). On August 2, 2024 (the "Third Amendment Effective Date"), the Company entered into the Third Amendment to the Syndicated Line ("Third Amendment") which extended the maturity date to August 2, 2027 except with respect to two non-extending lenders (representing \$73.3 million of the committed amount), reduced the borrowing capacity to \$220.0 million, and amended three financial covenants. No other significant terms of the arrangements were changed as a result of these amendments other than those relating to the interest rate terms described below. The financial covenants referenced below are reflective of these amendments.

The advances from the Syndicated Line are used to build homes and are repaid incrementally upon individual home sales. The Syndicated Line is collateralized by the homes under construction and developed lots. The Syndicated Line is fully secured, and the availability of funds is based on the inventory value at the time of the draw request. Interest is accrued based on the total syndication balance and is paid monthly. As the average construction time for homes is less than one year, the Syndicated Line is considered short-term as of June 30, 2025 and December 31, 2024.

The interest rate is based on Secured Overnight Financing Rate ("SOFR") plus an applicable margin (ranging from 275 basis points to 350 basis points) based on the Company's leverage ratio as determined in accordance with a pricing grid, or the base rate plus the aforementioned applicable margin.

The remaining availability to be drawn down, calculated in accordance with the Syndicated Line, was \$58.7 million as of June 30, 2025 and \$96.4 million as of December 31, 2024. The Syndicated Line also includes a \$2.0 million letter of credit as a sub-facility subjected to the same terms and conditions as the Syndicated Line. The Company pays a fee ranging between 15 and 30 basis points per annum depending on the unused amount of the Syndicated Line. The fee is computed on a daily basis and paid quarterly in arrears.

The Syndicated Line contains financial covenants, including (a) a minimum tangible net worth of no less than the sum of (i) \$70 million, plus (ii) 25% of positive actual consolidated earnings earned in any fiscal quarter end, (iii) 100% of new equity contributed to the Company, (iv) 100% of any increase in tangible net worth resulting from an equity issuance upon the conversion or exchange of any security constituting indebtedness that is convertible or exchangeable, or is being converted or exchanged, for equity interests; and (v) 100% of the amount of any repurchase of equity interests in the Company, (b) a maximum leverage covenant that prohibits the leverage ratio from exceeding 2.25 to 1.00, except for up to two quarterly measurement periods in which the ratio shall not exceed 2.50 to 1.00 during the period beginning on the Third Amendment Effective Date and ending on December 31, 2025, (c) a minimum debt service coverage ratio of no less than 1.50 to 1.00 for the period from and after June 30, 2024 until June 30, 2025, and a minimum of 2.00 to 1.00 thereafter, and permits a minimum debt service coverage ratio of no less than 1.35 to 1.00 for up to two quarterly measurement periods during the period beginning on the Third Amendment Effective Date and ending on June 30, 2025, (d) a minimum liquidity amount of not less than the greater of \$37.5 million from and after June 30, 2024, provided that during any period in which the debt service coverage ratio is less than 1.50 to 1.00, the minimum liquidity threshold will be at least (i) \$45.0 million, or (ii) an amount equal to 1.50x the trailing twelve month interest incurred and (e) unrestricted cash of not less than \$15.0 million at all times. The Company was in compliance with all debt covenants as of June 30, 2025 and December 31, 2024.

The Company recognized \$0.3 million and \$0.3 million of amortized deferred financing costs within Other expense, net for the three months ended June 30, 2025 and 2024, respectively. For the six months ended June 30, 2025 and 2024, the Company recognized \$0.7 million and \$0.6 million, respectively. Outstanding deferred financing costs related to the Company's Syndicated line of credit were \$2.8 million and \$3.5 million as of June 30, 2025 and December 31, 2024, respectively, and are included in Prepaid expenses and other assets on the Condensed Consolidated Balance Sheets as the Syndicated Line is a revolving arrangement.

Term loan

On December 11, 2024, the Company entered into a Credit Agreement (the "Credit Agreement") by and among the Company, GSH, Kennedy Lewis Agency Partners, LLC ("Administrative Agent"), and the lenders party thereto (the "Lenders") pursuant to which the Lenders thereunder funded a \$70.0 million subordinated term loan, the proceeds of which were used to redeem the outstanding Convertible Notes. See *Note 10 - Convertible Notes payable* for further details.

The Credit Agreement provides for a term loan of \$70.0 million maturing on the earlier of (a) (i) December 11, 2030, or (ii) the maturity date as defined in the Company's Second Amended and Restated Credit Agreement, dated as of August 10, 2023, as amended and (iii) the date on which the indebtedness pursuant to the Syndicated Line is accelerated in accordance with the terms of the Syndicated Line with Wells Fargo. As of December 31, 2024, the effective maturity date based on these provisions is August 2, 2027. At the election of the Company, the term loan will either be (i) a SOFR Loan or (ii) an Alternate Base Rate ("ABR") Loan. Each SOFR Loan will bear interest for each day during each interest period at a rate per annum equal to (a) Adjusted Term SOFR (as defined by the Credit Agreement), plus (b) the applicable margin (ranging from 675 basis points to 775 basis points) based on the Company's leverage ratio as determined in accordance with the pricing grid set forth in the Credit Agreement. The Company may elect from time to time to convert SOFR Loans to ABR Loans; provided that such conversion be made on the last day of an interest period with respect thereto. Additionally, the Company may elect from time to time to convert ABR Loans to SOFR Loans; provided that no such conversion can take place when any Event of Default (as defined by the Credit Agreement) has occurred and is continuing. As of June 30, 2025, the term loan under the Credit Agreement is classified as a SOFR Loan. The effective interest rate of the Credit Agreement is 12.67%.

The Credit Agreement contains certain financial covenants, including (a) that the Company must maintain a minimum tangible net worth of at least \$70.0 million; (b) a maximum leverage covenant that prohibits the Consolidated total leverage ratio of the Company and its Subsidiaries from exceeding 2.50 to 1.00 for any fiscal quarter (as determined on the last day of each fiscal quarter); provided that the Company may exceed such ratio in two instances from December 11, 2024 until December 31, 2025 so long as the Consolidated total leverage ratio does not exceed 2.63 to 1.00 as of the last day of such fiscal quarter; (c) a minimum debt service coverage ratio of the Company and its Subsidiaries (as determined on the last day of each fiscal quarter) of (x) not less than 1.35 to 1.00 until June 30, 2025 and (y) thereafter to be greater than 1.50 to 1.00, provided that the Company and its Subsidiaries may allow such debt service coverage ratio to be less than 1.35 to 1.00 in two instances from December 11, 2024 until June 30, 2025 so long as the debt service coverage ratio is greater than or equal to 1.20 to 1.00 as of the last day of such fiscal quarter; and (d) that the Company maintain minimum liquidity of not less than \$20.0 million and unrestricted cash of not less than \$10.0 million at all times. The obligations of the Company under the Credit Agreement are guaranteed by the Company and secured by granting the Administrative Agent a security interest in 100% of the ownership and economic interest of the Company. The Company was in compliance with all debt covenants as of June 30, 2025 and December 31, 2024.

The term loan was issued at an original issuance discount of \$2.1 million, and the Company incurred debt issuance costs of \$0.8 million that were allocated to the term loan, resulting in net cash proceeds of \$67.1 million.

Note 7 - Related party transactions

Lot deposits

The Company enters into option contracts with related parties to acquire lots for the construction of homes. Out of the lot deposits outstanding as of June 30, 2025 and December 31, 2024, \$5.1 million and \$6.8 million, respectively, are with related parties.

Leases

The Company has four separate operating lease agreements with a related party, including a lease of an office space used for its corporate headquarters. In addition, the Company leases certain model homes from related parties. During the second quarter of 2024, the Company modified the lease of its corporate headquarters to reduce the leased space for the premises, which was accounted for as a lease modification and partial termination. The Company recorded a gain of \$0.2 million as a result of the modification. The terms of the related party leases, including rent expense and future minimum payments, are described in *Note 9 - Commitments and contingencies*.

Services agreement

The Company previously shared office spaces with a related party and certain employees of the Company provided services to the same related party. As such, the Company allocated certain shared costs to the related party in line with a predetermined methodology based on headcount. The Company allocated no overhead costs to the related party during the three and six months ended June 30, 2025. During the three and six months ended June 30, 2024, the Company allocated overhead costs to the related party in the amounts of \$0.1 million and \$0.2 million, respectively. The balance outstanding as of June 30, 2025 and December 31, 2024 was a receivable of \$0.2 million and \$0.2 million, respectively, and is presented within Due from related party on the Condensed Consolidated Balance Sheets. The Company was charged for property maintenance, consulting, and land development management services in the amount of less than \$0.1 million and \$0.3 million for the three months ended June 30, 2025 and 2024, and \$0.1 million and \$0.4 million for the six months ended June 30, 2025 and 2024, respectively, by the same related party. The balance outstanding as of June 30, 2025 and December 31, 2024 was de minimis and is presented within Due to related parties on the Condensed Consolidated Balance Sheets.

General contracting

The Company may occasionally be engaged as a general contractor by several related parties. There was no related party general contracting activity during the three and six months ended June 30, 2025. For the three and six months ended June 30, 2024, Revenue of \$0.3 million and \$0.5 million, respectively, and Cost of sales of \$0.2 million and \$0.4 million, respectively, were recognized in the Condensed Consolidated Statements of Operations.

Other

The Company utilizes a related party vendor to perform certain civil engineering services. For the three and six months ended June 30, 2025 and 2024, expenses of \$0.1 million and zero, respectively, were recognized in the Condensed Consolidated Statements of Operations. The remaining balance outstanding as of June 30, 2025 and December 31, 2024 was a payable of less than \$0.1 million and \$0.1 million, respectively, and is presented within Due to related party, net on the Condensed Consolidated Balance Sheets.

The Company utilized a related party vendor for certain aviation services. For the three and six months ended June 30, 2025 and 2024, expenses recognized in the Condensed Consolidated Statements of Operations were de minimis.

Note 8 - Warranty reserves

The Company establishes warranty reserves to provide for estimated future costs as a result of construction and product defects. Estimates are determined based on management's judgment considering factors such as historical spend and projected cost of corrective action.

The following table provides a summary of the activity related to warranty reserves, which are included in Other accrued expenses and liabilities on the accompanying Condensed Consolidated Balance Sheets as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Warranty reserves at beginning of the period	\$ 1,939	\$ 1,363	\$ 1,866	\$ 1,302
Reserves provided	275	287	500	558
Payments for warranty costs	(141)	(224)	(293)	(434)
Warranty reserves at end of the period	\$ 2,073	\$ 1,426	\$ 2,073	\$ 1,426

Note 9 - Commitments and contingencies

Leases

The Company leases several office spaces in South Carolina under operating lease agreements with related parties, and one office space in North Carolina with a third party. In addition, the Company leases certain model homes from related parties and third parties. The leases have a remaining lease term of up to four years, some of which include options to extend on a month-to-month basis, and some of which include options to terminate the lease. These options are excluded from the calculation of the right-of-use asset ("ROU asset") and lease liability until it is reasonably certain that the option will be exercised. The Company recognized an operating lease expense of \$0.3 million and \$0.4 million within Selling, general, and administrative expense on the Condensed Consolidated Statements of Operations for the three months ended June 30, 2025 and 2024, respectively, which includes operating lease expense of \$0.2 million and \$0.4 million for the three months ended June 30, 2025 and 2024, respectively, associated with related party leases. For the six months ended June 30, 2025 and 2024, the Company recognized an operating lease expense of \$0.6 million and \$0.8 million, which includes operating lease expense of \$0.4 million and \$0.7 million associated with related party leases.

Variable lease expense included within operating lease expense was de minimis for the three and six months ended June 30, 2025 and 2024. The weighted-average discount rate for the operating leases was 9.19% and 9.37% during the six months ended June 30, 2025 and 2024, respectively. The weighted-average remaining lease term was 2.78 years and 3.92 years for the six months ended June 30, 2025 and 2024, respectively.

The maturity of the contractual, undiscounted operating lease liabilities as of June 30, 2025 are as follows (in thousands):

	Lease payment
2025	\$ 638
2026	1,000
2027	696
2028	522
2029 and thereafter	—
Total undiscounted operating lease liabilities	\$ 2,856
Interest on operating lease liabilities	(334)
Total present value of operating lease liabilities	\$ 2,522

The Company has certain leases which have initial lease terms of twelve months or less ("short-term leases"). The Company elected to exclude these leases from recognition, and these leases have not been included in the recognized operating ROU assets and operating lease liabilities. The Company recorded \$0.1 million and less than \$0.1 million of rent expense related to the short-term leases within Selling, general and administrative expense on the Condensed Consolidated Statements of Operations for the three months ended June 30, 2025 and 2024, respectively, and \$0.2 million and \$0.1 million for the six months ended June 30, 2025 and 2024, respectively. Short term lease expense associated with related party leases was de minimis for the three months ended June 30, 2025 and 2024.

Surety bonds and letters of credit

During the ordinary course of business, certain regulatory agencies and municipalities require the Company to post surety bonds or letters of credit related to development projects. As of June 30, 2025, the Company had outstanding surety bonds and letters of credit totaling \$9.2 million and \$1.3 million, respectively. The Company believes it will fulfill its obligations under the related contracts and does not anticipate any material losses under these surety bonds or letters of credit.

Litigation

The Company is subject to various claims and lawsuits that may arise primarily in the ordinary course of business, which consist mainly of construction defect claims. In the opinion of management, the disposition of these matters will not have a material adverse effect on the Company's Condensed Consolidated Financial Statements. When the Company believes that a loss is probable and reasonably estimable, the Company will record an expense and corresponding contingent liability. As of the date of these Condensed Consolidated Financial Statements, management believes that the Company has not incurred a liability as a result of any claims, with the exception of the following:

Rosewood proceedings

Rosewood has been named as a co-defendant in a lawsuit alleging negligence/recklessness and breach of certain implied warranties arising out of Rosewood's construction of homes in a subdivision prior to the Company's acquisition of Rosewood. As of June 30, 2025, the Company and the plaintiffs have agreed in principle to settle this matter, the terms of which are being negotiated. As a result, the Company concluded that a loss is probable and reasonably estimable. Accordingly, the Company recorded an accrual in anticipation of the settlement of \$0.2 million, which is included in Other accrued expenses and liabilities in the Condensed Consolidated Balance Sheet as of June 30, 2025.

Note 10 - Convertible Notes payable

The Company had previously issued Convertible Notes with an original principal amount of \$80.0 million. On December 11, 2024 ("Redemption Date"), the Company redeemed the Convertible Notes and paid to the Convertible Note Investors (a) an aggregate of \$70.0 million, plus accrued and unpaid interest through the Redemption Date, and (b) an aggregate of 10,168,850 shares of Class A Common Stock with a fair value of \$4.41 per share. The Company financed the transaction, in part, by entering into the Credit Agreement with Kennedy Lewis. See *Note 6 - Debt* for further details. The Company accounted for the redemption as an extinguishment of debt in accordance with ASC 405. As a result, on December 11, 2024 the Company recognized a loss on extinguishment of \$45.6 million based on the difference between the total reacquisition price of the extinguished debt, including the make-whole amount of \$37.1 million, and the net carrying amount of the Convertible Notes on the Redemption Date. There is no remaining debt balance associated with the Convertible Notes as of June 30, 2025 and December 31, 2024.

Interest expense previously capitalized and included within Cost of sales on the Condensed Consolidated Statements of Operations was \$0.6 million and \$1.4 million for the Convertible Notes for the three and six months ended June 30, 2025, respectively.

Interest expense included within Other expense, net on the Condensed Consolidated Statements of Operations was \$2.3 million and \$4.4 million for the Convertible Notes for the three and six months ended June 30, 2024, respectively. Interest expense included within Cost of sales on the Condensed Consolidated Statements of Operations was \$1.1 million and \$3.2 million for the Convertible Notes for the three and six months ended June 30, 2024, respectively.

Note 11 - Stock-based compensationStock options

The following table summarizes the activity relating to the Company's stock options:

	Stock options	Weighted-average per share exercise price
Outstanding, December 31, 2024	5,031,303	\$ 8.92
Granted	1,553,666	4.37
Exercised	—	—
Forfeited	(430,164)	7.59
Outstanding, June 30, 2025	6,154,805	\$ 7.87
Options exercisable at June 30, 2025	2,143,970	\$ 8.55

Stock-based compensation expense, net of forfeitures, included in Selling, general and administrative expense in the Condensed Consolidated Statements of Operations for stock options for the three months ended June 30, 2025 and 2024 was \$1.1 million and \$1.6 million, respectively, and \$2.8 million and \$2.9 million for the six months ended June 30, 2025

and 2024, respectively. As of June 30, 2025, total unrecognized stock compensation expense related to unvested stock option arrangements was \$12.6 million which is expected to be recognized over a weighted-average period of 2.39 years.

Certain stock options issued under the 2023 Plan are issued to individuals who are not employees of the Company and who are not providing goods or services to the Company. These options are recognized in accordance with ASC 815, as a derivative liability and marked to market at each reporting period end. As of June 30, 2025, and December 31, 2024, the derivative liability of stock options amounts to \$0.1 million and \$0.3 million, respectively, and is included within Derivative liability on the Condensed Consolidated Balance Sheets.

Restricted stock units (“RSUs”)

The following table summarizes the activity relating to the Company’s RSUs:

	Shares	Weighted-average grant date fair value per unit
Outstanding, December 31, 2024	95,000	\$ 6.79
Granted	56,800	4.35
Vested	(25,675)	5.58
Forfeited	(10,150)	5.20
Outstanding, June 30, 2025	115,975	\$ 6.00

Stock-based compensation expense, net of forfeitures, included in Selling, general and administrative expense in the Condensed Consolidated Statements of Operations for time-based restricted stock units was \$0.1 million and less than \$0.1 million for the three months ended June 30, 2025 and 2024, respectively, and \$0.2 million and \$0.2 million for the six months ended June 30, 2025 and 2024, respectively. As of June 30, 2025, total unrecognized pre-tax compensation expense was \$0.6 million related to time-based restricted stock units which is expected to be recognized over a weighted-average period of 2.72 years.

Performance-based restricted stock units (“PSUs”)

The following table summarizes the activity relating to the Company’s PSUs:

	Shares	Weighted-average grant date fair value per unit
Outstanding, December 31, 2024	443,500	\$ 3.45
Granted	389,750	1.95
Vested	—	—
Forfeited	(81,250)	2.62
Outstanding, June 30, 2025	752,000	\$ 2.76

Stock compensation expense for the PSUs is recorded based on the estimated fair value of the equity-based award on the grant date using the Monte Carlo simulation method. Stock-based compensation expense, net of forfeitures, included in Selling, general and administrative expense in the Condensed Consolidated Statements of Operations for PSUs was \$0.2 million and \$0.2 million for the three months ended June 30, 2025 and 2024, respectively, and \$0.4 million and \$0.3 million for the six months ended June 30, 2025 and 2024, respectively. As of June 30, 2025, total unrecognized pre-tax compensation expense was \$1.1 million related to the PSUs which is expected to be recognized over a weighted-average period of 1.47 years.

Stock warrants

The Company previously granted an option to non-employee directors to purchase 1,867,368 stock warrants for \$0.2 million. Each warrant represents one non-voting common share. The warrants are exercisable at \$4.05 per warrant, and can be exercised for 10 years starting from July 1, 2022. As of June 30, 2025, there are 746,947 stock warrants outstanding. There were no additional stock warrants granted, and no compensation expense recorded, during the three and six months ended June 30, 2025 and 2024.

Note 12 - Earnout shares

As of June 30, 2025, the fair value of the earnout shares was \$0.81 per share issuable upon Triggering Event I, \$0.63 per share issuable upon Triggering Event II and \$0.50 per share issuable upon Triggering Event III.

As of December 31, 2024, the fair value of the earnout shares was \$1.59 per share issuable upon Triggering Event I, \$1.25 per share issuable upon Triggering Event II and \$0.99 per share issuable upon Triggering Event III.

The estimated fair value of the earnout shares was determined using a Monte Carlo simulation using a distribution of potential outcomes on a daily basis over the earnout period. The assumptions used in the valuation of these instruments, using the most reliable information available, include:

	June 30, 2025	December 31, 2024
Current stock price	\$ 2.90	\$ 4.23
Stock price targets	\$12.50, \$15.00, \$17.50	\$12.50, \$15.00, \$17.50
Expected life (in years)	2.75	3.25
Earnout period (in years)	2.75	3.25
Risk-free interest rate	3.70 %	4.30 %
Expected volatility	64 %	52 %
Expected dividend yield	— %	— %

For the three and six months ended June 30, 2025, the change in fair value of the earnout shares resulted in a loss of \$4.1 million and a gain of \$13.9 million, respectively, primarily resulting from changes in the company's stock price. For the three and six months ended June 30, 2024, the change in fair value of the earnout shares resulted in gains of \$27.6 million and \$54.0 million, respectively, primarily resulting from changes in the company's stock price.

As none of the earnout triggering events have occurred as of June 30, 2025, no shares have been distributed.

Note 13 - Warrant liability

The private placement warrant liability is recognized in accordance with ASC 815 as a derivative liability and marked to market at each reporting period end. The change in fair value of the private placement warrant liability for the three and six months ended June 30, 2025, resulted in a loss of \$0.6 million and gain \$0.3 million, respectively. For the three and six months ended June 30, 2024, the change in fair value resulted in a gains of \$1.2 million. These changes are included in Change in fair value of derivative liabilities on the Condensed Consolidated Statements of Operations.

The Private Placement Warrants were valued using the following assumptions under the Monte Carlo method:

	June 30, 2025	December 31, 2024
Current stock price	\$ 2.90	\$ 4.23
Exercise price	\$ 11.50	\$ 11.50
Expected life (in years)	2.75	3.25
Risk-free interest rate	3.70 %	4.30 %
Expected volatility	64 %	52 %
Expected dividend yield	—	—

The public warrant liability is recognized in accordance with ASC 815 as a derivative liability and marked to market at each reporting period end. The change in fair value of the public warrant liability for the three and six months ended June 30, 2025 resulted in a loss of \$1.5 million and gains of \$0.7 million, respectively. For the three and six months ended June 30, 2024 the change in fair value of the public warrant liability resulted in gains of \$3.2 million and \$3.1 million, respectively. These changes are included in Change in fair value of derivative liabilities on the Condensed Consolidated Statements of Operations.

Note 14 - Income taxes

The Company recognized an income tax benefit for the three and six months ended June 30, 2025 of \$0.3 million and \$1.6 million, respectively, as compared to an income tax expense of \$0.1 million and income tax benefit of \$1.0 million, respectively, for the three and six months ended June 30, 2024. At the end of each interim period, the Company estimates the effective tax rate expected to be applicable for the full fiscal year and this rate is applied to the results for the year-to-date period, and then adjusted for any discrete period items. Excluding discrete items related to fair value adjustments on derivative liabilities, the Company's estimated effective tax rate as of June 30, 2025 is 33.1% as compared to 15.3% as of June 30, 2024. This differs from the federal statutory rate of 21.0% primarily due to state income tax expense and nondeductible stock compensation expense for executives.

Note 15 - Earnings per share

The Company computes basic net earnings per share using net income attributable to Company common stockholders and the weighted average number of common shares outstanding during each period.

The following table sets forth the computation of the Company's basic and diluted net earnings per share (in thousands, except shares and earnings per share):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net (loss) income	\$ (6,341)	\$ 28,640	\$ 11,839	\$ 53,578
Basic (loss) income available to common shareholders	\$ (6,341)	\$ 28,640	\$ 11,839	\$ 53,578
Effect of dilutive securities:				
Add back:				
Interest on Convertible Notes payable, net of tax	—	2,917	—	5,733
Change in fair value of stock options - liability classified, net of tax	—	(67)	(63)	(124)
Diluted income available to common shareholders	\$ (6,341)	\$ 31,490	\$ 11,776	\$ 59,187
Weighted-average number of common shares outstanding - basic	58,602,388	48,373,812	58,598,816	48,368,200
Effect of dilutive securities:				
Convertible Notes	—	14,336,918	—	14,336,918
Stock options - equity classified	—	354,013	71,547	384,130
Stock options - liability classified	—	36,533	1,899	39,073
Stock warrants	—	264,002	—	303,247
Restricted stock units	—	7,658	684	11,888
Weighted-average number of common shares outstanding - diluted	58,602,388	63,372,936	58,672,946	63,443,456
Earnings per share:				
Basic	\$ (0.11)	\$ 0.59	\$ 0.20	\$ 1.11
Diluted	\$ (0.11)	\$ 0.50	\$ 0.20	\$ 0.93

The following table summarizes potentially dilutive outstanding securities that were excluded from the calculation of diluted EPS, because their effect would have been anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Stock warrants	746,947	—	746,947	—
Private placement warrants	2,966,663	2,966,663	2,966,663	2,966,663
Public warrants	8,625,000	8,625,000	8,625,000	8,625,000
Stock options - equity classified	6,246,030	4,749,621	5,895,051	4,361,346
Stock options - liability classified	95,133	—	85,317	—
Restricted stock units	117,343	49,200	114,973	25,937
Total anti-dilutive features	18,797,116	16,390,484	18,433,951	15,978,946

The Company's 21,886,379 earnout shares and 752,000 PSUs are excluded from the anti-dilutive table above for the three and six months ended June 30, 2025, as the underlying shares remain contingently issuable as the earnout triggering events and performance-based conditions, respectively, have not been satisfied. The Company excluded 21,886,379 earnout shares and 469,500 PSUs for the three and six months ended June 30, 2024.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

References to the “Company,” “UHG,” “our,” “us” or “we” refer to United Homes Group, Inc. The following discussion and analysis of the Company’s financial condition and results of operations should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and the notes thereto contained elsewhere in this report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties. See “Cautionary Note Regarding Forward-Looking Statements.”

Overview

UHG designs, builds and sells homes in South Carolina, North Carolina and Georgia. The geographical markets in which UHG presently operates its homebuilding business are high-growth markets, with substantial in-migrations and employment growth. The Company employs a land-light lot operating strategy, with a focus on the design, construction and sale of entry-level, first, second and third move-up single-family houses. UHG principally builds detached single-family houses, and, to a lesser extent, attached single-family houses, including duplex houses and town houses.

UHG’s pipeline as of June 30, 2025 consists of approximately 7,300 lots, which includes lots that UHG may acquire from third party lot option contracts or land bank option contracts, in addition to lots that are owned or controlled by related parties and which UHG expects to obtain the contractual right to acquire.

Since its founding in 2004, UHG has delivered approximately 16,000 homes and currently builds in 53 active subdivisions at prices that generally range from approximately \$200,000 to approximately \$600,000. For the three months ended June 30, 2025 and 2024, UHG had 304 and 323 net new orders, and generated approximately \$105.5 million and \$109.4 million in revenue on 303 and 337 closings, respectively. For the six months ended June 30, 2025 and 2024, UHG had 600 and 707 net new orders, and generated approximately \$192.5 million and \$210.3 million in revenue on 555 and 648 closings, respectively.

UHG intends to grow organically, both arising out of its historical operations which may include entry into new markets and growth in community count, and through expansion of its mortgage joint venture Homeowners Mortgage, LLC (the “Joint Venture”). UHG expects that continued operation of the Joint Venture will add to UHG’s revenue and EBITDA growth, improve buyer traffic conversion, and reduce backlog cancellation rates. In the second quarter of 2025, UHG announced that it had initiated a review of strategic alternatives in order to explore ways to maximize shareholder value. There is not a set deadline or definitive timetable for the completion of the strategic alternatives review process, and there can be no assurance that this process will result in any transaction or particular outcome.

In the second quarter of 2025, market conditions in the homebuilding industry continued to be impacted by persistently elevated mortgage rates, macro-economic and geopolitical uncertainty, and housing affordability concerns that have negatively affected consumer confidence. As a result of these challenging conditions, demand remained subdued as net new orders for the three and six months ended June 30, 2025 decreased by 5.9% and 15.1%, respectively, when compared to the respective prior year periods. However, the undersupply of homes in the United States continues to drive demand for affordable housing. In response to the current environment, the Company continues to provide discounts on base home prices, when necessary, and utilize various sales incentives, primarily in the form of buyer financing incentives such as mortgage rate buy downs, mortgage forward commitments, or cash incentives applied against closing costs.

Despite the softening demand and slower sales pace, the Company has seen improvement in gross margin for the three and six months ended June 30, 2025 of 100 basis points and 70 basis points, respectively, as compared to the respective prior periods. This is largely the result of continued, focused, execution of several key operational improvements targeted at accelerating sales and improving gross margins. These operational improvements included refreshing the Company’s portfolio of house plans, expanding customization options for buyers, and a strategic rebidding of supplier contracts to reduce direct construction costs. Management believes that the Company’s proactive approach, position within high growth markets, and adaptable land-light business model will enable the Company to effectively navigate these multifaceted macroeconomic conditions. However, the Company cannot provide any assurance that its strategies will continue to be successful in future quarters.

UHG revenues decreased from approximately \$109.4 million for the three months ended June 30, 2024 to \$105.5 million for the three months ended June 30, 2025. For the three months ended June 30, 2025, UHG generated a net loss of approximately \$6.3 million, which included \$6.2 million related to the change in fair value of derivative liabilities, gross margin of 18.9%, adjusted gross margin of 21.3%, and adjusted EBITDA margin of 6.9%, representing a decrease of \$34.9 million, and percentage changes of an increase of 1.0%, an increase of 0.4%, and a decrease of 0.1%, respectively, from the three months ended June 30, 2024.

UHG revenues decreased from approximately \$210.3 million for the six months ended June 30, 2024 to \$192.5 million for the six months ended June 30, 2025. For the six months ended June 30, 2025, UHG generated net income of

approximately \$11.8 million, which included \$15.0 million related to the change in fair value of derivative liabilities, gross margin of 17.7%, adjusted gross margin of 20.2%, and adjusted EBITDA margin of 5.3%, representing a decrease of \$41.7 million, and percentage changes of an increase of 0.7%, a decrease of 0.5%, and a decrease of 1.8%, respectively, from the six months ended June 30, 2024.

Adjusted gross profit, EBITDA, adjusted EBITDA, and EBITDA margin are not financial measures under generally accepted accounting principles in the United States of America (“GAAP”). See “*Non-GAAP Financial Measures*” for an explanation of how UHG computes these non-GAAP financial measures and for reconciliations to the most directly comparable GAAP financial measure.

Results of Operations

Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

The following table presents summary results of operations for the periods indicated (dollar amounts in thousands except average sales price):

	Three Months Ended June 30,		Change (\$)	Change (%)
	2025	2024		
Statements of Operations				
Revenue, net of sales discounts	\$ 105,506	\$ 109,420	\$ (3,914)	(3.6)%
Cost of sales	85,587	89,842	(4,255)	(4.7)%
Selling, general and administrative expense	18,016	19,614	(1,598)	(8.2)%
Other expense, net	(2,617)	(3,582)	965	(26.9)%
Equity in net earnings from investment in joint venture	275	339	(64)	(18.9)%
Change in fair value of derivative liabilities	(6,171)	32,055	(38,226)	(119.3)%
(Loss) income before taxes	(6,610)	28,776	(35,386)	(122.9)%
Income tax (benefit) expense	(269)	136	(405)	(297.8)%
Net (loss) income	\$ (6,341)	\$ 28,640	\$ (34,981)	(122.0)%
Other Financial and Operating Data:				
Active communities at end of period ^(a)	53	59	(6)	(10.2)%
Home closings	303	337	(34)	(10.1)%
Average sales price of homes closed ^(b)	\$ 349,265	\$ 340,803	\$ 8,462	2.5%
Net new orders	304	323	(19)	(5.9)%
Cancellation rate	11.4%	12.7%	(1.3)%	(10.2)%
Backlog	202	248	(46)	(18.5)%
Gross profit	\$ 19,919	\$ 19,578	\$ 341	1.5%
Gross margin ^(c)	18.9%	17.9%	1.0%	5.6%
Adjusted gross profit ^(d)	\$ 22,436	\$ 22,845	\$ (409)	(1.8)%
Adjusted gross margin ^(c)	21.3%	20.9%	0.4%	1.9%
EBITDA ^(d)	\$ (2,062)	\$ 34,571	\$ (36,633)	(106.0)%
EBITDA margin ^(c)	(2.0)%	31.6%	(33.6)%	(106.3)%
Adjusted EBITDA ^(d)	\$ 7,237	\$ 7,660	\$ (423)	(5.5)%
Adjusted EBITDA margin ^(c)	6.9%	7.0%	(0.1)%	(1.4)%

(a) UHG had seven and eight communities in closeout for the three months ended June 30, 2025 and 2024, respectively. These communities are not included in the count of “Active communities at end of period.”

(b) Average sales price of homes closed, excluding the impact of percentage of completion revenues and build to rent revenues.

(c) Calculated as a percentage of revenue.

(d) Adjusted gross profit, EBITDA and adjusted EBITDA are non-GAAP financial measures. For definitions of adjusted gross profit, EBITDA and adjusted EBITDA and a reconciliation to the most directly comparable financial measures calculated and presented in accordance with GAAP, see “*Non-GAAP Financial Measures*.”

Revenues: Revenues for the three months ended June 30, 2025 were \$105.5 million, a decrease of \$3.9 million, or 3.6%, from \$109.4 million for the three months ended June 30, 2024. The decrease in revenues was primarily attributable

to a decrease in home closings of 10.1%, partially offset by an increase in average sales price (“ASP”) of production-built homes of 2.5%. Additionally, for the three months ended June 30, 2024 closings included thirty-six build to rent units with significantly lower ASPs, compared to no build to rent closings for the three months ended June 30, 2025. When factoring in these build to rent unit closings, total ASP increased 7.2% compared to the prior year period. The decline in the number of homes closed as compared to the three months ended June 30, 2024 was primarily due to a decrease of 13.4% in the GSH South Carolina segment, partially offset by increases of 100.0% and 12.5% in the Rosewood reporting segment and Other segment related to the Raleigh market, respectively.

The following table provides a summary of the Company’s revenues, home closings, and ASP in each of the reportable segments (revenues in thousands):

	Three Months Ended June 30,						Period over period change		
	2025			2024			Revenues	Closings	ASP ¹
	Revenues	Closings	ASP ¹	Revenues	Closings	ASP ¹			
GSH South Carolina	\$ 90,924	278	\$ 328,144	\$ 98,207	321	\$ 321,060	(7.4)%	(13.4)%	2.2 %
Rosewood	10,797	16	674,813	6,085	8	798,571	77.4 %	100.0 %	(15.5)%
Other ²	3,785	9	420,556	5,128	8	641,000	(26.2)%	12.5 %	(34.4)%
Total	\$ 105,506	303	\$ 349,265	\$ 109,420	337	\$ 340,803	(3.6)%	(10.1)%	2.5 %

¹ Average sales price of homes closed, excluding the impact of percentage of completion revenues and build to rent revenues.

² Other consists of UHG’s homebuilding operations in Raleigh, NC.

Cost of sales and Gross profit: Cost of sales for the three months ended June 30, 2025 was \$85.6 million, a decrease of \$4.2 million, or 4.7%, from \$89.8 million for the three months ended June 30, 2024. The decrease in Cost of sales was largely attributable to a decrease in home closings of 10.1% compared to the same period in 2024.

Gross profit for the three months ended June 30, 2025 was \$19.9 million, an increase of \$0.3 million, or 1.5%, from \$19.6 million for the three months ended June 30, 2024. Gross margin for the three months ended June 30, 2025 was 18.9%, an increase of 1.0%, as compared 17.9% for the three months ended June 30, 2024. Gross margins improved in the second quarter of 2025, driven by closing a large number of homes featuring redesigned floor plans, direct construction cost savings as a result of the rebid initiative, and less non-recurring expenses compared to the same quarter in 2024.

Adjusted gross profit: Adjusted gross profit for the three months ended June 30, 2025 was \$22.4 million, a decrease of \$0.4 million, or 1.8%, as compared to \$22.8 million for the three months ended June 30, 2024. Adjusted gross margin for the three months ended June 30, 2025 was 21.3%, an increase of 0.4%, as compared to 20.9% for the three months ended June 30, 2024. The increase in adjusted gross margin was attributable to the closings associated with redesigned floor plans, which generate stronger margins, and direct construction cost savings. Adjusted gross profit is a non-GAAP financial measure. For the definition of adjusted gross profit and a reconciliation to UHG’s most directly comparable financial measure calculated and presented in accordance with GAAP, see “*Non-GAAP Financial Measures.*”

Selling, general and administrative expense: Selling, general and administrative expense for the three months ended June 30, 2025 was \$18.0 million, a decrease of \$1.6 million, or 8.2%, from \$19.6 million for the three months ended June 30, 2024. The decrease is primarily due to a \$1.0 million decrease in commission expense due to less broker incentives and fewer closings and a \$1.0 million reduction in severance expense related to the June 2024 reduction in force (“RIF”), partially offset by an increase of \$0.2 million in ERP implementation costs.

Other expense, net: Total other expense, net for the three months ended June 30, 2025 was \$2.6 million, a decrease of \$1.0 million, from \$3.6 million for the three months ended June 30, 2024. The decrease was primarily driven by a \$1.2 million reduction in interest expense due to the Company’s refinance of corporate debt in December 2024.

Equity in net earnings from investment in joint venture: Equity in net earnings from investment in joint venture for the three months ended June 30, 2025 was \$0.3 million, remaining consistent with the prior period.

Change in fair value of derivative liabilities: Change in fair value of derivative liabilities for the three months ended June 30, 2025 was a loss of \$6.2 million as compared to a gain of \$32.1 million for the three months ended June 30, 2024. Under ASC 815, derivative liabilities are marked to market each reporting period with changes recognized as gains or losses on the Condensed Consolidated Statements of Operations. The overall decrease is primarily attributable to changes in the fair value of the earnout shares, which fluctuates each period due to changes in the Company’s stock price.

Income before taxes: The following table provides a summary of the Company's income (loss) before taxes by reportable segment (in thousands, except percentage change):

	Three Months Ended June 30,		Period over period	
	2025	2024	Change (\$)	Change (%)
GSH South Carolina	\$ 5,017	\$ 6,615	\$ (1,598)	(24.2) %
Rosewood	(173)	(549)	376	(68.5) %
Other ¹	(12)	(1,443)	1,431	(99.2) %
Segment total	\$ 4,832	\$ 4,623	\$ 209	4.5 %
<i>Corporate</i> ²	(5,546)	(8,241)	2,695	(32.7) %
<i>Equity in net earnings from investment in joint venture</i>	275	339	(64)	(18.9) %
<i>Change in fair value of derivative liabilities</i>	(6,171)	32,055	(38,226)	(119.3) %
Consolidated (loss) income before taxes	\$ (6,610)	\$ 28,776	\$ (35,386)	(123.0) %

¹ Other consists of UHG's homebuilding operations in Raleigh, NC.

² Corporate items included within consolidated income before taxes includes unallocated corporate overhead, stock-based compensation, corporate interest income and expense, and other corporate level items not allocated to the segments.

Income before taxes for the three months ended June 30, 2025 decreased \$35.4 million, or 122.9%, from the three months ended June 30, 2024. The decrease was primarily due to a decrease in the change in fair value of derivative liabilities of \$38.3 million, partially offset by an decrease in other expense, net of \$1.0 million and a decrease in selling, general, and administrative expense of \$1.6 million.

GSH South Carolina: The \$1.6 million decrease in income before taxes for the three months ended June 30, 2025 compared to the same period in the prior year was primarily due to a decrease in closings of 13.4%, which resulted in lower gross profit, higher operating costs as a percentage of revenue and higher interest costs as a percentage of revenue, partially offset by an increase in gross margin.

Rosewood: The \$0.4 million decrease in loss before taxes for the three months ended June 30, 2025 compared to the same period in the prior year was primarily attributable to doubling the number of closings from 8 to 16 coupled with a 5.4% increase in gross margin, partially offset by an increase in commission expense due to additional closings and higher interest costs.

Other: The \$1.4 million decrease in loss before taxes for Raleigh for the three months ended June 30, 2025 compared to the same period in the prior year was primarily due to a reduction in severance expense in the prior period of \$1.1 million and a decrease in selling, general, and administrative expense of \$0.4 million.

Income tax (benefit) expense: Income tax (benefit) expense for the three months ended June 30, 2025 was a benefit of \$0.3 million compared to an expense of \$0.1 million for the three months ended June 30, 2024. The Company estimates the effective tax rate expected to be applicable for the full fiscal year and this rate is applied to the results for the year-to-date period, and then adjusted for any discrete period items. The Company's estimated annual effective tax rate for the June 30, 2025 is 33.1% as compared to 15.3% as of June 30, 2024.

Net new orders: Net new orders for a period is gross sales of homes less any customer cancellations received during the same period. Sales are recognized when a customer signs a contract and UHG approves such contract. Net new orders for the three months ended June 30, 2025 were 304 units, a decrease of 19 units, or 5.9%, from 323 units for the three months ended June 30, 2024.

Cancellation rate: The cancellation rate is the total cancellations during the period divided by the total number of new sales for homes during the period. The cancellation rate for the three months ended June 30, 2025 was 11.4%, a decrease of 1.3%, from 12.7% for the three months ended June 30, 2024.

Backlog: Backlog consists of homes sold but not yet closed with customers. Backlog represents the number of homes in backlog from the previous period plus sales of homes during the current period less cancellations of existing sales contracts and home closings during the current period. A portion of the homes in backlog will not result in homes delivered due to cancellations.

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Backlog as of June 30, 2025 was 202 units, a decrease of 46 units, or 18.5%, from 248 units as of June 30, 2024. The following table provides a summary of the Company's backlog inventory, backlog value, and average sales price of backlog inventory in each of the reportable segments (backlog value in thousands):

	As of June 30, 2025			As of June 30, 2024			Period over period change		
	Backlog inventory	Backlog value ¹	Backlog ASP ²	Backlog inventory	Backlog value ¹	Backlog ASP ²	Backlog inventory	Backlog value ¹	Backlog ASP ²
GSH South Carolina	184	\$ 64,471	\$ 350,386	232	\$ 75,932	\$ 327,293	(20.7)%	(15.1)%	7.1 %
Rosewood	14	8,660	618,571	11	7,874	715,818	27.3 %	10.0 %	(13.6)%
Other ³	4	1,742	435,500	5	1,879	375,800	(20.0)%	(7.3)%	15.9 %
Total	202	\$ 74,873	\$ 370,658	248	\$ 85,685	\$ 345,504	(18.5)%	(12.6)%	7.3 %

¹ Backlog value is calculated as the total contract value of homes in backlog.

² ASP of backlog is calculated as backlog value divided by backlog inventory.

³ Other consists of UHG's homebuilding operations in Raleigh, NC.

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

The following table presents summary results of operations for the periods indicated:

	Six Months Ended June 30,		Amount Change	% Change
	2025	2024		
Statements of Operations				
Revenue, net of sales discounts	\$ 192,507	\$ 210,258	\$ (17,751)	(8.4)%
Cost of sales	158,460	174,586	(16,126)	(9.2)%
Selling, general and administrative expense	34,176	36,668	(2,492)	(6.8)%
Other expense, net	(5,127)	(5,545)	418	(7.3)%
Equity in net earnings from investment in joint venture	497	657	(160)	(24.4)%
Change in fair value of derivative liabilities	15,038	58,435	(43,397)	(74.3)%
Income before taxes	\$ 10,279	\$ 52,551	\$ (42,272)	(80.4)%
Income tax benefit	(1,560)	(1,027)	(533)	51.9 %
Net income	\$ 11,839	\$ 53,578	\$ (41,739)	(78.0)%
Other Financial and Operating Data:				
Active communities at end of period ^(a)	53	59	(6)	(10.2)%
Home closings	555	648	(93)	(14.4)%
Average sales price of homes closed ^(b)	\$ 347,231	\$ 337,994	\$ 9,237	2.7 %
Net new orders	600	707	(107)	(15.1)%
Cancellation rate	12.0 %	11.1 %	0.9 %	8.1 %
Backlog	202	248	(46)	(18.5)%
Gross profit	\$ 34,047	\$ 35,672	\$ (1,625)	(4.6)%
Gross margin ^(c)	17.7 %	17.0 %	0.7 %	4.1 %
Adjusted gross profit ^(d)	\$ 38,801	\$ 43,459	\$ (4,658)	(10.7)%
Adjusted gross margin ^(c)	20.2 %	20.7 %	(0.5)%	(2.4)%
EBITDA ^(d)	\$ 19,327	\$ 64,493	\$ (45,166)	(70.0)%
EBITDA margin ^(c)	10.0 %	30.7 %	(20.7)%	(67.4)%
Adjusted EBITDA ^(d)	\$ 10,110	\$ 14,944	\$ (4,834)	(32.3)%
Adjusted EBITDA margin ^(c)	5.3 %	7.1 %	(1.8)%	(25.4)%

(a) UHG had seven and eight communities in closeout for the six months ended June 30, 2025 and 2024, respectively. These communities are not included in the count of "Active communities at end of period."

(b) Average sales price of homes closed, excluding the impact of percentage of completion revenues and build to rent revenues.

(c) Calculated as a percentage of revenue.

(d) Adjusted gross profit, EBITDA and adjusted EBITDA are non-GAAP financial measures. For definitions of adjusted gross profit, EBITDA and adjusted EBITDA and a reconciliation to the most directly comparable financial measures calculated and presented in accordance with GAAP, see "UHG's Management's Discussion and Analysis of Financial Condition and Result of Operations—Non-GAAP Financial Measures."

Revenues: Revenues for the six months ended June 30, 2025 were \$192.5 million, a decrease of \$17.8 million, or 8.5%, from \$210.3 million for the six months ended June 30, 2024. The decrease in revenues was primarily attributable to the decrease in production-built home closings, partially offset by an increase in average sales price of production-built homes. Additionally, for the six months ended June 30, 2024 closings included 60 build to rent units with significantly lower ASPs, compared to no build to rent closings for the six months ended June 30, 2025. When factoring in these build to rent unit closings, total ASP increased 6.9% compared to the prior year period. The decline in the number of homes closed as compared to the six months ended June 30, 2024 reflected a decrease of 18.2% in the GSH South Carolina segment, partially offset by an increase of 31.8% and 100.0% in the Rosewood reporting segment and Other segment related to the Raleigh market, respectively.

The following table provides a summary of the Company's revenues, home closings, and ASP in each of the reportable segments (revenues in thousands):

	Six Months Ended June 30,								
	2025			2024			Period over period change		
	Revenues	Closings	ASP ¹	Revenues	Closings	ASP ¹	Revenues	Closings	ASP ¹
GSH South Carolina	\$ 162,957	502	\$ 324,788	\$ 187,965	614	\$ 319,179	(13.3)%	(18.2)%	1.8 %
Rosewood	18,459	29	650,321	14,189	22	644,524	30.1 %	31.8 %	0.9 %
Other ²	11,091	24	462,125	8,104	12	667,000	36.9 %	100.0 %	(30.7)%
Total	\$ 192,507	555	\$ 347,231	\$ 210,258	648	\$ 337,994	(8.4)%	(14.4)%	2.7 %

¹ Average sales price of homes closed, excluding the impact of percentage of completion revenues and build to rent revenues.

² Other consists of UHG's homebuilding operations in Raleigh, NC.

Cost of Sales and Gross Profit: Cost of sales for the six months ended June 30, 2025 was \$158.5 million, a decrease of \$16.1 million, or 9.2%, from \$174.6 million for the six months ended June 30, 2024. The decrease in Cost of sales was largely attributable to a decrease in home closings of 14.4% compared to the same period in 2024.

Gross profit for the six months ended June 30, 2025 was \$34.0 million, a decrease of \$1.6 million, or 4.8%, from \$35.7 million for the six months ended June 30, 2024. Gross margin for the six months ended June 30, 2025 was 17.7%, an increase of 0.7%, as compared 17.0% for the six months ended June 30, 2024. Gross margin increased primarily due to a large number of home closings featuring redesigned floor plans, which carry higher margins, coupled with lower interest expense as a percentage of revenue within cost of sales, partially offset by higher incentive costs.

Adjusted Gross Profit: Adjusted gross profit for the six months ended June 30, 2025 was \$38.8 million, a decrease of \$4.7 million, or 10.8%, as compared to \$43.5 million for the six months ended June 30, 2024. Adjusted gross margin for the six months ended June 30, 2025 was 20.2%, a decrease of 0.5%, as compared to 20.7% for the six months ended June 30, 2024. Adjusted gross margin declined, primarily due to increased incentive costs, partially offset by home closings with redesigned floor plans in 2025, which generate stronger margins. Adjusted gross profit is a non-GAAP financial measure. For the definition of adjusted gross profit and a reconciliation to UHG's most directly comparable financial measure calculated and presented in accordance with GAAP, see "Non-GAAP Financial Measures."

Selling, General and Administrative Expense: Selling, general and administrative expense for the six months ended June 30, 2025 was \$34.2 million, a decrease of \$2.5 million, or 6.8%, from \$36.7 million for the six months ended June 30, 2024. The decrease in selling, general and administrative expense was primarily attributable to a \$2.3 million decrease in commission expense due to less broker incentives and fewer closings and a \$1.1 million reduction in severance expense related to the June 2024 RIF, partially offset by a decrease in the change in fair value of contingent consideration related to the acquisition of Rosewood Communities, Inc. in 2023 of \$0.9 million.

Other Expense, Net: Total other expense, net for the six months ended June 30, 2025 was \$5.1 million, a decrease of \$0.4 million, or 7.3%, from \$5.5 million for the six months ended June 30, 2024. The decrease was primarily driven by a \$0.9 million reduction in interest expense due to the refinance of the Company's corporate debt, partially offset by a decrease in investment income.

Equity in Net Earnings from Investment in Joint Venture: Equity in net earnings from investment in joint venture for the six months ended June 30, 2025 was \$0.5 million, a decrease of \$0.2 million, from \$0.7 million for the six months ended June 30, 2024.

Change in Fair Value of Derivative Liabilities: Change in fair value of derivative liabilities for the six months ended June 30, 2025 was a gain of \$15.0 million as compared to a gain of \$58.4 million for the six months ended June 30, 2024. Under ASC 815, derivative liabilities are marked to market each reporting period with changes recognized on the Condensed Consolidated Statements of Operations. The overall increase is primarily attributable to changes in the fair value of the earnout shares, which fluctuates each period due to changes in the Company's stock price.

Income Tax Benefit: Income tax benefit for the six months ended June 30, 2025 was \$1.6 million as compared to \$1.0 million for the six months ended June 30, 2024. The Company estimates the effective tax rate expected to be applicable for the full fiscal year and this rate is applied to the results for the year-to-date period, and then adjusted for any discrete period items. The Company's estimated annual effective tax rate for the June 30, 2025 is 33.1% as compared to 15.3% as of June 30, 2024.

Income before taxes: The following table provides a summary of the Company's income (loss) before taxes by reportable segment (in thousands, except percentage change):

	Six Months Ended June 30,		Period over period	
	2025	2024	Change (\$)	Change (%)
GSH South Carolina	\$ 6,840	\$ 13,366	\$ (6,526)	(48.8)%
Rosewood	(547)	19	(566)	(2978.9)%
Other ¹	(146)	(1,871)	1,725	(92.2)%
Segment total	\$ 6,147	\$ 11,514	\$ (5,367)	(46.6)%
Corporate ²	(11,403)	(18,055)	6,652	(36.8)%
Equity in net earnings from investment in joint venture	497	657	(160)	(24.4)%
Change in fair value of derivative liabilities	15,038	58,435	(43,397)	(74.3)%
Consolidated income before taxes	\$ 10,279	\$ 52,551	\$ (42,272)	(80.4)%

¹ Other consists of UHG's homebuilding operations in Raleigh, NC.

² Corporate items included within consolidated income before taxes includes unallocated corporate overhead, stock-based compensation, corporate interest income and expense, and other corporate level items not allocated to the segments.

Income before taxes for the six months ended June 30, 2025 decreased \$42.3 million, or 80.4%, from the six months ended June 30, 2024. The decrease was primarily due to a decrease in change in fair value of derivative liabilities of \$43.4 million and a decrease in gross profit of \$1.6 million, partially offset by a decrease in selling, general, and administrative expense of \$2.5 million.

GSH South Carolina: The \$6.5 million decrease in income before taxes for the six months ended June 30, 2025 compared to the same period in the prior year was primarily due to a decrease in the number of homes closed of 18.2%, which resulted in lower gross profit and higher operating costs as a percentage of revenue coupled with increased interest expense.

Rosewood: The \$0.6 million decrease in pre-tax profitability for the six months ended June 30, 2025 compared to the same period in the prior year was primarily due to a decrease in the change in fair value of contingent consideration related to the acquisition of Rosewood Communities, Inc. in 2023 of \$0.9 million, partially offset by an increase in home closings of 30.1%.

Other: The \$1.7 million decrease in loss before taxes for Raleigh for the six months ended June 30, 2025 compared to the same period in the prior year was primarily due to a decrease in severance expense of \$1.1 million and a decrease in selling, general, and administrative expense of \$0.5 million due to reductions in salaries and wages and advertising and marketing costs, partially offset by increased commissions as a result of increased closings.

Net New Orders: Net new orders for the six months ended June 30, 2025 was 600 units, a decrease of 107 units, or 15.1%, from 707 units for the six months ended June 30, 2024.

Cancellation Rate: The cancellation rate for the six months ended June 30, 2025 was 12.0%, an increase of 0.9%, from 11.1% for the six months ended June 30, 2024.

Non-GAAP Financial Measures

Adjusted Gross Profit

Adjusted gross profit is a non-GAAP financial measure used by management of the Company as a supplemental measure in evaluating operating performance. The Company defines adjusted gross profit as gross profit excluding the effects of capitalized interest expensed in cost of sales, amortization included in homebuilding cost of sales, abandoned project costs, severance expense in cost of sales, and non-recurring remediation costs. The Company's management believes this information is meaningful because it separates the impact that capitalized interest and non-recurring costs directly expensed in cost of sales have on gross profit to provide a more specific measurement of the Company's gross profits. However, because adjusted gross profit information excludes certain balances expensed in cost of sales, which have real economic effects and could impact the Company's results of operations, the utility of adjusted gross profit information as a measure of the Company's operating performance may be limited. Other companies may not calculate adjusted gross profit information in the same manner that the Company does. Accordingly, adjusted gross profit information should be considered only as a supplement to gross profit information as a measure of the Company's performance.

The following table presents a reconciliation of adjusted gross profit to the GAAP financial measure of gross profit for each of the periods indicated (in thousands, except percentages).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue, net of sales discounts	\$ 105,506	\$ 109,420	\$ 192,507	\$ 210,258
Cost of sales	85,587	89,842	158,460	174,586
Gross profit	\$ 19,919	\$ 19,578	\$ 34,047	\$ 35,672
Interest expense in cost of sales	1,632	1,659	3,133	5,172
Amortization in homebuilding cost of sales ^(a)	882	913	1,563	1,861
Abandoned project costs	3	320	58	320
Severance expense in cost of sales	—	325	—	325
Non-recurring remediation costs	—	50	—	109
Adjusted gross profit	\$ 22,436	\$ 22,845	\$ 38,801	\$ 43,459
Gross margin ^(b)	18.9 %	17.9 %	17.7 %	17.0 %
Adjusted gross margin ^(b)	21.3 %	20.9 %	20.2 %	20.7 %

(a) Represents expense recognized resulting from purchase accounting adjustments.

(b) Calculated as a percentage of revenue.

EBITDA and Adjusted EBITDA

Earnings before interest, taxes, depreciation and amortization, or EBITDA, and adjusted EBITDA are supplemental non-GAAP financial measures used by management of the Company. The Company defines EBITDA as net income before (i) capitalized interest expensed in cost of sales, (ii) interest expensed in other (expense) income, net, (iii) depreciation and amortization, and (iv) taxes. The Company defines adjusted EBITDA as EBITDA before stock-based compensation expense, transaction cost expense, amortization included in homebuilding cost of sales, severance expense, abandoned project costs, change in fair value of derivative liabilities, non-recurring remediation costs, and loss on extinguishment of Convertible Notes. Management of the Company believes EBITDA and adjusted EBITDA are useful because they provide a more effective evaluation of UHG's operating performance and allow comparison of UHG's results of operations from period to period without regard to UHG's financing methods or capital structure or other items that impact comparability of financial results from period to period such as fluctuations in interest expense or effective tax rates, levels of depreciation or amortization, or unusual items. EBITDA and adjusted EBITDA should not be considered as alternatives to, or more meaningful than, net income or any other measure as determined in accordance with GAAP. UHG's computations of EBITDA and adjusted EBITDA may not be comparable to EBITDA or adjusted EBITDA of other companies.

The following table presents a reconciliation of EBITDA and adjusted EBITDA to the GAAP financial measure of net income for each of the periods indicated (in thousands, except percentages).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net (loss) income	\$ (6,341)	\$ 28,640	\$ 11,839	\$ 53,578
Interest expense in cost of sales	1,632	1,659	3,133	5,172
Interest expense in other expense, net	2,383	3,578	4,844	5,720
Depreciation and amortization	515	476	1,007	926
Taxes	(251)	218	(1,496)	(903)
EBITDA	\$ (2,062)	\$ 34,571	\$ 19,327	\$ 64,493
Stock-based compensation expense	1,411	1,840	3,368	3,350
Transaction cost expense	707	517	707	1,742
Amortization in homebuilding cost of sales ^(b)	882	913	1,563	1,861
Severance expense	125	1,504	125	1,504
Abandoned project costs	3	320	58	320
Change in fair value of derivative liabilities	6,171	(32,055)	(15,038)	(58,435)
Non-recurring remediation costs	—	50	—	109
Adjusted EBITDA	\$ 7,237	\$ 7,660	\$ 10,110	\$ 14,944
EBITDA margin ^(a)	(2.0)%	31.6 %	10.0 %	30.7 %
Adjusted EBITDA margin ^(a)	6.9 %	7.0 %	5.3 %	7.1 %

(a) Calculated as a percentage of revenue

(b) Represents expense recognized resulting from purchase accounting adjustment

Liquidity and Capital Resources

Overview

UHG funds its operations from its current cash holdings and cash flows generated by operating activities, as well as borrowings under the revolving credit facility (“Syndicated Line”), as further described below. As of June 30, 2025, UHG had approximately \$36.5 million in cash and cash equivalents, an increase of \$13.9 million, from \$22.6 million as of December 31, 2024. As of June 30, 2025 and December 31, 2024, UHG had approximately \$58.7 million and \$96.4 million, respectively, in unused committed capacity, calculated in accordance with the Syndicated Line.

UHG believes that its current cash holdings including cash generated from continuing operations and cash available under the Syndicated Line will be sufficient to satisfy its short term and long term cash requirements for working capital to support its daily operations and meet current commitments under its contractual obligations.

Cash flows used in and generated by UHG’s projects can differ materially in timing from its results of operations, as these depend upon the stage in the life cycle of each project. UHG generally relies upon its syndicated line of credit to fund building costs, and timing of draws is such that UHG may from time to time be in receipt of funds from the Syndicated Line in advance of such funds being utilized. UHG is generally required to make significant cash outlays at the beginning of a project related to lot purchases, permitting, and construction of homes, as well as ongoing property taxes. These costs are capitalized within UHG’s real estate inventory and are not recognized in its operating income until a home sale closes. As a result, UHG incurs significant cash outflows prior to the recognition of associated earnings. In later stages of projects, cash inflows could exceed UHG’s results of operations, as the cash outflows associated with land purchase and home construction and other expenses were previously incurred.

The Company’s strategy is to acquire developed lots through third party and related party land developers and land bank partners pursuant to lot purchase agreements and land banking arrangements. When entering into these contracts, the Company agrees to purchase finished lots at predetermined prices, time frames, and quantities that match expected selling pace in the community. Most lot purchase agreements require the Company to pay a nonrefundable cash deposit of approximately 15% - 20% of the agreed-upon fixed purchase price of the developed lots. As of June 30, 2025, the Company had lot deposits of \$44.9 million related to option contracts with an aggregate remaining purchase price of \$340.9 million. Refer to *Note 2 - Variable interest entities* of the Notes to the Condensed Consolidated Financial Statements and “*Off-Balance Sheet Arrangements*” for additional information.

Capital Resources

Syndicated line of credit

The Syndicated Line provides for an aggregate commitment of up to \$220.0 million, subject to borrowing base limitations, of which the Company had outstanding borrowings of \$64.2 million as of June 30, 2025. The Syndicated Line also includes a \$2.0 million letter of credit sub-facility under the same terms and conditions. The Company had \$58.7 million of availability under the Syndicated Line, based on its borrowing base of \$124.8 million. The borrowing base up to the aggregate commitment generates availability in accordance with the value of the collateral at a given point. The availability under the Syndicated Line, which impacts total liquidity, is reduced by outstanding letters of credit that are not fully cash collateralized. As of June 30, 2025, the Syndicated Line had a weighted average interest rate of 7.61% and will mature on August 2, 2027 except with respect to two non-extending lenders which represent \$73.3 million of the committed amount and will mature August 10, 2026.

The Syndicated Line contains various customary representations, warranties by the Company and covenants that are described in *Note 6 - Debt* of the Notes to the Condensed Consolidated Financial Statements contained in this report. As of June 30, 2025, the Company was in compliance with all covenants set forth in the Syndicated Line.

Term loan

In 2024, the Company entered into a Credit Agreement (the "Credit Agreement") by and among the Company, GSH, Kennedy Lewis Agency Partners, LLC, as administrative agent, and the lenders party thereto (the "Lenders") pursuant to which the Lenders thereunder funded a \$70.0 million subordinated term loan, the proceeds of which were used to redeem the outstanding convertible promissory notes from the Selling Stockholders.

The term loan has an outstanding balance of \$67.3 million as of June 30, 2025, and matures on the earlier of December 11, 2030, the maturity date under the Company's Second Amended and Restated Credit Agreement, or the acceleration of indebtedness under the Syndicated Line. The weighted average interest rate of the loan was 11.59% as of June 30, 2025. Refer to *Note 6 - Debt* of the Notes to the Condensed Consolidated Financial Statements contained in this report for additional information.

The Credit Agreement contains various customary representations, warranties by the Company and covenants that are described in *Note 6 - Debt* of the Notes to the Condensed Consolidated Financial Statements contained in this report. As of June 30, 2025, the Company was in compliance with all covenants set forth in the Credit Agreement.

Leases

The Company leases several office spaces in South Carolina under operating lease agreements with related parties, and one office space in North Carolina with a third party. The office leases have a remaining lease term of up to four years, some of which include options to extend on a month-to-month basis, and some of which include options to terminate the lease. These options are excluded from the calculation of the ROU asset and lease liability until it is reasonably certain that the option will be exercised. As of June 30, 2025, the future minimum lease payments required under these leases totaled \$2.9 million, with \$1.2 million payable within the next twelve months. Further information regarding Company's leases is provided in *Note 9 - Commitments and contingencies* of the Notes to the Condensed Consolidated Financial Statements.

Cash Flows

The following table summarizes UHG's cash flows for the periods indicated (in thousands):

	Six Months Ended June 30,	
	2025	2024
Net cash flows provided by (used in) operating activities	\$ 2,780	\$ (19,143)
Net cash flows used in investing activities	(176)	(12,733)
Net cash flows provided by financing activities	9,937	120

Operating activities

Net cash flows provided by operating activities during the six months ended June 30, 2025 was \$2.8 million, as compared to net cash flows used in operating activities of \$19.1 million for the six months ended June 30, 2024. The difference in cash flows period over period is an increase of \$21.9 million. This change is primarily attributable to an increase in cash provided by accounts payable of \$20.2 million, and an increase in cash provided by net income adjusted

for non-cash transactions of \$2.5 million, partially offset by an increase in cash used in prepaid expenses and other assets of \$1.1 million.

Investing activities

Net cash used in investing activities for the six months ended June 30, 2025 was primarily attributable to purchases of property and equipment of \$0.3 million. Net cash used in investing activities for the six months ended June 30, 2024 was attributable to cash paid to acquire the homebuilding assets of Creekside Custom Homes of \$12.7 million.

Financing activities

Net cash provided by financing activities for the six months ended June 30, 2025 was \$9.9 million compared to \$0.1 million for the six months ended June 30, 2024. The difference in cash flows period over period is \$9.8 million. During the six months ended June 30, 2025 cash flows provided by financing activities was primarily attributable to proceeds from the Syndicated Line of \$41.0 million, partially offset by repayments of the Syndicated Line and land banking arrangements of \$31.0 million. During the six months ended June 30, 2024 cash flows provided by financing activities was primarily attributable to proceeds from the Syndicated Line and land banking arrangements, net of debt issuance costs, of \$56.5 million, partially offset by a repayment of homebuilding debt of \$56.4 million.

Critical Accounting Policies and Estimates

There have been no significant changes to the Company's critical accounting policies and estimates during the six months ended June 30, 2025 as compared to those disclosed in *Management's Discussion and Analysis of Financial Condition and Results of Operations* included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Off-Balance Sheet Arrangements

Land-light acquisition strategy

The Company's land-light strategy is accomplished in two ways - lot option contracts with third party and related party land developers and land bank option contracts. These option contracts grant the right, but not the obligation, to purchase land or lots at a future point in time at predetermined prices from various land developers and land bank partners. The Company has the right to cancel or terminate the option contracts at any time for any reason. The legal obligation and economic loss resulting from a cancellation or termination is limited to the amount of the deposits paid pursuant to such option contracts as well as capitalized pre-acquisition costs such as lot option fees paid to the land bank partner. In certain circumstances, the Company may have a completion obligation under development agreements with land bankers where the Company may be at-risk for certain cost overruns.

UHG's pipeline as of June 30, 2025 consists of approximately 7,300 lots, which includes lots that UHG may acquire from third party lot option contracts or land bank option contracts, in addition to lots that are owned or controlled by related parties, and which UHG expects to obtain the contractual right to acquire. The risk of loss pertaining to the aggregate purchase price of contractual commitments resulting from non-performance under finished lot purchase agreements is limited to approximately \$44.9 million in lot deposits and \$8.5 million of capitalized pre-acquisition costs as of June 30, 2025.

Surety bonds and letters of credit

During the ordinary course of business, the Company enters into surety bonds and letters of credit arrangements with local municipalities, government agencies, and land developers. These arrangements relate to certain performance-related obligations and serve as security for certain land option agreements.

As of June 30, 2025, the Company had outstanding surety bonds and letters of credit totaling \$9.2 million and \$1.3 million, respectively. The Company believes it will fulfill its obligations under the related contracts and does not anticipate any material losses under these surety bonds or letters of credit.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

UHG's operations are interest rate sensitive. As overall housing demand is adversely affected by increases in interest rates, a significant increase in interest rates may negatively affect the ability of homebuyers to secure adequate financing. Higher interest rates could adversely affect UHG's revenues, gross profits and net income.

UHG is subject to market risk on its debt instruments primarily due to fluctuations in interest rates. The Company currently utilizes variable-rate debt. For variable-rate debt, changes in interest rates generally do not impact the fair value

of the debt instrument, but may affect the Company's future earnings and cash flows. UHG has not entered into, nor does it intend to enter into in the future, derivative financial instruments for trading or speculative purposes or to hedge against interest rate fluctuations.

The interest rate on the borrowings under the syndicated line of credit is based upon adjusted daily simple SOFR plus an applicable margin ranging between 275 basis points and 350 basis points, based upon UHG's leverage ratio. In addition, the interest rate on the borrowings under the term loan is based upon adjusted simple SOFR plus an applicable margin ranging between 675 basis points and 775 basis points, based upon UHG's leverage ratio. Therefore, UHG is exposed to market risks related to fluctuations in interest rates on its outstanding debt under the syndicated line of credit and the term loan. As of June 30, 2025, UHG had \$64.2 million and \$67.3 million outstanding under the syndicated line of credit and the term loan, respectively, which carried weighted average interest rates of 7.61% and 11.59%, respectively. A 100 basis point increase in overall interest rates would negatively affect the Company's net income by approximately \$1.3 million.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

UHG's management, including the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures as of June 30, 2025. Based on this evaluation, management has concluded that the Company's disclosure controls and procedures are effective in ensuring that information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934 are recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to *Note 9 - Commitments and contingencies*, incorporated herein by reference, to the Company's Condensed Consolidated Financial Statements included elsewhere in this report.

Item 1A. Risk Factors

Our operations and financial results are subject to various risks and uncertainties, including the factors discussed in Part I, Item 1A, Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2024, which could adversely affect our business, financial conditions and future results. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations. Other than the risk factors set forth below, there have been no material changes from the risk factors discussed in our most recent Form 10-K.

The homebuilding industry is cyclical and affected by changes in general economic, real estate or other conditions that could adversely affect UHG's business or financial results.

The residential homebuilding industry is highly cyclical and can be significantly affected by changes in local and general economic conditions that are outside of UHG's control, including changes in:

- the availability of construction and permanent mortgages;
- the supply of developable land in markets in which UHG operates;
- the supply of building materials and appliances;
- consumer confidence, income and spending generally and the confidence, income and spending of potential homebuyers in particular;
- levels of employment, job and personal income growth, and household debt-to-income levels;
- the availability and costs of financing for homebuyers;
- private and federal mortgage financing programs and federal, state, and local regulation of lending practices related to the purchase of homes;
- short- and long-term interest rates;
- federal and state income tax provisions, including provisions for the deduction of mortgage interest payments;
- real estate taxes;
- inflation;
- the ability of existing homeowners to sell their existing homes at prices that are acceptable to them;
- housing demand from population growth and other demographic changes (including immigration levels and trends in urban and suburban migration);
- the supply of new or existing homes and other housing alternatives to new homes, such as apartments, foreclosed homes, homes held for sale by investors, and other existing residential and rental property;
- inclement weather, natural disasters, other calamities and other environmental conditions that can impact buyer traffic, delay the delivery of UHG's homes, and/or increase its costs;
- demographic trends; and
- U.S. and global financial system and credit markets, including stock market and credit market volatility.

Adverse changes in these general and local economic conditions or a downturn in the broader economy would have a negative impact on UHG's business and financial results. Changes in these economic conditions may affect some of UHG's regions or markets more than others. If adverse conditions affect the larger markets that UHG serves, they could have a disproportionately greater impact on UHG than on other homebuilding companies. In addition, an important segment of UHG's customer base consists of first-time and second-time move-up buyers, who often purchase homes subject to contingencies related to the sale of their existing homes, and therefore will be affected by downturn in the resale market. Further, declines in consumer confidence and spending could negatively impact new home demand. To counter potential decreases in demand, UHG has implemented various sales incentives, primarily in the form of buyer financing incentives such as mortgage rate buy downs, mortgage forward commitments, or cash incentives applied against closing costs. Use of these and other incentives could negatively impact UHG's margins. Further, UHG also competes with the resale, or "previously owned," home market. The difficulties facing these buyers in selling their homes during periods of economic downturn may adversely affect UHG's sales, and moreover, during such periods UHG may need to reduce its sale prices and offer greater incentives to buyers to compete for sales, which may reduce its margins.

In the past, the federal government's fiscal and trade policies and economic stimulus actions have created uncertainty in the financial markets and caused volatility in interest rates, which impacted business and consumer behavior, particularly in the real estate industry. Monetary policy actions affecting interest rates or fiscal policy actions and new legislation related to taxation, spending levels or borrowing limits, along with the related political debates, conflicts and compromises associated with such actions, may negatively impact the financial markets and consumer confidence. Such events could hurt the U.S. economy and the housing market and, in turn, could adversely affect the operating results of UHG's businesses.

Weather conditions and natural disasters, such as hurricanes, tornadoes, floods, earthquakes, and heavy or prolonged precipitation, can harm UHG's business. The occurrence of a weather event can decrease buyer traffic in impacted neighborhoods, particularly if the event or its impacts continue for a sustained period of time, as seen with abnormal snow events in certain of UHG's South Carolina markets in early 2025. Weather conditions and events can also delay UHG's home construction and home closings, adversely affect the cost or availability of materials or labor or damage homes under construction. The climate and geology of the states in which UHG operates have experienced recent natural disasters and present increased risks of adverse weather or natural disasters.

Any of the foregoing adverse changes in general economic, real estate or other conditions may cause potential customers to be less willing or able to buy UHG's homes. In the future, UHG's pricing and product strategies may also be limited by market conditions. UHG may be unable to change the mix of its home offerings, reduce the costs of the homes it builds, offer homes at lower prices or satisfactorily address changing market conditions in other ways without adversely affecting its profits and returns. In addition, cancellations of home sales contracts in backlog may increase if homebuyers do not honor their contracts due to any of the factors discussed above.

Changes in U.S. trade policies and retaliatory responses from other countries may significantly increase the costs or limit supplies of building materials and products used in UHG's homes, and UHG may not be able to raise home prices sufficiently to offset increased costs.

The state of relationships between other countries and the U.S. with respect to trade policies, taxes, government relations and tariffs may impact UHG's business. The federal government has in the past imposed new or increased tariffs or duties on certain imported materials and goods that are used in connection with the construction and delivery of UHG's homes, including steel, aluminum, lumber, and components of appliances and fixtures, raising UHG's costs for these items (or products made with them), and resulting in foreign governments responding by imposing or increasing tariffs, duties and/or trade restrictions on U.S. goods. In early 2025, the current U.S. administration implemented tariffs on many countries and territories, a number of which were subsequently paused in part. It can be difficult to predict whether and to what extent these tariffs may become effective again. Significant tariffs or other restrictions placed on raw materials that UHG uses in its homebuilding operation, such as lumber or steel, could cause the cost of home construction to increase, and UHG may not be able to pass these increased costs along to homebuyers, which could adversely impact the number of homes sold by UHG and UHG's margins. Trading conflicts could also cause disruptions or shortages in UHG's supply chains and/or negatively impact the U.S., regional or local economies, and, individually or in the aggregate, materially and adversely affect UHG's business, margins, and operating results.

The exploration and pursuit of strategic alternatives may not be successful.

On May 19, 2025, UHG announced that the Board of Directors initiated a process to explore strategic alternatives to maximize shareholder value. The Company's exploration of strategic alternatives, including a sale, merger, or similar transaction, may not result in the identification or consummation of any transaction. In addition, the process of exploring strategic alternatives may be disruptive to UHG's operations and employee base, and the Company may incur substantial expenses associated with identifying and evaluating potential strategic alternatives. Any potential transaction and the related valuation would be dependent upon a number of factors that may be beyond the Company's control, including, among other factors, market conditions and industry trends. Further, speculation regarding any developments related to the strategic alternatives process could cause UHG's stock price to fluctuate significantly.

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

- (a) During the quarter ended June 30, 2025, there were no unregistered sales of the Company's securities that were not reported in a Current Report on Form 8-K.
- (b) None.
- (c) None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) None.

(b) None.

(c) None.

Item 6. Exhibits

The exhibits required to be filed with this report are set forth on the Exhibit Index hereto and incorporated by reference herein.

EXHIBIT INDEX

The following exhibits are included in this report on Form 10-Q for the period ended June 30, 2025 (and are numbered in accordance with Item 601 of Regulation S-K).

Exhibit No.	Description
2.1†	Business Combination Agreement, dated September 10, 2022, by and between DiamondHead Holdings Corp., Merger Sub and Great Southern Homes, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form S-4 filed on February 9, 2023).
3.1	Amended and Restated Certificate of Incorporation of United Homes Group, Inc. (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K, filed on April 5, 2023).
3.2	Amended and Restated Bylaws of United Homes Group, Inc. (incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K filed on April 5, 2023).
4.1	Warrant Agreement, dated January 25, 2021, by and between American Stock Transfer & Trust Company and DiamondHead Holdings Corp. (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on January 25, 2021).
10.1*+	Interim CEO Transition Letter, dated May 19, 2025, by and between United Homes Group, Inc. and James M. Pirrello
10.2*+	CEO Promotion Letter, dated May 19, 2025, by and between United Homes Group, Inc. and John G. (Jack) Micenko, Jr.
31.1*	Certification of Principal Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Principal Executive Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed or furnished herewith.

† Certain of the exhibits and schedules to the Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Company agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

+ Management contract or compensatory plan or arrangement required to be filed as an exhibit to this Form 10-Q.

Certain instruments defining rights of holders of long-term debt of the company and its consolidated subsidiaries are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K. Upon request, the company agrees to furnish to the SEC copies of such instruments.

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.

UNITED HOMES GROUP, INC.
(Registrant)

Dated: August 8, 2025

By: /s/ Keith Feldman
Keith Feldman
Chief Financial Officer
(Principal Financial and Accounting Officer)

May 19, 2025

James M. Pirrello
Via E-mail

Re: Resignation as Interim Chief Executive Officer

Dear Jamie:

As you know, United Homes Group, Inc. (the “Company”) has selected a permanent Chief Executive Officer, who will commence serving in that role on May 19, 2025 (the “Effective Date”). The purpose of this letter (the “Letter Agreement”) is to memorialize our recent discussions concerning your resignation as Interim Chief Executive Officer of the Company and your termination of employment with the Company, in each case, effective as of Effective Date, in accordance with the terms and conditions of the employment agreement between you and the Company, dated October 1, 2024 (the “Employment Agreement”), as amended by this Letter Agreement. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Employment Agreement.

1. Resignation. You and the Company hereby agree that, notwithstanding any provision of the Employment Agreement to the contrary, the Term of your Employment Agreement shall terminate, effective as of the Effective Date. In addition, you hereby resign, and the Company hereby accepts your resignation, effective as of the Effective Date, as an employee of the Company, from your position as Interim Chief Executive Officer of the Company and from any other officer positions you may hold with the Company or any of its subsidiaries. You agree to execute any additional documents as promptly as may be reasonably requested by the Company to evidence such resignation of your employment and your officer positions.
2. Continued Board Service. Following the Effective Date, you will continue to serve as a member of the Company’s Board of Directors (the “Board”) and for so long as you continue to serve as a member of the Board thereafter, you will be entitled to receive Board compensation on the same basis as other non-employee members of the Board. For so long as you continue to serve as a member of the Board, the stock option award granted to you as of April 25, 2024 shall remain outstanding in accordance with the terms of the applicable option award agreement (the “Option Award Agreement”).
3. Severance In Lieu of Continued Employment. In consideration for your resignation as an employee and officer of the Company, effective as of the Effective Date, and in lieu of any compensation and benefits you would have otherwise been eligible to receive for the three (3) month period following the Effective Date had the Term continued following the Effective Date as originally contemplated under Section 2.2(b) of your Employment

Agreement, the Company will (a) pay you cash severance in the aggregate amount three (3) months of Base Salary (\$125,000.00), payable in equal installments on each Company payroll date that occurs during the three (3) month period following the Effective Date (the “Severance Period”) and (b) reimburse you for premiums paid by you during the Severance Period for continuation coverage under the Company’s health and welfare plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”), provided you timely elect COBRA coverage and subject to your continued eligibility for COBRA continuation coverage during the Severance Period.

4. Service Recognition Bonus and Release. In addition, in recognition of your outstanding service and dedication to the Company as Interim Chief Executive Officer and subject to your execution of the release of claims attached hereto as Exhibit A (the “Release”) and your non-revocation of the Release during the applicable revocation period, the Company will pay you a cash bonus equal to \$125,000.00 (the “Service Recognition Bonus”), payable in a single lump sum on the first payroll date following lapse of the applicable Release revocation period.
5. Continuing Obligations. You hereby agree that, during the Severance Period, you will continue to be bound by the restrictive covenants set forth in Sections 7.3 and 7.4 of your Employment Agreement on the same basis as if the Term had continued following the Effective Date as originally contemplated under Section 2.2(b) of your Employment Agreement. You and the Company also hereby acknowledge that, following the Effective Date, each of us will continue to be bound by the provisions of the Employment Agreement that survive the end of the Term, as contemplated under Section 10.5 of the Employment Agreement.
6. No Additional Payments; Tax Withholding. You agree and acknowledge that the compensation and benefits provided under this Letter Agreement shall satisfy in full the obligations of the Company and any of its subsidiaries to you and that you are not entitled to receive any other severance or other termination benefits under the Employment Agreement or any Company severance policy, plan or otherwise. All payments will be less applicable federal, state, and local tax and other withholdings.
7. Miscellaneous. This Letter Agreement constitutes an amendment to the terms of the Employment Agreement and the provisions of this Letter Agreement are subject to Section 10 (Miscellaneous) of the Employment Agreement, which section is incorporated herein by reference. In the event there is a conflict between the terms of this Letter Agreement and the Employment Agreement, the terms of this Letter Agreement shall govern. This Letter Agreement, together with your Employment Agreement (as amended hereby) and the Option Award Agreement constitute the entire agreement between the parties. No amendment to this Letter Agreement shall be binding upon either party unless in writing and signed by or on behalf of such party. This Letter Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which taken together will constitute one and the same instrument. The execution of this Letter Agreement may be by actual, portable document format (.pdf) or facsimile signature. Electronic copies of this Agreement shall have the same force and effect as the original.

Please sign below to acknowledge your agreement to the terms of this Letter Agreement.

UNITED HOMES GROUP, INC.

By: /s/ Keith Feldman

Name: Keith Feldman

Title: Chief Financial Officer

ACKNOWLEDGED AND AGREED:

/s/ James M. Pirrello

James M. Pirrello

Date: May 19, 2025

Exhibit A

Release of Claims

As used in this Release of Claims (this “Release”), the term “claims” will include all claims, covenants, warranties, promises, undertakings, actions, suits, causes of action, proceedings, obligations, debts, accounts, attorneys’ fees, judgments, losses, and liabilities, of whatsoever kind or nature, in law, in equity, or otherwise. Capitalized terms used but not defined in this Release will have the meanings given to them in the employment agreement dated October 1, 2024, between United Homes Group, Inc. (the “Company”) and Jamie Pirrello (my “Employment Agreement”) or that letter agreement dated May 19, 2025 between me and the Company (my “Letter Agreement”), as applicable.

For and in consideration of the Service Recognition Bonus, and other good and valuable consideration, I, for and on behalf of myself and my executors, heirs, administrators, representatives, and assigns, hereby agree to release and forever discharge the Company and each of its direct and indirect subsidiaries, and all of their respective predecessors, successors, and past, current, and future parent entities, affiliates, subsidiary entities, investors, directors, shareholders, members, officers, general or limited partners, employees, attorneys, agents, and representatives, and the employee benefit plans in which I am or have been a participant by virtue of my employment with or service to the Company (collectively, the “Company Releasees”), from any and all claims that I have or may have had against the Company Releasees based on any events or circumstances arising or occurring on or prior to the date hereof and arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever my employment by or service to the Company or the termination thereof (“Claims”), including without limitation any and all claims arising under federal, state, or local laws relating to employment, including without limitation claims of wrongful discharge, breach of express or implied contract, fraud, misrepresentation, defamation, intentional infliction of emotional distress, whistleblowing, or liability in tort, and claims of any kind that may be brought in any court or administrative agency, and any related claims for attorneys’ fees and costs, including, without limitation, claims under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000, et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; the Civil Rights Act of 1866, and the Civil Rights Act of 1991; 42 U.S.C. Section 1981, et seq.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. Section 621, et seq. (the “ADEA”); the Equal Pay Act, as amended, 29 U.S.C. Section 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; and any similar state or local law. I agree further that this Release may be pleaded as a full defense to any action, suit, arbitration, or other proceeding covered by the terms hereof that is or may be initiated, prosecuted, or maintained by me or my descendants, dependents, heirs, executors, administrators, or assigns. By signing this Release, I acknowledge that I intend to waive and release all rights known or unknown Claims that I may have against the Company Releasees under these and any other laws.

I acknowledge and agree that as of the date I execute this Release, I have no knowledge of any facts or circumstances that give rise or could give rise to any claims under any of the laws

listed in the preceding paragraph and that I have not filed any claim against any of the Company Releasees before any local, state, federal, or foreign agency, court, arbitrator, mediator, arbitration or mediation panel, or other body (each individually a “Proceeding”). I (i) acknowledge that I will not initiate or cause to be initiated on my behalf any Proceeding and will not participate in any Proceeding, in each case, except as required by law; and (ii) waive any right that I may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding, including any Proceeding conducted by the Equal Employment Opportunity Commission (“EEOC”). Further, I understand that, by executing this Release, I will be limiting the availability of certain remedies that I may have against the Company and limiting also my ability to pursue certain claims against the Company Releasees.

By executing this Release, I specifically release all claims relating to my employment and its termination under ADEA, a federal statute that, among other things, prohibits discrimination on the basis of age in employment and employee benefit plans.

Notwithstanding the generality of the foregoing, I do not release (i) claims to receive the cash severance benefits, COBRA reimbursement payments and Service Recognition Bonus, in each case, in accordance with the terms of the Letter Agreement or (ii) claims that cannot be waived by law. Further, nothing in this Release shall prevent me from (i) initiating or causing to be initiated on my behalf any claim against the Company before any local, state, or federal agency, court, or other body challenging the validity of the waiver of my claims under the ADEA (but no other portion of this Release); or (ii) initiating or participating in an investigation or proceeding conducted by the EEOC.

I acknowledge that I have been given at least 21 days in which to consider this Release. I acknowledge further that the Company has advised me to consult with an attorney of my choice before signing this Release, and I have had sufficient time to consider the terms of this Release. I represent and acknowledge that if I execute this Release before 21 days have elapsed, I do so knowingly, voluntarily, and upon the advice and with the approval of my legal counsel (if any), and that I voluntarily waive any remaining consideration period.

I understand that after executing this Release, I have the right to revoke it within seven days after its execution. I understand that this Release will not become effective and enforceable unless the seven-day revocation period passes and I do not revoke the Release in writing. I understand that this Release may not be revoked after the seven-day revocation period has passed. I understand also that any revocation of this Release must be made in writing and delivered to the Company at its principal place of business within the seven-day period.

This Release will become effective, irrevocable, and binding on the eighth day after its execution, so long as I have not timely revoked it as set forth above. I understand and acknowledge that I will not be entitled to the Service Recognition Bonus unless this Release is effective on or before the date that is the first payroll date of the Company that occurs after the 30th day following the date of my termination of employment.

The provisions of this Release will be binding upon my heirs, executors, administrators, legal representatives, and assigns. If any provision of this Release will be held by any court of

competent jurisdiction to be illegal, void, or unenforceable, such provision will be of no force or effect. The illegality or unenforceability of such provision, however, will have no effect upon and will not impair the enforceability of any other provision of this Release.

This Release will be governed in accordance with the laws of the State of South Carolina, without reference to the principles of conflicts of law. I AGREE THAT I SHALL BRING ANY ACTION OR PROCEEDING IN RESPECT OF ANY CLAIM ARISING OUT OF OR RELATED TO THIS RELEASE OR THE TRANSACTIONS CONTAINED IN OR CONTEMPLATED BY THIS RELEASE, WHETHER IN TORT OR CONTRACT OR AT LAW OR IN EQUITY, EXCLUSIVELY IN A UNITED STATES DISTRICT COURT IN THE STATE OF SOUTH CAROLINA AND THE STATE COURTS LOCATED IN THE STATE OF SOUTH CAROLINA (ANY SUCH COURT, THE "CHOSEN COURT") AND (I) IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE CHOSEN COURTS, (II) WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW ANY OBJECTION TO LAYING VENUE IN ANY SUCH ACTION OR PROCEEDING IN THE CHOSEN COURTS, (III) WAIVE ANY OBJECTION THAT ANY CHOSEN COURT IS AN INCONVENIENT FORUM OR DOES NOT HAVE JURISDICTION OVER ANY PARTY HERETO, (IV) IRREVOCABLY WAIVE ANY AND ALL RIGHT TO A JURY TRIAL AND (V) AGREE THAT SERVICE OF PROCESS UPON SUCH PARTY IN ANY SUCH ACTION OR PROCEEDING SHALL BE EFFECTIVE IF NOTICE IS GIVEN IN ACCORDANCE WITH SECTION 10.9 OF THE EMPLOYMENT AGREEMENT (NOTICES).

/s/ James M. Pirrello
JAMES M. PIRRELLO

5/19/2025
Date

May 19, 2025

John G. (Jack) Micenko, Jr.
Via E-mail

Re: Appointment as Chief Executive Officer

Dear Jack:

The purpose of this letter (the "Letter Agreement") is to memorialize our recent discussions in respect of your promotion to the position of Chief Executive Officer of United Homes Group, Inc. (the "Company"), effective as of May 19, 2025 (the "Effective Date"). Capitalized terms used but not otherwise defined in this Letter Agreement shall have the meaning ascribed to such terms in the employment agreement between you and the Company, dated July 17, 2023 (the "Employment Agreement").

1. **Appointment as Chief Executive Officer; Reporting; Work Location and Responsibilities.** You hereby agree that, effective as of the Effective Date and notwithstanding anything to the contrary under the Employment Agreement, you will commence serving as Chief Executive Officer of the Company and you will continue serving as President of the Company, reporting to the Company's Board of Directors (the "Board"). Following the Effective Date, your principal place of employment will continue to be Miami, Florida, and you agree and acknowledge that you will be required to travel from time to time in the course of performing your duties for the Company. As Chief Executive Officer and President of the Company, you will: (i) devote all of your business time and attention to the performance of your duties for the Company; (ii) perform and have the duties and responsibilities commensurate with your positions as the Company's Chief Executive Officer and President and such other duties and responsibilities as assigned by the Board; (iii) carry out your duties in a diligent, competent, faithful and professional manner; and (iv) generally promote the interests of the Company.
2. **Amendment to Employment Agreement.** This Letter Agreement constitutes an amendment to the terms of the Employment Agreement, which is incorporated herein by reference. Except as modified above, the Employment Agreement and all of its terms and conditions (including terms related to compensation benefits and other obligations of you and the Company) remains in full force and effect. No amendment to this Letter Agreement shall be binding upon either party unless in writing and signed by or on behalf of such party. This Letter Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which taken together will constitute one and the same instrument. The execution of this Letter Agreement may be by actual, portable document format (.pdf) or facsimile signature. Electronic copies of this Agreement shall have the same force and effect as the original.

IN WITNESS WHEREOF, the undersigned have executed this Letter Agreement as of the date set forth above.

UNITED HOMES GROUP, INC.

By: /s/ Keith Feldman
Name: Keith Feldman
Title: Chief Financial Officer

EXECUTIVE

/s/ John G. (Jack) Micenko, Jr.
John G. (Jack) Micenko, Jr.

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

I, John G. (Jack) Micenko, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of United Homes Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; 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 8, 2025

By: /s/ John G. (Jack) Micenko, Jr.
John G. (Jack) Micenko, Jr.
Chief Executive Officer and President
(Principal Executive Officer)

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

I, Keith Feldman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of United Homes Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; 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 8, 2025

By: /s/ Keith Feldman
Keith Feldman
Chief Financial Officer
(Principal Financial and Accounting Officer)

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

In connection with this Quarterly Report on Form 10-Q of United Homes Group, Inc. for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission (the "Report"), I, John G. (Jack) Micenko, Jr., Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

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 as of and for the period covered by the Report.

Date: August 8, 2025

By: /s/ John G. (Jack) Micenko, Jr.
John G. (Jack) Micenko, Jr.
Chief Executive Officer and President
(Principal Executive Officer)

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

In connection with this Quarterly Report on Form 10-Q of United Homes Group, Inc. for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission (the "Report"), I, Keith Feldman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

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 as of and for the period covered by the Report.

Date: August 8, 2025

By: /s/ Keith Feldman
Keith Feldman
Chief Financial Officer
(Principal Financial and Accounting Officer)