
**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 September 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 November 4, 2025, 21,839,762 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)

	September 30, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	\$ 25,649	\$ 22,629
Restricted cash	1,456	2,920
Accounts receivable, net	6,116	4,122
Inventories	174,616	139,270
Real estate inventory not owned	1,267	8,445
Due from related party	192	191
Related party note receivable	469	532
Income tax receivable	4,963	2,079
Lot deposits	41,938	48,153
Investment in joint venture	401	691
Property and equipment, net	1,641	759
Operating right-of-use assets	2,053	2,779
Deferred tax asset, net	15,319	15,248
Prepaid expenses and other assets	7,754	8,283
Goodwill	9,280	9,280
Total assets	\$ 293,114	\$ 265,381
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 21,912	\$ 17,801
Syndicated line of credit	79,696	50,196
Liabilities from real estate inventory not owned	938	6,584
Due to related parties	80	122
Other accrued expenses and liabilities	16,811	14,545
Operating lease liabilities	2,195	2,958
Derivative liabilities	51,217	39,158
Term loan, net	67,356	67,150
Total liabilities	240,205	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; 21,839,762 and 21,607,007 shares issued and outstanding on September 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 September 30, 2025, and December 31, 2024, respectively	4	4
Additional paid-in capital	59,435	53,937
(Accumulated deficit) retained earnings	(6,532)	12,924
Total stockholders' equity	52,909	66,867
Total liabilities and stockholders' equity	\$ 293,114	\$ 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue, net of sales discounts	\$ 90,794	\$ 118,644	\$ 283,301	\$ 328,902
Cost of sales	74,746	96,261	233,206	270,847
Gross profit	16,048	22,383	50,095	58,055
Selling, general and administrative expense	17,573	18,690	51,749	55,358
Net (loss) income from operations	(1,525)	3,693	(1,654)	2,697
Other expense, net	(2,182)	(3,710)	(7,309)	(9,255)
Equity in net earnings from investment in joint venture	218	419	715	1,076
Change in fair value of derivative liabilities	(27,208)	(7,785)	(12,170)	50,650
(Loss) income before taxes	(30,697)	(7,383)	(20,418)	45,168
Income tax expense (benefit)	598	(44)	(962)	(1,071)
Net (loss) income	\$ (31,295)	\$ (7,339)	\$ (19,456)	\$ 46,239
(Loss) earnings per share				
Basic	\$ (0.53)	\$ (0.15)	\$ (0.33)	\$ 0.96
Diluted	\$ (0.53)	\$ (0.15)	\$ (0.33)	\$ 0.86
Weighted-average number of shares				
Basic	58,798,898	48,389,085	58,666,243	48,375,213
Diluted	58,798,898	48,389,085	58,666,243	63,406,166

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 (accumulated deficit)	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	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
Taxes related to net share settlement of restricted stock units	—	—	—	—	(5)	—	(5)
Recognition of derivative liability	—	—	—	—	(4)	—	(4)
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
Taxes related to net share settlement of restricted stock units	—	—	—	—	(25)	—	(25)
Exercise of employee stock options	44,256	—	—	—	129	—	129
Issuance of shares	165,594	—	—	—	423	—	423
Derecognition of derivative liability	1,400	—	—	—	2	—	2
Stock-based compensation expense	—	—	—	—	1,513	—	1,513
Net loss	—	—	—	—	—	(31,295)	(31,295)
Balance as of September 30, 2025	21,839,762	\$ 2	36,973,876	\$ 4	\$ 59,435	\$ (6,532)	\$ 52,909

	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	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	5,567	—	—	—	—	—	—
Derecognition of derivative liability	—	—	—	—	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
Taxes related to net share settlement of restricted stock units	—	—	—	—	(28)	—	(28)
Exercise of employee stock options	18,486	—	—	—	52	—	52
Issuance of shares	9,794	—	—	—	—	—	—
Derecognition of derivative liability	—	—	—	—	3	—	3
Recognition of derivative liability	—	—	—	—	(212)	—	(212)
Stock-based compensation expense	—	—	—	—	1,568	—	1,568
Net loss	—	—	—	—	—	(7,339)	(7,339)
Balance as of September 30, 2024	11,434,050	\$ 1	36,973,876	\$ 4	\$ 7,527	\$ 12,257	\$ 19,789

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)

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net (loss) income	\$ (19,456)	\$ 46,239
Adjustments to reconcile net income to net cash flows from operating activities:		
Credit loss	110	46
Investment earnings in joint venture	(715)	(1,076)
Depreciation expense	292	150
Loss on disposal of property and equipment	43	20
Loss on extinguishment of debt	—	104
Gain on lease modification	—	(197)
Amortization of intangible assets	305	289
Amortization of deferred financing costs	1,132	1,062
Amortization of discount on Convertible Notes	—	1,542
Amortization of discount on private investor debt	—	60
Amortization of discount on term loan	251	—
Stock-based compensation expense	5,304	4,918
Amortization of operating lease right-of-use assets	913	1,009
Provision for deferred income taxes	(71)	(3,154)
Change in fair value of contingent earnout liability	1,129	(50,864)
Change in fair value of warrant liabilities	11,041	345
Change in fair value of equity incentive plan	—	(131)
Change in fair value of contingent consideration	2	(828)
Distribution from joint venture	1,000	—
Net change in operating assets and liabilities:		
Accounts receivable	(2,036)	(1,298)
Due from related party	(1)	88
Inventories	(28,168)	17,816
Lot deposits	6,215	(9,677)
Prepaid expenses and other assets	(706)	(239)
Accounts payable	4,111	(18,132)
Operating lease liabilities	(950)	(774)
Income tax receivable	(2,947)	(3,550)
Due to related parties	(42)	167
Other accrued expenses and liabilities	2,264	4,105
Net cash flows used in operating activities	(20,980)	(11,960)
Cash flows from investing activities:		
Purchases of property and equipment	(1,268)	(32)
Proceeds from the sale of property and equipment	51	—
Proceeds from related party note receivable	63	59
Payments on business acquisition	—	(12,743)
Net cash flows used in investing activities	(1,154)	(12,716)
Cash flows from financing activities:		
Proceeds from syndicated line of credit	71,000	57,000

Repayments of syndicated line of credit	(41,500)	(65,957)
Proceeds from sale of real estate inventory not owned	—	18,050
Repayments of liabilities from real estate inventory not owned	(5,725)	(9,276)
Repayments on private investor loans	—	(4,012)
Payment of deferred financing costs	(168)	(2,045)
Taxes related to net share settlement of restricted stock units	(46)	—
Proceeds from exercise of employee stock options	129	62
Net cash flows provided by (used in) financing activities	23,690	(6,178)
Net change in cash, cash equivalents, and restricted cash	1,556	(30,854)
Cash, cash equivalents, and restricted cash, beginning of year	25,549	56,672
Cash, cash equivalents, and restricted cash, end of year	\$ 27,105	\$ 25,818
Supplemental cash flow information:		
Cash paid for interest	\$ 11,444	\$ 16,174
Cash paid for income taxes	\$ 2,055	\$ 5,633
Supplemental disclosures of non-cash activities:		
Derecognition of derivative liability related to equity incentive plan	115	8
Modification of existing lease	77	2,212
Termination of existing lease	67	95
Recognition of derivative liability related to equity incentive plan	4	211
Noncash exercise of employee stock options	—	3
Taxes related to net share settlement of performance stock units	—	19
Taxes related to net share settlement of restricted stock units	—	28
Total non-cash activities	\$ 263	\$ 2,576

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 September 30, 2025 and for the three and nine months ended September 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 nine months ended September 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. The amounts presented in millions within the Notes to the Condensed Consolidated Financial Statements are computed based on the amounts in thousands, and therefore, the sum of the components may not equal the total amount presented in millions due to rounding. 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 nine months ended September 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 September 30, 2025 and 2024, revenue recognized at a point in time from speculative home closings totaled \$90.6 million and \$118.1 million, respectively, and revenue recognized over time from construction activities on land owned by customers totaled \$0.2 million and \$0.5 million, respectively. For the nine months ended September 30, 2025 and 2024, revenue recognized at a point in time from speculative homes totaled \$282.6 million and \$327.1 million, respectively, and for the nine months ended September 30, 2025 and 2024, revenue recognized over time from land owned by customers totaled \$0.7 million and \$1.8 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 September 30, 2025 and 2024, the Company incurred \$0.9 million and \$0.7 million, respectively, in advertising and marketing costs. For both the nine months ended September 30, 2025 and 2024, the Company incurred \$2.3 million in advertising and marketing costs.

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 September 30, 2025, the Company had lot deposits of \$41.9 million related to option contracts with an aggregate remaining purchase price of \$320.5 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 nine months ended September 30, 2025. For the three and nine months ended September 30, 2024, the Company incurred less than \$0.1 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 Condensed 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 Condensed 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 that was not financed by the land banker, which was \$0.3 million and \$1.9 million as of September 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 September 30, 2025 and December 31, 2024, the Company recognized a net 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 September 30, 2025					
	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals
Segment revenue, net ⁽¹⁾	\$ 79,472	\$ 8,448	\$ 2,874	\$ —	\$ 90,794
Cost of sales	64,737	7,251	2,561	197	74,746
Segment gross profit (loss)	14,735	1,197	313	(197)	16,048
Selling, general and administrative expense	11,006	770	450	5,347	17,573
Other expense (income), net ⁽²⁾	2,006	204	54	(82)	2,182
Total segment income (loss) before taxes	\$ 1,723	\$ 223	\$ (191)	\$ (5,462)	\$ (3,707)
<i>Reconciling items:</i>					
Reconciling items from equity method investments					218
Change in fair value of derivative liabilities					(27,208)
Consolidated loss before taxes				\$	(30,697)

Three Months Ended September 30, 2024					
	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals
Segment revenue, net ⁽¹⁾	\$ 108,950	\$ 5,701	\$ 3,993	\$ —	\$ 118,644
Cost of sales	86,682	5,218	3,735	626	96,261
Segment gross profit (loss)	22,268	483	258	(626)	22,383
Selling, general and administrative expense	12,162	676	645	5,207	18,690
Other expense, net ⁽²⁾	1,102	282	144	2,182	3,710
Total segment income (loss) before taxes	\$ 9,004	\$ (475)	\$ (531)	\$ (8,015)	\$ (17)
<i>Reconciling items:</i>					
Reconciling items from equity method investments					419
Change in fair value of derivative liabilities					(7,785)
Consolidated loss before taxes				\$	(7,383)

Nine Months Ended September 30, 2025

	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals
Segment revenue, net ⁽¹⁾	\$ 242,429	\$ 26,907	\$ 13,965	\$ —	\$ 283,301
Cost of sales	195,272	23,855	12,506	1,573	233,206
Segment gross profit (loss)	47,157	3,052	1,459	(1,573)	50,095
Selling, general and administrative expense	32,208	2,474	1,514	15,553	51,749
Other expense (income), net ⁽²⁾	6,386	902	282	(261)	7,309
Total segment income (loss) before taxes	\$ 8,563	\$ (324)	\$ (337)	\$ (16,865)	\$ (8,963)
<i>Reconciling items:</i>					
Reconciling items from equity method investments					715
Change in fair value of derivative liabilities					(12,170)
Consolidated loss before taxes				\$	(20,418)

Nine Months Ended September 30, 2024

	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals
Segment revenue, net ⁽¹⁾	\$ 296,915	\$ 19,890	\$ 12,097	\$ —	\$ 328,902
Cost of sales	237,381	18,604	11,005	3,857	270,847
Segment gross profit (loss)	59,534	1,286	1,092	(3,857)	58,055
Severance expense	92	—	1,088	—	1,180
Selling, general and administrative expense	34,920	1,118	2,198	15,942	54,178
Other expense, net ⁽²⁾	2,152	624	208	6,271	9,255
Total segment income (loss) before taxes	\$ 22,370	\$ (456)	\$ (2,402)	\$ (26,070)	\$ (6,558)
<i>Reconciling items:</i>					
Reconciling items from equity method investments					1,076
Change in fair value of derivative liabilities					50,650
Consolidated income before taxes				\$	45,168

As of September 30, 2025

	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals
Goodwill	\$ 3,573	\$ 5,207	\$ 500	\$ —	\$ 9,280
Investment in joint venture	—	—	—	401	401
Other assets	205,088	23,950	11,794	42,601	283,433
Total segment assets	\$ 208,661	\$ 29,157	\$ 12,294	\$ 43,002	\$ 293,114

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 September 30, 2025					
<i>Other segment disclosures</i>	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals
Equity in net earnings from investment in joint venture	\$ —	\$ —	\$ —	\$ 218	\$ 218
Depreciation and amortization	566	68	4	5	643
Interest expense ⁽⁴⁾	2,754	317	98	196	3,365

Three Months Ended September 30, 2024					
<i>Other segment disclosures</i>	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals
Equity in net earnings from investment in joint venture	\$ —	\$ —	\$ —	\$ 419	\$ 419
Depreciation and amortization	448	67	3	5	523
Interest expense ⁽⁴⁾	1,735	329	208	2,903	5,175

Nine Months Ended September 30, 2025					
<i>Other segment disclosures</i>	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals
Equity in net earnings from investment in joint venture	\$ —	\$ —	\$ —	\$ 715	\$ 715
Depreciation and amortization	1,434	191	10	15	1,650
Interest expense ⁽⁴⁾	8,249	1,055	467	1,571	11,342

Nine Months Ended September 30, 2024					
<i>Other segment disclosures</i>	GSH South Carolina	Rosewood	Other	Corporate ⁽³⁾	Totals
Equity in net earnings from investment in joint venture	\$ —	\$ —	\$ —	\$ 1,076	\$ 1,076
Depreciation and amortization	1,225	200	9	15	1,449
Interest expense ⁽⁴⁾	4,461	633	400	10,573	16,067

- (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 expense (income), 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, operating lease right-of-use assets, and other corporate level items.
- (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 are 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 September 30, 2025			
	Level 1	Level 2	Level 3	Total
Contingent earnout liability	\$ —	\$ —	\$ 29,342	\$ 29,342
Derivative private placement warrant liability	—	—	5,755	5,755
Derivative public warrant liability	15,956	—	—	15,956
Derivative stock option liability	—	—	164	164
Total derivative liability	15,956	—	35,261	51,217
Contingent consideration	—	—	837	837
Total fair value	\$ 15,956	\$ —	\$ 36,098	\$ 52,054

	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 nine month period ended September 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
Exercise of liability awards	—	—	(2)	—
Change in fair value	15,047	3,115	76	(44)
Liability at September 30, 2025	\$ 29,342	\$ 5,755	\$ 164	\$ 837

Note 5 - Inventories

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

	September 30, 2025	December 31, 2024
Pre-acquisition land costs	\$ 9,412	\$ 4,737
Developed lots	29,688	15,491
Homes under construction	57,934	43,982
Finished homes	77,582	75,060
Total inventories	\$ 174,616	\$ 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Capitalized interest at beginning of the period:	\$ 2,003	\$ 2,776	\$ 3,149	\$ 3,026
Interest incurred	3,632	5,677	10,463	16,319
Interest expensed:				
Included in cost of sales	(1,159)	(1,525)	(4,292)	(6,697)
Directly to interest expense	(2,206)	(3,650)	(7,050)	(9,370)
Capitalized interest at end of the period:	\$ 2,270	\$ 3,278	\$ 2,270	\$ 3,278

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):

	September 30, 2025	
	Weighted average interest rate	Outstanding Balance
<i>Syndicated line of credit</i>		
Wells Fargo Bank	7.58 %	\$ 21,584
Regions Bank	7.58 %	18,264
Flagstar Bank	7.58 %	16,603
United Bank	7.58 %	13,283
Third Coast Bank	7.58 %	9,962
Total Syndicated line of credit		\$ 79,696
Term loan, net	11.59 %	\$ 67,356
	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. On September 29, 2025 (the "Fourth Amendment Effective Date"), the Company entered into the Fourth Amendment to the Syndicated Line ("Fourth Amendment") which amended certain financial covenants for the period beginning on the Fourth Amendment Effective Date and continuing until the Specified Covenant Termination Date, defined as January 1, 2026, provided that if the debt service coverage ratio is greater than or equal to 2.00 to 1.00 as of the last day of any fiscal quarter from the Fourth Amendment Effective Date through and including December 31, 2025, then the Specified Covenant Termination Date is one day prior to the last day of such fiscal quarter. No other significant terms of the arrangements were changed as a result of these amendments. 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 September 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 \$57.5 million as of September 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) \$71.0 million or, for the period beginning on the Fourth Amendment Effective Date through the Specified Covenant Termination Date, \$76 million, plus (ii) 25% of positive actual consolidated earnings earned beginning with the quarter ended September 30, 2025, plus (iii) 100% of new equity contributed to the Company, plus (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 plus (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 1.35 to 1.00 for the fiscal quarter ending September 30, 2025 and 1.50 to 1.00 for the fiscal quarter ending December 31, 2025, and a minimum of 2.00 to 1.00 thereafter, beginning with the quarter in which the Company reports a ratio of at least 2.00, but in no event later than the Specified Covenant Termination Date; (d) a minimum liquidity amount beginning on the Fourth Amendment Effective Date through the Specified Covenant Termination Date of not less than \$45.0 million and unrestricted cash of not less than \$17.5 million, or \$37.5 million and unrestricted cash of not less than \$15.0 million, beginning with the quarter in which the Company reports a ratio of at least 2.00, but in no event later than the Specified Covenant Termination Date. The Company was in compliance with all debt covenants as of September 30, 2025 and December 31, 2024.

The Company recognized \$0.4 million and \$0.4 million of amortized deferred financing costs within Other expense, net for the three months ended September 30, 2025 and 2024, respectively. For the nine months ended September 30, 2025 and 2024, the Company recognized \$1.1 million and \$1.0 million, respectively. The Company capitalized an additional \$0.1 million of deferred financing costs in connection with the Fourth Amendment, which are being amortized over the remaining term of the Syndicated Line. Outstanding deferred financing costs related to the Company’s Syndicated line of credit were \$2.5 million and \$3.5 million as of September 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 September 30, 2025, the term loan under the Credit Agreement is classified as a SOFR Loan. The effective interest rate of the Credit Agreement is 12.40%.

On September 29, 2025 (the “KL First Amendment Effective Date”), the Company entered into the First Amendment to Credit Agreement (the “KL First Amendment”), amending the Credit Agreement. The KL First Amendment modified certain financial covenants and clarified language related to the Applicable Premium and Make-

Whole Premium that may be payable in certain instances outlined in the Credit Agreement. Except for these updates, no material changes were made to the Credit Agreement.

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 through December 31, 2025 and (y) thereafter 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 December 31, 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 under the Credit Agreement are guaranteed by UHG and secured by a security interest in UHG's 100% ownership and economic interest of GSH. The Company was in compliance with all debt covenants as of September 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 September 30, 2025 and December 31, 2024, \$5.0 million and \$6.8 million, respectively, are with related parties.

Leases

The Company has three 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 nine months ended September 30, 2025. During the three and nine months ended September 30, 2024, the Company allocated overhead costs to the related party in the amounts of \$0.2 million and \$0.4 million, respectively. The balance outstanding as of September 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. For the three and nine months ended September 30, 2025, the Company was charged zero and \$0.1 million, respectively, for property maintenance, consulting, and land development management services. For the three and nine months ended September 30, 2024, the Company was charged \$0.3 million and \$0.6 million, respectively, by the same related party. The balance outstanding as of September 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 nine months ended September 30, 2025. For the three and nine months ended September 30, 2024, Revenue of \$0.1 million and \$0.6 million, respectively, and Cost of sales of \$0.1 million and \$0.5 million, respectively, were recognized in the Condensed Consolidated Statements of Operations.

Other

On July 1, 2025, the Company issued 156,215 shares of Class A common stock to a related party and former executive officer in accordance with his separation agreement with the Company. For both the three and nine months ended September 30, 2025, expenses of \$0.4 million were recognized in the Condensed Consolidated Statements of Operations.

The Company utilizes a related party vendor to perform certain civil engineering services. For the three and nine months ended September 30, 2025, the Company capitalized \$0.1 million and \$0.2 million, respectively, to Inventories on the Condensed Consolidated Balance Sheets. For the three and nine months ended September 30, 2024, the Company capitalized \$0.1 million and \$0.1 million, respectively. The remaining balance outstanding as of September 30, 2025 and December 31, 2024 was zero and a payable of \$0.1 million, respectively, and is presented within Due to related party, net on the Condensed Consolidated Balance Sheets.

The Company utilizes a related party vendor to perform certain site contracting services. For the three and nine months ended September 30, 2025, the Company capitalized \$0.1 million and \$0.1 million, respectively, to Inventories on the Condensed Consolidated Balance Sheets. The remaining balance outstanding as of September 30, 2025 and December 31, 2024 was a payable of \$0.1 million and zero, respectively, and is presented within Due to related party on the Condensed Consolidated Balance Sheets.

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

During the three and nine months ended September 30, 2024, the Company recognized Revenue of \$0.6 million within the Condensed Consolidated Statement of Operations related to speculative homes purchased by related parties.

During the three and nine months ended September 30, 2024, the Company paid certain land closing costs on behalf of a related party to transfer the land to one of the Company's land banking partners. As of September 30, 2024 the Company capitalized \$0.2 million of closing costs within Inventories on the Condensed Consolidated Balance Sheets related to this transaction.

During the three and nine months ended September 30, 2024, the Company utilized a related party vendor to perform certain consulting services. For the three and nine months ended September 30, 2024, expenses of less than \$0.1 million and \$0.1 million, respectively, were recognized in the Condensed Consolidated Statement of Operations.

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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Warranty reserves at beginning of the period	\$ 2,073	\$ 1,426	\$ 1,866	\$ 1,302
Reserves provided	238	311	738	869
Payments for warranty costs	(352)	(173)	(645)	(607)
Warranty reserves at end of the period	<u>\$ 1,959</u>	<u>\$ 1,564</u>	<u>\$ 1,959</u>	<u>\$ 1,564</u>

Note 9 - Commitments and contingenciesLeases

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 terms 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 \$0.2 million within Selling,

general, and administrative expense on the Condensed Consolidated Statements of Operations for the three months ended September 30, 2025 and 2024, respectively, which includes operating lease expense of \$0.2 million and \$0.2 million for the three months ended September 30, 2025 and 2024, respectively, associated with related party leases. For the nine months ended September 30, 2025 and 2024, the Company recognized an operating lease expense of \$0.9 million and \$1.0 million, which includes operating lease expense of \$0.6 million and \$0.9 million associated with related party leases.

Variable lease expense included within operating lease expense was de minimis for the three and nine months ended September 30, 2025 and 2024. The weighted-average discount rate for the operating leases was 9.28% and 9.41% during the nine months ended September 30, 2025 and 2024, respectively. The weighted-average remaining lease term was 2.63 years and 3.74 years for the nine months ended September 30, 2025 and 2024, respectively.

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

	Lease payment
2025	\$ 307
2026	949
2027	696
2028	522
Total undiscounted operating lease liabilities	\$ 2,474
Interest on operating lease liabilities	(279)
Total present value of operating lease liabilities	\$ 2,195

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 are not included in the recognized operating ROU assets and operating lease liabilities. 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 September 30, 2025 and September 30, 2024 was de minimis. For the nine months ended September 30, 2025 and 2024, rent expense related to the short-term leases was \$0.2 million and \$0.1 million, respectively. Short term lease expense associated with related party leases was de minimis for the three months ended September 30, 2025 and 2024, and \$0.1 million for both the nine months ended September 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 September 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.

Rosewood proceedings

Rosewood was 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 September 30, 2025, the Company and the plaintiffs reached a settlement that has been paid in full, and the case has been dismissed with prejudice. As a result, the Company recognized a loss of \$0.2 million within Other expense, net on the Condensed Consolidated Statements of Operations.

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 September 30, 2025 and December 31, 2024.

Interest expense previously capitalized and included within Cost of sales on the Condensed Consolidated Statements of Operations was \$0.2 million and \$1.6 million for the Convertible Notes for the three and nine months ended September 30, 2025, respectively.

Interest expense included within Other expense, net on the Condensed Consolidated Statements of Operations was \$2.3 million and \$6.7 million for the Convertible Notes for the three and nine months ended September 30, 2024, respectively. Interest expense included within Cost of sales on the Condensed Consolidated Statements of Operations was \$0.7 million and \$3.9 million for the Convertible Notes for the three and nine months ended September 30, 2024, respectively.

Note 11 - Stock-based compensation

Stock 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	(44,256)	2.81
Forfeited	(905,821)	8.24
Outstanding, September 30, 2025	5,634,892	\$ 7.83
Options exercisable at September 30, 2025	1,936,902	\$ 8.83

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 September 30, 2025 and 2024 was \$1.3 million and \$1.4 million, respectively, and \$4.1 million and \$4.2 million for the nine months ended September 30, 2025 and 2024, respectively. As of September 30, 2025, total unrecognized stock compensation expense related to unvested stock option arrangements was \$10.5 million which is expected to be recognized over a weighted-average period of 2.19 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 September 30, 2025, and December 31, 2024, the derivative liability of stock options amounts to \$0.2 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	(40,052)	5.95
Forfeited	(10,150)	5.20
Outstanding, September 30, 2025	101,598	\$ 5.92

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 September 30, 2025 and 2024, respectively, and \$0.3 million and \$0.2 million for the nine months ended September 30, 2025 and 2024, respectively. As of September 30, 2025, total unrecognized pre-tax compensation expense was \$0.5 million related to time-based restricted stock units which is expected to be recognized over a weighted-average period of 2.47 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	(116,250)	2.87
Outstanding, September 30, 2025	717,000	\$ 2.73

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 \$0.1 million and \$0.2 million for the three months ended September 30, 2025 and 2024, respectively, and \$0.5 million for both the nine months ended September 30, 2025 and 2024. As of September 30, 2025, total unrecognized pre-tax compensation expense was \$0.8 million related to the PSUs which is expected to be recognized over a weighted-average period of 1.30 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 September 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 nine months ended September 30, 2025 and 2024.

Note 12 - Earnout shares

As of September 30, 2025, the fair value of the earnout shares was \$1.63 per share issuable upon Triggering Event I, \$1.31 per share issuable upon Triggering Event II and \$1.05 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:

	September 30, 2025	December 31, 2024
Current stock price	\$ 4.13	\$ 4.23
Stock price targets	\$12.50, \$15.00, \$17.50	\$12.50, \$15.00, \$17.50
Expected life (in years)	2.50	3.25
Earnout period (in years)	2.50	3.25
Risk-free interest rate	3.60 %	4.30 %
Expected volatility	65 %	52 %
Expected dividend yield	— %	— %

For the three and nine months ended September 30, 2025, the change in fair value of the earnout shares resulted in a loss of \$15.0 million and \$1.1 million, respectively, primarily resulting from changes in the company's stock price. For the three and nine months ended September 30, 2024, the change in fair value of the earnout shares resulted in a loss of \$3.1 million and a gain of \$50.9 million, respectively, primarily resulting from changes in the company's stock price.

As none of the earnout triggering events have occurred as of September 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 nine months ended September 30, 2025, resulted in a loss of \$3.1 million and \$2.8 million, respectively. For the three and nine months ended September 30, 2024, the change in fair value resulted in a loss of \$1.2 million and \$0.1 million, respectively. 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:

	September 30, 2025	December 31, 2024
Current stock price	\$ 4.13	\$ 4.23
Exercise price	\$ 11.50	\$ 11.50
Expected life (in years)	2.50	3.25
Risk-free interest rate	3.60 %	4.30 %
Expected volatility	65 %	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 nine months ended September 30, 2025 resulted in a loss of \$9.0 million and \$8.2 million, respectively. For the three and nine months ended September 30, 2024 the change in fair value of the public warrant liability resulted in a loss of \$3.4 million and \$0.3 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 expense of \$0.6 million and income tax benefit of \$1.0 million, respectively, for the three and nine months ended September 30, 2025, as compared to an income tax benefit of less than \$0.1 million and \$1.1 million, respectively, for the three and nine months ended September 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 September 30, 2025 is 11.7% as compared to 17.0% as of September 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net (loss) income	\$ (31,295)	\$ (7,339)	\$ (19,456)	\$ 46,239
Basic (loss) income available to common shareholders	\$ (31,295)	\$ (7,339)	\$ (19,456)	\$ 46,239
Effect of dilutive securities:				
Add back:				
Interest on Convertible Notes payable, net of tax	—	—	—	8,143
Change in fair value of stock options - liability classified, net of tax	—	—	—	(96)
Diluted (loss) income available to common shareholders	\$ (31,295)	\$ (7,339)	\$ (19,456)	\$ 54,286
Weighted-average number of common shares outstanding - basic				
	58,798,898	48,389,085	58,666,243	48,375,213
Effect of dilutive securities:				
Convertible Notes	—	—	—	14,336,917
Stock options - equity classified	—	—	—	365,389
Stock options - liability classified	—	—	—	37,480
Stock warrants	—	—	—	281,307
Restricted stock units	—	—	—	9,860
Weighted-average number of common shares outstanding - diluted	58,798,898	48,389,085	58,666,243	63,406,166
(Loss) earnings per share:				
Basic	\$ (0.53)	\$ (0.15)	\$ (0.33)	\$ 0.96
Diluted	\$ (0.53)	\$ (0.15)	\$ (0.33)	\$ 0.86

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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Stock warrants	746,947	237,427	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	5,380,741	4,864,266	5,771,312	4,419,683
Stock options - liability classified	80,756	109,796	85,062	25,167
Restricted stock units	76,439	55,005	102,584	33,691
Convertible Notes	—	14,336,918	—	—
Total anti-dilutive features	17,876,546	31,195,075	18,297,568	16,070,204

The Company's 21,886,379 earnout shares and 717,000 PSUs are excluded from the anti-dilutive table above for the three and nine months ended September 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 452,250 PSUs for the three and nine months ended September 30, 2024.

Note 16 - Subsequent events

Management has performed an evaluation of subsequent events after the Balance Sheet date of September 30, 2025 through the date the Condensed Consolidated Financial Statements were issued. During this period, the Company has not identified any subsequent events that require recognition or disclosure, except for the ones noted below.

Resignation of Board Members

On October 19, 2025, director James P. Clements announced his resignation from the Board, effective immediately. In addition, five other directors announced their intention to resign from the Board, effective no later than November 14, 2025, to facilitate an orderly transition by allowing the Company time to identify new directors. Subsequent to these announcements, the Company has identified and is reviewing the independence of three director candidates identified by Michael Nieri, the Company's Executive Chairman and a continuing director. In light of the Company's status with respect to appointment of replacement directors, directors Robert Dozier Jr., Jason Enoch, and Alan Levine informed the Company of their willingness to remain on the Board and applicable committees beyond November 14, 2025, to ensure an orderly transition as additional director candidates are identified and recruited in order to maintain compliance with the requirements under Nasdaq Listing Rule 5605. Director Nikki Haley and director James M. Pirrello resigned from the Board effective as of November 7, 2025.

Executive Officer Retention

On November 6, 2025, the Company entered into Retention Agreements (each, a "Retention Agreement") with John G. (Jack) Micenko, the Company's Chief Executive Officer and President, Keith Feldman, the Company's Chief Financial Officer, and Erin Reeves McGinnis, the Company's General Counsel and Corporate Secretary (each, a "Participant"). Pursuant to the terms of the Retention Agreements, each Participant shall be paid a cash retention amount equal to 100% of their respective 2025 base salaries (the "Retention Payment"). In the event a Participant's employment with the Company is terminated prior to March 31, 2026, such Participant will be required to repay to the Company a pro rata portion of the after-tax value of the Retention Payment, provided that such termination is by the Company for Cause or by the Participant other than for Good Reason (each term as defined in the respective employment agreements of the Participants).

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 September 30, 2025 consists of approximately 7,700 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 56 active subdivisions at prices that generally range from approximately \$200,000 to approximately \$600,000. For the three months ended September 30, 2025 and 2024, UHG had 324 and 341 net new orders, and generated approximately \$90.8 million and \$118.6 million in revenue on 262 and 369 closings, respectively. For the nine months ended September 30, 2025 and 2024, UHG had 924 and 1,048 net new orders, and generated approximately \$283.3 million and \$328.9 million in revenue on 817 and 1,017 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.

The Company's third quarter results reflect the market conditions and affordability concerns that continue to create challenges for the homebuilding industry. These challenges, coupled with delayed new community openings earlier in the year, negatively impacted net new orders for the three and nine months ended September 30, 2025 which decreased by 5.0% and 11.8%, respectively, versus the comparable prior year periods.

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. Increased discounting during the third quarter 2025 had a negative impact on the Company's reported gross margin. For the three and nine months ended September 30, 2025, gross margin decreased by 1.2% and remained flat, respectively, compared to the respective prior year periods.

Operationally, the Company remains focused on the execution of several key 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. Despite underperforming in the third quarter, 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 \$118.6 million for the three months ended September 30, 2024 to \$90.8 million for the three months ended September 30, 2025. For the three months ended September 30, 2025, UHG generated a net loss of approximately \$31.3 million, which included a \$27.2 million loss related to the change in fair value of derivative liabilities, gross margin of 17.7%, adjusted gross margin of 19.6%, and adjusted EBITDA margin of 4.2%, representing an increase in net loss of \$24.0 million, and percentage decreases of 1.2%, 1.0%, and 3.4%, respectively, from the three months ended September 30, 2024.

UHG revenues decreased from approximately \$328.9 million for the nine months ended September 30, 2024 to \$283.3 million for the nine months ended September 30, 2025. For the nine months ended September 30, 2025, UHG generated net loss of approximately \$19.5 million, which included a loss from the change in fair value of derivative liabilities of \$12.2 million, gross margin of 17.7%, adjusted gross margin of 20.0%, and adjusted EBITDA margin of 4.9%,

representing a decrease of \$65.7 million, and percentage changes of zero, a decrease of 0.7%, and a decrease of 2.4%, respectively, from the nine months ended September 30, 2024.

Adjusted gross profit, EBITDA, and adjusted EBITDA 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.

Recent Developments

On October 20, 2025, the Company announced the conclusion of the previously-announced review of strategic alternatives. After evaluating a full range of strategic alternatives, including a potential sale, merger or other transaction, the special committee of independent directors that was constituted for this purpose unanimously determined that, in light of current macroeconomic conditions, continuing to execute on the Company’s strategic plan as an independent, public company is in the best interests of the Company and its stockholders at this time. At the same time, one of the Company’s directors submitted his resignation effective immediately, and five of the Company’s other directors notified the Company of their intent to resign from the Board no later than November 14, 2025. The reasons for such resignations are set forth in greater detail in the Company’s Form 8-K filed on October 20, 2025. Subsequent to the filing of such Form 8-K, the Company has identified and is reviewing the independence of three director candidates identified by Michael Nieri, the Company’s Executive Chairman and a continuing director. In light of the Company’s status with respect to appointment of replacement directors, directors Robert Dozier Jr., Jason Enoch, and Alan Levine informed the Company of their willingness to remain on the Board and applicable committees beyond November 14, 2025, to ensure an orderly transition as director candidates are identified and recruited in order to maintain compliance with the requirements under Nasdaq Listing Rule 5605. Director Nikki Haley and director James M. Pirrello resigned from the Board effective as of November 7, 2025. Following the October 20 announcement, management of the Company has been engaged in discussions with various key counterparties, including its lenders, land banking partners, and insurers, regarding, among other things, the pressing need to identify replacement directors, maintaining compliance with loan covenants, and planning for the ongoing operations of the Company. If the Company is unable to successfully navigate these challenges, including identifying and seating additional directors, management expects continued pressure from these and other key relationships, which could have an adverse effect on the Company’s operations.

In addition, on November 6, 2025, the Company entered into Retention Agreements (each, a “Retention Agreement”) with John G. (Jack) Micenko, the Company’s Chief Executive Officer and President, Keith Feldman, the Company’s Chief Financial Officer, and Erin Reeves McGinnis, the Company’s General Counsel and Corporate Secretary (each, a “Participant”). Pursuant to the terms of the Retention Agreements, each Participant shall be paid a cash retention amount equal to 100% of their respective 2025 base salaries (the “Retention Payment”). In the event a Participant’s employment with the Company is terminated prior to March 31, 2026, such Participant will be required to repay to the Company a pro rata portion of the after-tax value of the Retention Payment, provided that such termination is by the Company for Cause or by the Participant other than for Good Reason (each term as defined in the respective employment agreements of the Participants).

Results of Operations

Three Months Ended September 30, 2025 Compared to Three Months Ended September 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 September 30,		Change (\$)	Change (%)
	2025	2024		
Statements of Operations				
Revenue, net of sales discounts	\$ 90,794	\$ 118,644	\$ (27,850)	(23.5)%
Cost of sales	74,746	96,261	(21,515)	(22.4)%
Selling, general and administrative expense	17,573	18,690	(1,117)	(6.0)%
Other expense, net	(2,182)	(3,710)	1,528	(41.2)%
Equity in net earnings from investment in joint venture	218	419	(201)	(48.0)%
Change in fair value of derivative liabilities	(27,208)	(7,785)	(19,423)	249.5%
Loss before taxes	(30,697)	(7,383)	(23,314)	315.8%
Income tax expense (benefit)	598	(44)	642	(1459.1)%
Net loss	\$ (31,295)	\$ (7,339)	\$ (23,956)	326.4%
Other Financial and Operating Data:				
Active communities at end of period ^(a)	56	55	1	1.8%
Home closings	262	369	(107)	(29.0)%
Average sales price of homes closed ^(b)	\$ 345,920	\$ 320,199	\$ 25,721	8.0%
Net new orders	324	341	(17)	(5.0)%
Cancellation rate	14.3%	12.8%	1.5%	11.6%
Backlog	264	220	44	20.0%
Gross profit	\$ 16,048	\$ 22,383	\$ (6,335)	(28.3)%
Gross margin ^(c)	17.7%	18.9%	(1.2)%	(6.3)%
Adjusted gross profit ^(d)	\$ 17,814	\$ 24,481	\$ (6,667)	(27.2)%
Adjusted gross margin ^{(c)(d)}	19.6%	20.6%	(1.0)%	(4.9)%
EBITDA ^(d)	\$ (26,605)	\$ (1,634)	\$ (24,971)	1,528.2%
EBITDA margin ^{(c)(d)}	(29.3)%	(1.4)%	(27.9)%	1,992.9%
Adjusted EBITDA ^(d)	\$ 3,815	\$ 8,978	\$ (5,163)	(57.5)%
Adjusted EBITDA margin ^{(c)(d)}	4.2%	7.6%	(3.4)%	(44.7)%

(a) UHG had five and ten communities in closeout for the three months ended September 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 September 30, 2025 were \$90.8 million, a decrease of \$27.8 million, from \$118.6 million for the three months ended September 30, 2024. The decrease in revenues was primarily attributable to a decrease in home closings of 29.0%, partially offset by an increase in average sales price ("ASP") of production-built homes of 8.0%. The decline in the number of homes closed as compared to the three months ended September 30, 2024 was primarily due to decreases of 31.5% in the GSH South Carolina segment, partially offset by an increase in closings of 75.0% in the Rosewood reporting segment.

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 September 30,						Period over period change		
	2025			2024			Revenues	Closings	ASP ¹
	Revenues	Closings	ASP ¹	Revenues	Closings	ASP ¹			
GSH South Carolina	\$ 79,472	241	\$ 329,083	\$ 108,950	352	\$ 308,125	(27.1)%	(31.5)%	6.8 %
Rosewood	8,448	14	603,429	5,701	8	712,625	48.2 %	75.0 %	(15.3)%
Other ²	2,874	7	410,571	3,993	9	443,667	(28.0)%	(22.2)%	(7.5)%
Total	\$ 90,794	262	\$ 345,920	\$ 118,644	369	\$ 320,199	(23.5)%	(29.0)%	8.0 %

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 September 30, 2025 was \$74.7 million, a decrease of \$21.6 million, from \$96.3 million for the three months ended September 30, 2024. The decrease in Cost of sales was largely attributable to a decrease in home closings of 29.0% compared to the same period in 2024.

Gross profit for the three months ended September 30, 2025 was \$16.0 million, a decrease of \$6.4 million, from \$22.4 million for the three months ended September 30, 2024. Gross margin for the three months ended September 30, 2025 was 17.7%, a decrease of 1.2%, as compared 18.9% for the three months ended September 30, 2024. Gross margins decreased in the third quarter of 2025, primarily due to more discounting to drive sales, partially offset by direct construction cost savings as a result of the rebid initiative.

Adjusted gross profit: Adjusted gross profit for the three months ended September 30, 2025 was \$17.8 million, a decrease of \$6.7 million, as compared to \$24.5 million for the three months ended September 30, 2024. Adjusted gross margin for the three months ended September 30, 2025 was 19.6%, a decrease of 1.0%, as compared to 20.6% for the three months ended September 30, 2024. The decrease in adjusted gross margin was primarily attributable to more discounting, partially offset by 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 September 30, 2025 was \$17.6 million, a decrease of \$1.1 million, from \$18.7 million for the three months ended September 30, 2024. The decrease is primarily due to a \$2.2 million decrease in commission expense due to less broker incentives and fewer closings, partially offset by increases of \$0.4 million in salaries and wages due to increased headcount, and \$0.4 million in stock compensation expense.

Other expense, net: Total other expense, net for the three months ended September 30, 2025 was \$2.2 million, a decrease of \$1.5 million, from \$3.7 million for the three months ended September 30, 2024. The decrease was primarily driven by a \$1.4 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 September 30, 2025 was \$0.2 million, a decrease of \$0.2 million, from \$0.4 million for the three months ended September 30, 2024.

Change in fair value of derivative liabilities: Change in fair value of derivative liabilities for the three months ended September 30, 2025 was a loss of \$27.2 million as compared to a loss of \$7.8 million for the three months ended September 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 primarily to changes in the Company's stock price.

Loss 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 September 30,		Period over period	
	2025	2024	Change (\$)	Change (%)
GSH South Carolina	\$ 1,723	\$ 9,004	\$ (7,281)	(80.9)%
Rosewood	223	(475)	698	(146.9)%
Other ¹	(191)	(531)	340	(64.0)%
Segment total	\$ 1,755	\$ 7,998	\$ (6,243)	(78.1)%
<i>Corporate</i> ²	<i>(5,462)</i>	<i>(8,015)</i>	<i>2,553</i>	<i>(31.9)%</i>
<i>Equity in net earnings from investment in joint venture</i>	<i>218</i>	<i>419</i>	<i>(201)</i>	<i>(48.0)%</i>
<i>Change in fair value of derivative liabilities</i>	<i>(27,208)</i>	<i>(7,785)</i>	<i>(19,423)</i>	<i>249.5%</i>
Consolidated loss before taxes	\$ (30,697)	\$ (7,383)	\$ (23,314)	315.8%

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.

Loss before taxes for the three months ended September 30, 2025 increased \$23.3 million, from the three months ended September 30, 2024. The decrease was primarily due to a decrease in the change in fair value of derivative liabilities of \$19.4 million and a decrease in gross profit of \$6.3 million.

GSH South Carolina: The \$7.3 million decrease in income before taxes for the three months ended September 30, 2025 compared to the same period in the prior year was primarily due to a decrease in closings of 31.5%, which resulted in lower gross profit, higher operating costs as a percentage of revenue and higher interest costs as a percentage of revenue.

Rosewood: The \$0.7 million increase in income before taxes for the three months ended September 30, 2025 compared to the same period in the prior year was primarily attributable to an increase of 75.0% in home closings coupled with a 5.7% increase in gross margin. The increase in gross margin is primarily due to lower direct construction costs and less non-recurring costs as a percentage of revenue.

Other: The \$0.3 million decrease in loss before taxes for Raleigh for the three months ended September 30, 2025 compared to the same period in the prior year was primarily attributable to an increase in gross margin coupled with a decrease in operating expenses as a percentage of revenue.

Income tax expense (benefit): Income tax expense for the three months ended September 30, 2025 was \$0.6 million compared to a benefit of less than \$0.1 million for the three months ended September 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, adjusted for any discrete period items. The Company's estimated annual effective tax rate as of September 30, 2025 is 11.7% as compared to 17.0% as of September 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 September 30, 2025 were 324 units, a decrease of 17 units, from 341 units for the three months ended September 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 September 30, 2025 was 14.3%, an increase of 1.5%, from 12.8% for the three months ended September 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.

Backlog as of September 30, 2025 was 264 units, an increase of 44 units, or 20.0%, from 220 units as of September 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 September 30, 2025			As of September 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	248	\$ 84,621	\$ 341,214	205	\$ 70,520	\$ 344,000	21.0 %	20.0 %	(0.8)%
Rosewood	15	9,369	624,600	11	7,311	664,636	36.4 %	28.1 %	(6.0)%
Other ³	1	355	355,000	4	2,080	520,000	(75.0)%	(82.9)%	(31.7)%
Total	264	\$ 94,345	\$ 357,367	220	\$ 79,911	\$ 363,232	20.0 %	18.1 %	(1.6)%

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.

Nine Months Ended September 30, 2025 Compared to Nine Months Ended September 30, 2024

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

	Nine Months Ended September 30,		Amount Change	% Change
	2025	2024		
Statements of Operations				
Revenue, net of sales discounts	\$ 283,301	\$ 328,902	\$ (45,601)	(13.9)%
Cost of sales	233,206	270,847	(37,641)	(13.9)%
Selling, general and administrative expense	51,749	55,358	(3,609)	(6.5)%
Other expense, net	(7,309)	(9,255)	1,946	(21.0)%
Equity in net earnings from investment in joint venture	715	1,076	(361)	(33.6)%
Change in fair value of derivative liabilities	(12,170)	50,650	(62,820)	(124.0)%
(Loss) income before taxes	\$ (20,418)	\$ 45,168	\$ (65,586)	(145.2)%
Income tax benefit	(962)	(1,071)	109	(10.2)%
Net (loss) income	\$ (19,456)	\$ 46,239	\$ (65,695)	(142.1)%
Other Financial and Operating Data:				
Active communities at end of period ^(a)	56	55	1	1.8 %
Home closings	817	1,017	(200)	(19.7)%
Average sales price of homes closed ^(b)	\$ 346,810	\$ 331,111	\$ 15,699	4.7 %
Net new orders	924	1,048	(124)	(11.8)%
Cancellation rate	12.8 %	11.6 %	1.2 %	10.6 %
Backlog	264	220	44	20.0 %
Gross profit	\$ 50,095	\$ 58,055	\$ (7,960)	(13.7)%
Gross margin ^(c)	17.7 %	17.7 %	— %	— %
Adjusted gross profit ^(d)	\$ 56,615	\$ 67,940	\$ (11,325)	(16.7)%
Adjusted gross margin ^{(c)(d)}	20.0 %	20.7 %	(0.7)%	(3.4)%
EBITDA ^(d)	\$ (7,278)	\$ 62,859	\$ (70,137)	(111.6)%
EBITDA margin ^{(c)(d)}	(2.6)%	19.1 %	(21.7)%	(113.6)%
Adjusted EBITDA ^(d)	\$ 13,925	\$ 23,922	\$ (9,997)	(41.8)%
Adjusted EBITDA margin ^{(c)(d)}	4.9 %	7.3 %	(2.4)%	(32.9)%

(a) UHG had five and ten communities in closeout for the nine months ended September 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 nine months ended September 30, 2025 were \$283.3 million, a decrease of \$45.6 million, from \$328.9 million for the nine months ended September 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 nine months ended September 30, 2024 closings included 60 build-to-rent units with significantly lower ASPs, compared to no build-to-rent closings for the nine months ended September 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 nine months ended September 30, 2024 is isolated to the GSH South Carolina segment, which decreased 23.1%.

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

	Nine Months Ended September 30,								
	2025			2024			Period over period change		
	Revenues	Closings	ASP ¹	Revenues	Closings	ASP ¹	Revenues	Closings	ASP ¹
GSH South Carolina	\$ 242,429	743	\$ 326,183	\$ 296,915	966	\$ 314,876	(18.4)%	(23.1)%	3.6 %
Rosewood	26,907	43	634,690	19,890	30	663,310	35.3 %	43.3 %	(4.3)%
Other ²	13,965	31	450,484	12,097	21	571,286	15.4 %	47.6 %	(21.1)%
Total	\$ 283,301	817	\$ 346,810	\$ 328,902	1,017	\$ 331,111	(13.9)%	(19.7)%	4.7 %

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 nine months ended September 30, 2025 was \$233.2 million, a decrease of \$37.6 million, from \$270.8 million for the nine months ended September 30, 2024. The decrease in Cost of sales was largely attributable to a decrease in home closings of 19.7% compared to the same period in 2024.

Gross profit for the nine months ended September 30, 2025 was \$50.1 million, a decrease of \$8.0 million, from \$58.1 million for the nine months ended September 30, 2024. Gross margin for the nine months ended September 30, 2025 was consistent with the relative prior period at 17.7%, which was impacted by higher discounting, offset by a reduction in direct costs.

Adjusted Gross Profit: Adjusted gross profit for the nine months ended September 30, 2025 was \$56.6 million, a decrease of \$11.3 million, as compared to \$67.9 million for the nine months ended September 30, 2024. Adjusted gross margin for the nine months ended September 30, 2025 was 20.0%, a decrease of 0.7%, as compared to 20.7% for the nine months ended September 30, 2024. Adjusted gross margin declined, primarily due to increased discounting, partially offset by reduced direct construction costs. 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 nine months ended September 30, 2025 was \$51.7 million, a decrease of \$3.6 million, from \$55.4 million for the nine months ended September 30, 2024. The decrease in selling, general and administrative expense was primarily attributable to a \$4.5 million decrease in commission expense due to less broker incentives and fewer closings, a \$1.1 million reduction in severance expense related to the June 2024 RIF, and a decrease in transaction costs of \$1.1 million, partially offset by an increase in salaries and wages of \$3.2 million.

Other Expense, Net: Total other expense, net for the nine months ended September 30, 2025 was \$7.3 million, a decrease of \$1.9 million, from \$9.3 million for the nine months ended September 30, 2024. The decrease was primarily driven by a \$2.3 million reduction in interest expense due to the refinance of the Company’s corporate debt, partially offset by a loss on litigation of \$0.2 million related to Rosewood’s proceedings and a decrease in investment income of \$0.1 million.

Equity in Net Earnings from Investment in Joint Venture: Equity in net earnings from investment in joint venture for the nine months ended September 30, 2025 was \$0.7 million, a decrease of \$0.4 million, from \$1.1 million for the nine months ended September 30, 2024.

Change in Fair Value of Derivative Liabilities: Change in fair value of derivative liabilities for the nine months ended September 30, 2025 was a loss of \$12.2 million as compared to a gain of \$50.7 million for the nine months ended September 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 primarily to changes in the Company's stock price.

Income Tax Benefit: Income tax benefit for the nine months ended September 30, 2025 was \$1.0 million as compared to \$1.1 million for the nine months ended September 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, adjusted for any discrete period items. The Company's estimated annual effective tax rate as of September 30, 2025 is 11.7% as compared to 17.0% as of September 30, 2024.

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

	Nine Months Ended September 30,		Period over period	
	2025	2024	Change (\$)	Change (%)
GSH South Carolina	\$ 8,563	\$ 22,370	\$ (13,807)	(61.7) %
Rosewood	(324)	(456)	132	(28.9) %
Other ¹	(337)	(2,402)	2,065	(86.0) %
Segment total	\$ 7,902	\$ 19,512	\$ (11,610)	(59.5) %
Corporate ²	(16,865)	(26,070)	9,205	(35.3) %
Equity in net earnings from investment in joint venture	715	1,076	(361)	(33.6) %
Change in fair value of derivative liabilities	(12,170)	50,650	(62,820)	(124.0) %
Consolidated (loss) income before taxes	\$ (20,418)	\$ 45,168	\$ (65,586)	(145.2) %

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 nine months ended September 30, 2025 decreased \$65.6 million, from the nine months ended September 30, 2024. The decrease was primarily due to a decrease in change in fair value of derivative liabilities of \$62.8 million and a decrease in gross profit of \$8.0 million, partially offset by a decrease in selling, general, and administrative expense of \$3.6 million.

GSH South Carolina: The \$13.8 million decrease in income before taxes for the nine months ended September 30, 2025 compared to the same period in the prior year was primarily due to a decrease in the number of homes closed of 23.1%, which resulted in lower gross profit and higher operating costs as a percentage of revenue coupled with increased interest expense.

Rosewood: The \$0.1 million increase in pre-tax profitability for the nine months ended September 30, 2025 compared to the same period in the prior year was primarily due to higher gross profit as a result of more closings and better margins, partially offset by an increase in operating costs attributable to contingent consideration related to the 2023 acquisition of Rosewood Communities, Inc. and an increase in commission expense as a percentage of revenue.

Other: The \$2.1 million increase in pre-tax profitability for the Raleigh market for the nine months ended September 30, 2025 compared to the same period in the prior year was primarily due to an increase in gross profit of \$0.4 million and decreases in severance expense of \$1.1 million and salaries and wages of \$0.5 million.

Net New Orders: Net new orders for the nine months ended September 30, 2025 was 924 units, a decrease of 124 units, from 1,048 units for the nine months ended September 30, 2024.

Cancellation Rate: The cancellation rate for the nine months ended September 30, 2025 was 12.8%, an increase of 1.2%, from 11.6% for the nine months ended September 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue, net of sales discounts	\$ 90,794	\$ 118,644	\$ 283,301	\$ 328,902
Cost of sales	74,746	96,261	233,206	270,847
Gross profit	\$ 16,048	\$ 22,383	\$ 50,095	\$ 58,055
Interest expense in cost of sales	1,159	1,525	4,292	6,697
Amortization in homebuilding cost of sales ^(a)	598	573	2,161	2,434
Abandoned project costs	9	—	67	320
Severance expense in cost of sales	—	—	—	325
Non-recurring remediation costs	—	—	—	109
Adjusted gross profit	\$ 17,814	\$ 24,481	\$ 56,615	\$ 67,940
Gross margin ^(b)	17.7 %	18.9 %	17.7 %	17.7 %
Adjusted gross margin ^(b)	19.6 %	20.6 %	20.0 %	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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net (loss) income	\$ (31,295)	\$ (7,339)	\$ (19,456)	\$ 46,239
Interest expense in cost of sales	1,159	1,525	4,292	6,697
Interest expense in other expense, net	2,206	3,650	7,050	9,370
Depreciation and amortization	643	523	1,650	1,449
Taxes	682	7	(814)	(896)
EBITDA	\$ (26,605)	\$ (1,634)	\$ (7,278)	\$ 62,859
Stock-based compensation expense	1,936	1,568	5,304	4,918
Transaction cost expense	669	686	1,376	2,428
Amortization in homebuilding cost of sales ^(a)	598	573	2,161	2,434
Severance expense	—	—	125	1,504
Abandoned project costs	9	—	67	320
Change in fair value of derivative liabilities	27,208	7,785	12,170	(50,650)
Non-recurring remediation costs	—	—	—	109
Adjusted EBITDA	\$ 3,815	\$ 8,978	\$ 13,925	\$ 23,922
EBITDA margin ^(b)	(29.3)%	(1.4)%	(2.6)%	19.1 %
Adjusted EBITDA margin ^(b)	4.2 %	7.6 %	4.9 %	7.3 %

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

(b) Calculated as a percentage of revenue.

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 September 30, 2025, UHG had approximately \$25.6 million in cash and cash equivalents, an increase of \$3.0 million, from \$22.6 million as of December 31, 2024. As of September 30, 2025 and December 31, 2024, UHG had approximately \$57.5 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. The Company’s liquidity and profitability could be adversely impacted by continued operational headwinds.

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 September 30, 2025, the Company had lot deposits of \$41.9 million related to option contracts with an aggregate remaining purchase price of \$320.5 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 \$79.7 million as of September 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 \$57.5 million of availability under the Syndicated Line, based on its borrowing base of \$139.1 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 September 30, 2025, the Syndicated Line had a weighted average interest rate of 7.58% 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.

During the third quarter of 2025, the Company executed an amendment to the Syndicated Line, which, among other things, modified certain financial covenants. Additional details regarding the amendment and the Syndicated Line are provided in *Note 6 - Debt* of the Notes to the Condensed Consolidated Financial Statements included in this report. The Syndicated Line includes customary representations, warranties, and covenants, and as of September 30, 2025, the Company was in compliance with all covenants under the facility.

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 \$67.4 million as of September 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 September 30, 2025. Refer to *Note 6 - Debt* of the Notes to the Condensed Consolidated Financial Statements contained in this report for additional information.

During the third quarter of 2025, the Company executed an amendment to the term loan, which, among other things, modified certain financial covenants. Additional details regarding the amendment and the term loan are provided in *Note 6 - Debt* of the Notes to the Condensed Consolidated Financial Statements included in this report. The term loan includes customary representations, warranties, and covenants, and as of September 30, 2025, the Company was in compliance with all covenants under the facility.

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 ROU asset and lease liability until it is reasonably certain that the option will be exercised. As of September 30, 2025, the future minimum lease payments required under these leases totaled \$2.5 million, with \$1.1 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):

	Nine Months Ended September 30,	
	2025	2024
Net cash flows used in operating activities	\$ (20,980)	\$ (11,960)
Net cash flows used in investing activities	(1,154)	(12,716)
Net cash flows provided by (used in) financing activities	23,690	(6,178)

Operating activities

Net cash flows used in operating activities during the nine months ended September 30, 2025 was \$21.0 million, as compared to \$12.0 million for the nine months ended September 30, 2024. The difference in cash flows used period over period is an increase of \$9.0 million. This change is primarily attributable to an increase in cash used in inventory of \$46.0 million, partially offset by decreases in cash used in lot deposits of \$15.9 million, and cash used in accounts payables and accrued liabilities of \$20.4 million.

Investing activities

Net cash used in investing activities for the nine months ended September 30, 2025 was primarily attributable to purchases of property and equipment of \$1.3 million. Net cash used in investing activities for the nine months ended September 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 nine months ended September 30, 2025 was \$23.7 million compared to cash used in financing activities of \$6.2 million for the nine months ended September 30, 2024. The difference in cash flows period over period is \$29.9 million. During the nine months ended September 30, 2025 cash flows provided by financing activities was primarily attributable to net proceeds from the Syndicated Line of \$70.8 million, partially offset by repayments of the Syndicated Line and land banking arrangements of \$47.2 million. During the nine months ended September 30, 2024 cash flows used in financing activities was primarily attributable to the repayment of homebuilding debt of \$79.2 million, partially offset by proceeds from the Syndicated Line and land banking arrangements, net of debt issuance costs, of \$73.0 million.

Critical Accounting Policies and Estimates

There have been no significant changes to the Company's critical accounting policies and estimates during the nine months ended September 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 September 30, 2025 consists of approximately 7,700 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 \$41.9 million in lot deposits and \$9.4 million of capitalized pre-acquisition costs as of September 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 September 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 September 30, 2025, UHG had \$79.7 million and \$67.4 million outstanding under the syndicated line of credit and the term loan, respectively, which carried weighted average interest rates of 7.58% and 11.59%, respectively. A 100 basis point increase in overall interest rates would negatively affect the Company's net income by approximately \$1.5 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 September 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 September 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.

Following the announcements regarding conclusion of the review of strategic alternatives and resignations of members of UHG's board of directors, the trading price of UHG's common stock has been volatile and such volatility may continue, which may adversely affect UHG's business, and investors in UHG's Class A common stock may experience substantial losses.

On May 19, 2025, UHG announced that the Board initiated a process to explore strategic alternatives to maximize shareholder value. On October 20, 2025, following the evaluation of a full range of strategic alternatives, UHG announced that the special committee of independent directors constituted for such purpose had concluded its review and determined that, in light of current macroeconomic conditions, continuing to execute on UHG's strategic plan as an independent, public company is in the best interests of UHG and its stockholders at this time. At the same time, UHG also announced that James P. Clements had resigned from the board and all committees thereof, effective immediately, and that Robert Dozier, Jason Enoch, Alan Levine, Nikki Haley, and James Pirrello notified UHG of their intent to resign from the Board and all committees thereof no later than November 14, 2025. Following these announcements, the trading price of UHG's Class A common stock has been and may continue to be volatile. UHG's operating results, from time to time, may be below the expectations of public market analysts and investors, which could have a material adverse effect on the market price of UHG's Class A common stock. When the market price of a stock has been volatile, holders of that stock will sometimes file securities class action litigation against the company that issued the stock. If any shareholders were to file a lawsuit, UHG could incur substantial costs defending the lawsuit, which could also divert the time and attention of management.

If UHG is unable to timely identify and recruit additional board members, UHG's Class A Common Stock may be subject to delisting.

Following UHG's October 20, 2025 announcement regarding the resignation or planned resignation of substantially all of the members of the board of directors, UHG's Executive Chairman and continuing member of the Board is working to identify replacement directors with the requisite qualifications in order to maintain compliance with the requirements under Nasdaq Listing Rule 5605 (the "Corporate Governance Requirements"). In light of UHG's status with respect to appointment of replacement directors, directors Robert Dozier Jr., Jason Enoch, and Alan Levine informed UHG of their willingness to remain on the Board and applicable committees beyond November 14, 2025, to ensure an orderly transition as director candidates are identified and recruited in order to maintain compliance with the Corporate Governance Requirements. There can be no assurance that UHG will be able to maintain compliance with Nasdaq's listing standards. If UHG is unable to maintain compliance with Nasdaq's listing standards, UHG's common stock may become subject to delisting. A delisting of UHG's Class A common stock from Nasdaq may materially impair stockholders' ability to buy and sell UHG's Class A common stock and may adversely affect both the market for and the liquidity of UHG's Class A common stock. If UHG's stock is delisted from Nasdaq, whether by choice or otherwise, such delisting could significantly impair UHG's ability to raise capital and negatively impact stockholder value.

The recent announcement regarding the planned resignations of substantially all of the members of UHG's board of directors has caused significant operational difficulty, and UHG expects such operational difficulties to continue and potentially increase until a satisfactory replacement board is seated.

Since UHG's announcement on October 20, 2025 regarding the resignation or planned resignation of substantially all of the members of the board of directors, UHG has faced significant operational difficulties. Numerous key counterparties, including UHG's auditors, lenders, and banking partners, and insurers have expressed concern regarding UHG's ongoing corporate governance. Management of UHG has been engaged in discussions with these and other counterparties regarding, among other things, the pressing need to identify replacement directors, maintaining compliance with loan covenants, and planning for UHG's ongoing operations. In light of UHG's status with respect to appointment of replacement directors, directors Robert Dozier Jr., Jason Enoch, and Alan Levine informed UHG of their willingness to remain on the Board and applicable committees beyond November 14, 2025, to ensure an orderly transition as director candidates are identified and recruited in order to maintain compliance with the requirements under Nasdaq Listing Rule 5605. Despite this, UHG cannot provide any assurance that any counterparties will continue to engage in business with UHG, nor can it provide any assurance regarding the amount of time that will be needed to seat replacement directors. If UHG does not have an adequate number of independent directors constituting its Audit Committee, UHG will be unable to obtain an audit opinion, which will adversely affect UHG's ability to meet its SEC reporting obligations and will cause UHG to be in default under its debt arrangements. If these existing and prospective key relationships are unwilling to continue to engage with UHG pending the seating of replacement directors, UHG will face significant restrictions on its ability to operate.

UHG is required to obtain performance bonds and other government approvals, the unavailability of which could adversely affect its results of operations and cash flows.

UHG is often required to provide surety bonds to secure its performance or obligations under construction contracts, development agreements and other arrangements. Its ability to obtain surety bonds primarily depends upon its credit rating, financial condition, past performance and other factors, including the capacity of the surety market and the underwriting practices of surety bond issuers. UHG has been notified that one of its historical surety bond issuers is unwilling to issue additional surety bonds until replacement directors are identified and seated. The ability to obtain surety bonds also can be impacted by the willingness of insurance companies to issue performance bonds for construction and development activities. In addition, some municipalities and governmental authorities have been reluctant to accept surety bonds and instead require enhancements such as cash deposits or letters of credit, in order to maintain existing bonds or to issue new bonds. If UHG is unable to obtain surety bonds when required, or if it is required to provide credit enhancements with respect to its current or future bonds or in place of bonds, its results of operations and cash flows could be adversely affected.

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

- (a) On July 1, 2025, the Company issued 156,215 shares of Class A common stock to a former executive officer in accordance with his separation agreement with the Company. Such securities were issued pursuant to an exemption from the registration requirements of the Securities Act of 1933 provided by Section 4(a)(2) thereof.
- (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 September 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*+	Separation and Release of Claims Agreement, dated as of July 1, 2025, by and between Pennington Nieri and United Homes Group, Inc.
10.2	Fourth Amendment to the Second Amended and Restated Credit Agreement and Omnibus Amendment to Loan Documents, dated as of September 29, 2025, among United Homes Group, Inc., Great Southern Homes, Inc., Rosewood Communities, Inc., Wells Fargo Bank, National Association, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 1, 2025)
10.3†	First Amendment to the Credit Agreement, dated as of September 29, 2025, among United Homes Group, Inc., Great Southern Homes, Inc., Kennedy Lewis Agency Partners, LLC, and the lenders party thereto (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on October 1, 2025)
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: November 7, 2025

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

**This is an important legal document.
Please read it carefully and consult with an attorney before signing.**

SEPARATION AND RELEASE OF CLAIMS AGREEMENT

This Separation and Release of Claims Agreement (“Agreement”) is made as of this 1st day of July, 2025 by and between Pennington Nieri (“Employee”) and United Homes Group, Inc., by and on behalf of itself and its subsidiaries, including Great Southern Homes, Inc. and Rosewood Communities, Inc. (collectively, along with their other affiliates, the “Company”) (the Employee and the Company being collectively referred to as the “Parties”).

Background

Name of employee: Pennington Nieri (the “Employee”)
Subject to the terms and conditions below,

- Severance Payment Amount: \$423,342.93, payable solely in Class A common stock of the Company.

Additional payments and benefits: As set forth in Section 2.2 below.

WHEREAS, Employee is employed by the Company pursuant to that certain Employment Agreement dated as of March 30, 2023 (the “Employment Agreement”).

WHEREAS, Employee and the Company desire to mutually terminate the Employment Agreement and Employee’s employment with the Company, pursuant to the terms and conditions hereof and effective as of the Termination Date (as defined below).

WHEREAS, the Parties wish to resolve any and all past and present known and unknown disputes, claims, complaints, grievances, charges, actions, petitions and demands that the Employee may have against the Company, including, but not limited to, any and all claims arising or in any way related to Employee’s employment with, or separation from or termination of employment with, the Company, in connection with which and as consideration for which the Company will pay the Employee the Severance Payment Amount (as defined below) under this Agreement.

NOW THEREFORE, in consideration of the promises made herein, the Parties hereby agree as follows:

TERMS AND CONDITIONS

1. Termination of Employee’s Employment.

1.1 **Last Day of Employment.** Employee acknowledges and agrees that Employee’s last day of employment with the Company is July 1, 2025 (the “Termination Date”).

1.2 **Termination of Employment Agreement.** The Parties acknowledge and agree that the execution of this Agreement shall serve as termination of the Employment Agreement by the mutual agreement of the Parties, and that this Agreement constitutes a full and final settlement and satisfaction of the obligations of the parties under the Employment Agreement, except those obligations that expressly survive the termination of the Employment Agreement, including, without limitation, those set forth in Sections 6.12, 6.13, 7, and 8 of the Employment Agreement.

1.3 **Certain Defined Terms.** In this Agreement, the following additional terms have the following meanings:

(a) "Class A Common Stock" means the Company's Class A common stock, par value \$0.0001 per share.

(b) "Effective Date" of this Agreement means the day on which it is executed by the Employee.

(c) "Review Period" means a period of seven (7) days after the date on which Employee first received this Agreement within which to review and consider this Agreement before signing it.

(d) "Severance Payment Amount" means \$423,342.93, which amount shall be payable in shares of Class A Common Stock, with each share of Class A Common Stock having a value of \$2.71 per share (which value is equal to the closing price of the Class A Common Stock on the date of this Agreement) (for a total of 156,215 shares).

2. Payments to Employee.

2.1 Severance Payment.

(a) In return for Employee's total release of claims, as defined in this Agreement, upon the Effective Date, the Agreement provides Employee with benefits to which Employee otherwise would not be entitled.

(b) Upon and following the Effective Date the Company agrees and undertakes to pay the Employee the Severance Payment Amount.

(c) Payment of the Severance Payment Amount, less all required deductions and federal and state withholdings, will be paid to Employee in a lump sum within thirty (30) days following the Termination Date.

(d) No payment of any Severance Payment Amount will be made until after the Employee has executed this Agreement.

2.2 Additional Payments and Benefits. The Company will pay to the Employee (i) the Employee's accrued, but unpaid wages through the Termination Date; (ii) the Employee's accrued, but unused paid time off (PTO) leave (excluding carryover hours), which has accrued through the Termination Date per Company policy; and (iii) any and all unreimbursed business expenses required to be reimbursed to Employee pursuant to the Company's normal and customary business expense reimbursement procedures.

2.3 No Other Benefits. Except as otherwise specifically set forth in this Agreement, Employee is not entitled to any additional benefits of any kind from the Company whether or not under a plan, program, policy or arrangement.

2.4 Employee's Acknowledgement of Severance Benefit. Employee agrees that the Severance Payment Amount set forth above represents full satisfaction of any payment, benefit, and/or other thing of value to which Employee is entitled under any plan or policy, or prior agreement or contract with the Company and/or the other Releasees (as defined below), including but not limited to the Employment Agreement, and is in full discharge of any and all of the Company's and/or the other Releasees' potential liabilities and obligations to Employee, including but not limited to any claims for severance, variable pay, bonuses, commissions and/or any other remuneration in any form.

3. Release of Claims.

3.1 General Release. As a material inducement for the Company to enter into this Agreement, and in consideration of the Severance Payment Amount set forth herein, except as to claims that cannot be released under applicable law, Employee agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Employee by the Company and its officers, directors, trustees, shareholders, managers, supervisors, agents, representatives, and employees. Employee, on Employee's own behalf, and on the behalf of all of Employee's heirs, family members, executors, agents, and assigns, hereby fully and forever discharges and releases the Company and its officers, directors, managers, employees, agents, representatives, investors, trustees, shareholders, insurers, administrators, and their heirs, executors and administrators, and all persons acting by, through, under or in concert with any of them, and each of them, and affiliates, divisions, parents, subsidiaries, predecessor and successor corporations, and assigns (the "Releasees"), from any claim, cause of action, suit, demand, complaint, liability, controversy, loss, damage, charge, debt, expense, cost, injury, right, duty, obligation, agreement, promise or claims for attorneys' fees (collectively "claims"), known or unknown, relating to any matters of any kind, whether known or unknown, suspected or unsuspected, that Employee now has or claims to have, or which Employee at any time had or claimed to have had, arising from any omissions, acts, or facts that have occurred up until and including the Effective Date of this Agreement including, without limitation:

(a) Any and all claims relating to or arising from Employee's employment relationship with the Company and the termination of that relationship.

(b) Any and all claims under the law of any jurisdiction, including, but not limited to, wrongful discharge from employment, constructive discharge from employment, termination in violation of public policy, discrimination, retaliation, breach of contract, both express and implied, breach of the covenant of good faith and fair dealing, both express and implied, unjust enrichment, promissory estoppel, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, defamation, libel, slander, negligence, personal injury, assault, battery, invasion of privacy, false imprisonment and conversion;

(c) Any and all claims for violation of any federal, state, local or municipal statute, regulation, or rule, or common law, including, but not limited to, Title VII of the Civil Rights Act of 1964 (as amended), the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990 (as amended), the Fair Labor Standards Act, the Employee Retirement Income Security Act of 1974 (ERISA) (as amended), the Worker Adjustment and Retraining Notification Act, Genetic Information and Discrimination Act, the Older Workers' Benefit Protection Act of 1990 (OWBPA), the National Labor Relations Act; the Civil Rights Act of 1866; 42 U.S.C. § 1981 (as amended), the Family and Medical Leave Act, and all applicable South Carolina employment laws;

(d) Any and all claims for violation of the federal or any state constitution;

(e) Any and all claims arising out of any other laws and regulations relating to employment and employment discrimination;

(f) Any claim for loss, cost, damage, injury, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Employee as a result of this Agreement;

(g) Any and all claims for attorneys' fees and costs; and

(h) Any and all EEO claims.

3.2 No Waiver of Certain Non-Waivable Claims. The Company and Employee agree that the release set forth in this Section shall be and remain in effect in all respects as a complete general release as to the matters released. This Agreement is not intended to release or bar any claims Employee may have that are non-waivable as a matter of law. The Employee is not releasing any claims that may arise after the date on which Employee signs this Agreement.

3.3 Waiver of Unknown Claims. Employee acknowledges that Employee is familiar with the principle that a general release may not extend to claims which the Employee does not know or suspect to exist in Employee's favor at the time of executing the release, which if known by Employee must have materially affected Employee settlement with the release. Employee, being aware of this principle, agrees to expressly waive any rights Employee may have to any and all claims, including, but not limited to, claims of which Employee is unaware at the time Employee signs this Agreement.

3.4 This is a Waiver of All Waivable Claims. To the fullest extent allowed by law, Employee is waiving any and all claims that Employee may have against the Company.

3.5 Review Period. Employee acknowledges and confirms that Employee has the full Review Period within which to review and consider this Agreement before signing it, and no deadline of less than such Review Period has been imposed upon Employee to sign this Agreement.

3.6 Certain Additional Acknowledgements by Employee.

(a) Employee has been advised in writing of Employee's right to consult with an attorney before signing this Agreement, and Employee has been encouraged and given adequate time to do so.

(b) Employee has in fact read this Agreement himself or herself, and has full knowledge and understanding of all of its terms, and Employee's decision to sign this Agreement is voluntary and of Employee's own free will; and

(c) Employee's decision to sign this Agreement was based only on the terms of this Agreement, and not on any other inducements, promises or representations of any kind whatsoever.

4. Certain Representations and Covenants relating to Other Claims.

4.1 Covenant not to Sue. A "covenant not to sue" is a legal term which means Employee promises not to file a lawsuit in court. It is different from the General Release of claims contained in Section 3 above. Besides waiving and releasing the claims covered by Section 3 above, Employee further agrees never to sue the Releasees in any forum for any reason, including but not limited to claims, laws or theories covered by the General Release language in paragraph 3 above. Notwithstanding this Covenant Not To Sue, Employee may bring a claim against the Company to enforce this Agreement or to challenge the validity of this Agreement under the ADEA. If Employee sues the Releasees in violation of this Agreement, Employee shall be liable to the Releasees for their reasonable attorneys' fees and other litigation costs incurred in defending against such a suit, in addition to such other liabilities and obligations that Employee may incur under Section 7.1 and Section 7.2 below.

4.2 No Claims will be Filed by Employee. Employee covenants, promises, and agrees that neither Employee nor any person, organization or entity acting on Employee's behalf will file, charge, claim, sue or cause or permit to be filed any claims, as defined above, against the Releasees involving any matter occurring in the past up to the date of this Agreement or involving any continuing effects of actions or practices which arose prior to the date of this Agreement or involving or based upon any claims which are the subject of this Agreement. Employee agrees that should any such released claim be filed by Employee or on Employee's behalf, Employee will take all reasonable steps in cooperation with the

Releasees to dismiss same and if the matter cannot be dismissed, Employee expressly waives and releases Employee's rights to any recovery resulting from such released claim. Nothing in this Agreement shall be construed to affect the independent right and responsibility of any state or federal agency or commission ("Agency") to enforce the law. Employee understands, however, that, while this Agreement does not affect an Agency's right to file a claim or charge or Employee's right to participate in an investigation or proceeding conducted by an Agency (which is not limited by any non-disparagement obligation under this Agreement), it does bar any claims Employee might have to receive monetary damages in connection with any Agency proceeding concerning matters covered by this Agreement.

4.3 No Pending Claims by Employee. Employee represents and warrants that Employee has no, and is not aware of any, lawsuits, claims, or actions pending in Employee's name, or on behalf of any other person or entity, against the Company or any other Releasee.

5. Certain Additional Representations.

5.1 Acceptance Entirely for Own Account. The issuance of shares of Class A Common Stock in satisfaction of the Severance Payment Amount is made by the Company in reliance upon the Employee's representation to the Company, which the Employee confirms by its execution of this Agreement, that the shares of Class A Common Stock will be acquired for investment for the Employee's own account, not as a nominee or agent. The Employee: (a) is not acquiring the shares of Class A Common Stock with a view to the resale or distribution of any part thereof; (b) does not have the present intention of selling, granting any participation in, or otherwise distributing the shares of Class A Common Stock, in each case of clause (a) and (b), in violation of the Securities Act of 1933, as amended (the "Securities Act"); and (c) understands that the shares of Class A Common Stock being issued in satisfaction of the Severance Payment Amount are "restricted" securities (as defined in Securities Act Rule 144(a)(3)) and may not be resold except pursuant to an effective registration statement under the Securities Act or an exemption from registration (e.g., Rule 144), the latter of which imposes, among other requirements, a minimum 6-month holding period before they may be sold by the Employee. By executing this Agreement, the Employee further represents that it does not presently have any contract with any person to sell, transfer or grant participations to such person or to any third person, with respect to any of the shares of Class A Common Stock to be issued hereunder.

5.2 Accredited Investor. The Employee is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act, and shall submit to the Company such further assurances of such status as may be reasonably requested by the Company.

6. Certain Additional Terms.

6.1 Warranty and Covenant of Confidentiality. Employee acknowledges and agrees that the terms and conditions of this Agreement are strictly confidential. Employee shall not disclose or discuss the contents, terms, or conditions of the Agreement to any third party, except to Employee's spouse, attorney(s), and/or tax advisor(s), unless otherwise required by law. If Employee reveals the terms of this Agreement to such persons, Employee will advise them that they are bound by the terms of this Agreement to keep it confidential. In the event that the disclosure of the terms or conditions of this Agreement is the subject of any subpoena, order, or other process of any court or other governmental body, Employee shall notify the Company as soon as possible, so that the Company shall have a reasonable amount of time prior to disclosure to object to the disclosure of the terms or conditions of this Agreement.

6.2 Employee's Non-Disclosure Agreement. Employee previously executed that certain standard form of Non-Disclosure, Non-Competition and Assignment Agreement between Employee and Company (the "Non-Disclosure Agreement"), and Employee agrees and reacknowledges that such agreement shall continue in full force and effect and shall not be affected in anyway or superseded by this

Separation and Release of Claims Agreement, and Employee further agrees to remain bound by all provisions of that agreement.

6.3 Non-Disparagement. Unless subject to any subpoena, order, or other process of any court or other governmental body, Employee agrees and represents that Employee will not at any time (i) directly or indirectly publicly disparage or defame, or make a false statement about, or encourage or induce others to publicly disparage or defame, or make a false statement about, the Company, including any of its respective officers, directors, trustees, employees, representatives or agents, or its business affairs, practices, activities, policies, standards, or reputation, nor (ii) engage in conduct that is deliberately intended to injure the Company's reputation and interests, including the reputations and interests of its respective officers, directors, trustees, employees, representatives or agents. This shall include any disparagement, defamation, or the making of a false statement in any form, including, but not limited to, orally, in writing, on social media, the internet, to the media, to persons and entities engaged in radio, television or Internet broadcasting, or to persons and entities that gather or report information on trade and business practices or reliability.

6.4 Return of Company Property. Employee agrees to return to the Company all Company property and information, including without limitation all reports; files; memoranda; records; identification cards; door and file keys; computer access codes; disks and instruction manuals; tape recordings; video recordings; and all other property which Employee received, prepared or helped to prepare in connection with Employee's employment by the Company. Employee further agrees not to retain any copies, duplicates, reproductions, or excerpts of such property.

6.5 No Knowledge of Wrongdoing. Employee represents that Employee has no knowledge of any wrongdoing involving improper or false claims against a federal or state governmental agency, or any other wrongdoing that involves Employee or other present or former Company employees.

6.6 Tax Consequences. The Company makes no representations or warranties with respect to the tax consequences of the payment of any sums to Employee under the terms of this Agreement. Employee agrees and understands that Employee is responsible for payment, if any, of local, state, and/or federal taxes on the sums paid hereunder by the Company and any penalties or assessments thereon.

7. Consequences of Breach.

7.1 Materiality of Breach. **Employee acknowledges and agrees that any breach on Employee's part of any provisions of this Agreement shall constitute a material breach of this Agreement and, to the fullest extent allowed by applicable law, shall entitle the Company immediately to recover or cease the Severance Payment Amount provided to Employee under this Agreement.**

7.2 Indemnification. To the fullest extent allowed by applicable law, Employee agrees to indemnify and hold harmless the Company from and against any and all losses, costs, damages, injuries, or expenses, including, without limitation, attorneys' fees or expenses, incurred by the Company arising out of breach of this Agreement by Employee, or from any false representation made herein by Employee, or from any action or proceeding which may be commenced, prosecuted, threatened by Employee or for Employee's benefit, upon Employee's initiative, or with Employee's aid or approval, contrary to the provisions of this Agreement. Employee further agrees that in any such action or proceeding, this Agreement may be pled by the Company as a complete defense, or may be asserted by way of counterclaim or cross claim.

8. Miscellaneous.

8.1 No Waiver or Admission. The Parties understand and acknowledge that this Agreement constitutes a full and final compromise and settlement of disputed claims. No action taken by the Parties

hereto, or either of them, either previously or in connection with this Agreement shall be deemed or construed to be: (a) an admission of truth or falsity of any claims heretofore made; or (b) an acknowledgment or admission by either Party of any fault, liability, or unlawful or wrongful act, whatsoever to the other Party or to any third party. The foregoing applies whether or not this Agreement is signed by Employee and whether or not Employee revokes Employee's signature after signing.

8.2 Costs of Preparation and Execution of this Agreement. The Parties shall each bear their own costs, expert fees, attorneys' fees and other fees and costs incurred in connection with the preparation, review, and execution of this Agreement.

8.3 Arbitration. The Parties agree that any and all disputes arising out of the terms of this Agreement, employment with the Company, service as an officer or director of the Company, or Employee's compensation and benefits, their interpretation and any of the matters herein released, will be subject to binding arbitration before the American Arbitration Association under its National Rules for the Resolution of Employment Disputes, supplemented by the South Carolina Rules of Civil Procedure. Such arbitration would take place in Columbia, South Carolina. The Parties agree that the prevailing party in arbitration will be entitled to enforce the arbitration award in any court of competent jurisdiction. The Parties hereby waive their right to have any dispute between them resolved in a court of law by a judge or jury. This paragraph will not prevent either Party from seeking injunctive relief (or any other provisional remedy) from any court having jurisdiction over the Parties and the subject matter of their dispute relating to Employee's obligations under this Agreement.

8.4 Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who claim through it to the terms and conditions of this Agreement. Employee represents and warrants that Employee has the capacity to act on Employee's own behalf and on behalf of all who might claim through to Employee bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

8.5 No Representations. Each Party represents that he or it has had the opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Neither Party has relied upon any representations or statements made by the other Party hereto, oral or written, which are not specifically set forth in this Agreement.

8.6 Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision so long as the remaining provisions remain intelligible and continue to reflect the original intent of the Parties.

8.7 Entire Agreement. Except as set forth in Sections 1.2 and 6.2, this Agreement represents the entire Agreement and understanding between the Company and Employee concerning the subject matter of this Agreement and Employee's relationship with the Company, and supersedes and replaces any and all prior agreements and understandings between the Parties, oral or written, concerning the subject matter of this Agreement and Employee's relationship with the Company.

8.8 No Waiver. A Party's failure to exercise or delay in exercising any right, power, or privilege under this Agreement shall not operate as a waiver; nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise thereof.

8.9 No Oral Modification. Any modification or amendments of this Agreement, or additional obligation assumed by either Party in connection with this Agreement, shall be effective only if placed in writing and signed by both Parties or by authorized representatives of each Party.

8.10 Governing Law. This Agreement shall be deemed to have been executed and delivered within the State of South Carolina, and it shall be construed, interpreted, governed and enforced in accordance with the laws of the State of South Carolina, without regard to conflict of law principles.

8.11 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

8.12 Notices. Any notice to the Company provided for herein will be given by personal delivery with a signed receipt, by overnight courier, or by U.S. registered or certified mail, return receipt requested, postage prepaid, to the following address:

(a) Great Southern Homes, Inc., Attention General Counsel, 917 Chapin Road, Chapin SC 29036, with a copy to erinreevesmcginnis@unitedhomesgroup.com; and also to

(b) Great Southern Homes, Inc., Attention Chief Administrative Officer, 917 Chapin Road, Chapin SC 29036, with a copy to tomogradey@unitedhomesgroup.com.

9. Time to Review and Sign.

9.1 Employee is Not Required to Wait to Sign. Employee acknowledges and understand that Employee has the full Review Period from and after the receipt of this Agreement to consider its terms, although Employee may choose to sign this Agreement any time before the expiration of this period.

9.2 Signature before End of Review Period. If Employee elects to sign this Agreement prior to expiration of the Review Period, Employee acknowledges that Employee is doing so knowingly and voluntarily, and without any demand or inducement by the Company to do so. Employee's signature on this Agreement constitutes an express waiver of the Review Period if Employee signs this Agreement prior to the expiration of the Review Period.

9.3 When this Agreement becomes Effective. This Agreement will become binding and irrevocable on the date on which the Employee signs this Agreement and delivers the Employee's signature to the Company.

9.4 Employee is Encouraged to consult with Counsel of Employee's Choice. **During the Review Period, Employee is encouraged to consult with an attorney regarding the terms of this Agreement.**

9.5 Free and Voluntary Signature. **By signing this Agreement, Employee acknowledges and agrees that Employee is entering into this Agreement freely, knowingly, and voluntarily, without any duress or undue influence, with a full understanding of its terms and with a full understanding and knowledge that Employee is waiving all claims against the Company through the date upon which Employee executes this Agreement.**

[signatures appear on next page]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

United Homes Group, Inc.

By: /s/ Tom O'Grady_____ Dated: July 1, 2025
Tom O'Grady
Chief Administrative Officer

Pennington Nieri

/s/ Pennington Nieri_____ Dated: July 1, 2025
Signature

**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: November 7, 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: November 7, 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 September 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: November 7, 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 September 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: November 7, 2025

By: /s/ Keith Feldman

Keith Feldman

Chief Financial Officer

(Principal Financial and Accounting Officer)