

## Risk Factors Comparison 2025-03-14 to 2024-03-15 Form: 10-K

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

Risks Related to UHG's Business • UHG's long-term growth depends upon its ability **inability** to acquire developed lots from affiliated land development companies (collectively, the "Land Development Affiliates") or other sellers, and the ability of such sellers to successfully identify, **secure** and acquire desirable land **and control** parcels for residential build-out. A failure to successfully identify and **an** acquire desirable land **adequate inventory of lots at reasonable** parcels **prices** for residential build-out could adversely affect **impact** UHG's business operations. • **If UHG is unable to develop its communities successfully or financial within expected time frames, UHG's results of operations could be adversely affected.** • UHG's geographic concentration could materially and adversely affect its business or financial results if the homebuilding industry in its current markets should decline. • **The risks associated with UHG..... effectively against competitors in the homebuilding industry.** • UHG's business and financial results could be adversely affected by significant inflation **and** higher interest rates, **or by a period of deflation gross profit.** • **The risks associated with UHG's strategic inventories could adversely affect its business or financial results.** • **Increases in UHG's home cancellation rate could have a negative impact on its home sales revenue and gross profit** operational initiatives, including those aimed at increasing profitability and driving returns, are subject to various risks and uncertainties, and UHG may not be able to implement the initiatives successfully. • UHG may not be able to complete or successfully integrate completed acquisitions and potential future acquisitions, and may experience challenges in realizing expected benefits of each such acquisition. • Failure to find suitable subcontractors may have a material adverse effect on UHG's standards of service. • UHG may suffer uninsured losses or suffer material losses in excess of insurance limits adversely affecting its business or financial results. • UHG is subject to litigation and other legal proceedings that could harm its business if an unfavorable ruling were to occur. • UHG may not be able to compete effectively against competitors in the homebuilding industry. Risks Related to the Homebuilding Industry • 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. • Homebuilding is subject to home warranty and construction defect claims in the ordinary course of business that can be significant, and reliance on subcontractors exposes builders such as UHG to regulatory risks that could adversely affect business or financial results. • Supply shortages and other risks related to acquiring lots, building materials and skilled labor could increase UHG's costs and delay deliveries causing an adverse effect on UHG's business or financial results. • Governmental regulations and environmental matters could increase the cost and limit the availability of UHG's homebuilding projects and adversely affect its business or financial results. • Natural disasters, severe weather and adverse geologic conditions may increase costs, cause project delays and reduce consumer demand for housing, all of which could materially and adversely affect UHG. Risks Related to UHG's Financing and Indebtedness • UHG has significant amounts of debt and may incur additional debt. Incurrence of additional debt or a default under any of UHG's loan agreements ~~or the convertible notes~~ could affect UHG's financial health and its ability to raise additional capital to fund its operations or potential acquisitions. • **UHG's financing arrangements contain, and UHG's future financing arrangements will likely contain, restrictive covenants.** • **UHG** may be unable to obtain additional financing to fund its operations and growth. ~~• The Wells Fargo Credit Facility, the Note Purchase Agreement, and Notes contain terms which restrict UHG's current and future operations, particularly UHG's ability to respond to changes or to take certain actions.~~ Risks Related to UHG's Organization and Structure • The dual class structure of UHG's common stock has the effect of concentrating voting power with UHG's ~~CEO~~ **Executive Chairman**, which may effectively eliminate the ability of holders of UHG's Class A common stock to influence the outcome of important transactions, including a change in control. • UHG is a "controlled company" within the meaning of the applicable rules of Nasdaq and, as a result, may qualify for exemptions from certain corporate governance requirements. If UHG relies on these exemptions, its stockholders will not have the same protections afforded to stockholders of companies that are subject to such requirements. • UHG's corporate organizational documents and provisions of state law to which it is subject contain certain provisions that could have an anti-takeover effect and may delay, make more difficult, or prevent an attempted acquisition that stockholders may favor or an attempted replacement of the Board of Directors or management. • Anti-takeover provisions contained in UHG's Amended and Restated Certificate of Incorporation and Bylaws, as well as provisions of Delaware law, could impair a takeover attempt, which could limit the price investors might be willing to pay in the future for UHG's common stock. Risks Related to Ownership of UHG's Securities • If UHG's existing stockholders sell, or indicate an intent to sell, amounts of UHG's Class A common stock in the public market after any restrictions on resale lapse, the trading price UHG's Class A common stock could decline. • UHG may issue additional shares of common or preferred stock (including upon the exercise of warrants ~~or conversion of the Notes~~), which would dilute the interest of UHG's stockholders and may present other risks. • UHG is an "emerging growth company" and, as a result of the reduced disclosure and governance requirements applicable to emerging growth companies, its securities may be less attractive to investors. • UHG has identified material weaknesses in its internal control over financial reporting. If remediation of these material weaknesses is not effective, or if UHG identifies additional material weaknesses in the future or otherwise fails to maintain an effective system of internal controls, UHG may not be able to accurately or timely report its financial condition or results of operations, which may adversely affect investor confidence and, as a result, the value of the Class A common stock. • The trading price of UHG's securities may be volatile. ~~• UHG's issued and outstanding Notes may impact its financial results, result in the dilution of its stockholders, create downward pressure on the price of its Class A common shares, and restrict its ability to raise additional capital or take advantage of future opportunities.~~ PART I Item 1. Business Unless the context otherwise requires, for purposes

of this section, the terms “ we, ” “ us, ” “ the Company ” or “ UHG ” refer to GSH and its subsidiaries prior to the Business Combination and to ~~the Company and~~ UHG and its subsidiaries, after giving effect to the Business Combination. Overview UHG designs, builds and sells homes in high growth markets, including South Carolina, North Carolina, and Georgia. ~~Prior to the Business Combination (discussed below in Management’s Discussion and Analysis of Financial Condition and Results of Operations), UHG’s business historically consisted of both homebuilding operations and land development operations. Recently, UHG separated its land development operations and its homebuilding operations across separate entities in an effort to adopt best practices in the homebuilding industry associated with ownership and control of land and lots and production efficiency. Following the separation of the land development business, which is now primarily conducted by the Land Development Affiliates that are outside of the corporate structure of UHG, UHG employs a land- light operating strategy, with a focus on the design, construction and sale of entry- level, first ~~move-up~~, second ~~move-up~~ 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. As UHG reviews potential geographic markets into which it could expand its homebuilding business, ~~either organically or through strategic acquisitions,~~ it intends to focus on selecting markets with positive population and employment growth trends, favorable migration patterns, attractive housing affordability, low state and local income taxes, and desirable lifestyle and weather characteristics. UHG is **currently** organized into **two-three** segments **;** • **GSH** South Carolina **- This segment represents GSH (consisting primarily of the Company’s homebuilding operations in South Carolina and a small amount of operations in Georgia ). The main products for GSH South Carolina include entry- level and first- move- up homes, catering to a wide range of buyers transitioning into homeownership or seeking to upgrade from their initial purchase. • Rosewood- This segment consists of 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 (consisting of- This segment includes the Company’s homebuilding operations in Raleigh, NC, and mortgage operations conducted through a as well as the Company’s mortgage banking joint venture, Homeowners Mortgage, LLC (“ Homeowners Mortgage ”)). See Note 4- Segment Reporting **reporting** of the Notes to the Consolidated Financial Statements for further details. Under its Pursuant to the Company’s land- light operating strategy **business model**, UHG controls its supply of finished lots **are typically purchased** through lot **option** purchase agreements with the Land Development Affiliates and third parties, which provide UHG with the right to purchase finished lots after they have been developed. UHG pays deposits based on the aggregate purchase price of the finished lots, typically 15 %- 20 % of the purchase price. These lot purchase agreements generally provide UHG with the right to purchase the lots pursuant to the terms and conditions of the agreement, or to terminate the agreement for any reason. If UHG declines to close on the purchase of lots, its primary legal obligation and economic loss as a result of such termination is limited to the amount of the deposit paid. UHG believes that the use of lot purchase agreements is a capital- efficient way of operating as it provides the Company with the ability to amass a pipeline of lots without the risks associated with acquiring and developing raw land. UHG’s pipeline as of December 31, 2023 consists of approximately 9, 000 lots, which includes lots that are owned or controlled by Land Development Affiliates, and which UHG expects to obtain the contractual **contracts** right to acquire, in addition to lots that UHG may acquire from third party **and related party land developers or land bank partners. This lot acquisition strategy reduces up- front capital requirements and generally provides for “ just- in- time ” lot delivery, which closely aligns with home starts and sales pace. This lot acquisition strategy reduces operating and financial risk relative to other homebuilders that own a higher percentage of their land supply on balance sheet. As of December 31, 2024, 98 % of approximately 7, 700 controlled lots were controlled through** lot option contracts. Market Opportunity UHG believes that there is a significant housing shortage in the United States. Long- term favorable fundamentals of low housing inventory, high employment growth over a trailing five- year period, and affordability relative to the national average home price create an opportunity for UHG to expand its homebuilding operations. ~~As previously noted,~~ UHG presently operates in three major market regions in South Carolina: Midlands, Upstate, and Coastal, **as well as** Augusta, Georgia, and Raleigh, North Carolina. Competitive Strengths UHG’s primary business objective is to create long- term returns for stockholders through its commitment to produce quality- built homes at affordable prices. UHG believes that its reputation, commitment to excellence and its support for its customers through the home buying process sets it apart from other public company homebuilders. UHG believes that the following strengths position it well to execute its business strategy and capitalize on opportunities in the Southeastern United States and across the country. • Established Track Record of Strong Organic Growth. Proven growth and operating successes are hallmarks of UHG’s history. ~~Led Founded~~ by Michael Nieri **in 2004** since its inception, UHG has closed approximately **14-15**, 000 homes since **2004 its inception**. • Leading Share in Existing Markets and Close Proximity to Adjacent High- Growth Markets. According to the U. S. Census Bureau, UHG’s home state of South Carolina experienced **an estimated** population growth of more than ~~10-~~**13. 5** % from **2010-2014** to **2022-2024** exceeding the **estimated** national average of ~~7-~~**6. 4-6** % over the same period of time. ~~Not only does UHG enjoy leading market share in a majority of the submarkets they serve in South Carolina and Georgia, but~~ UHG is based within 500 miles of some of the fastest growing markets in the U. S based on new home sales. This includes markets like Nashville, Jacksonville and Orlando, which carry the potential for expansion ~~both organically and via strategic acquisitions.~~ UHG’s proximity to growing population centers of the Southeast provide a unique advantage over homebuilders with less of a focus in these regions. • Land- light Operating Model Drives Superior Returns with Less Capital at Risk. UHG and other land- light builders do not hold large land positions on balance **sheet**, but rather partner with land **banks and land** developers including **related parties** ~~the Land Development Affiliates~~ that hold land and finished lots and deliver them to the builder on a “ just- in- time ” basis. UHG believes that this land- light model **reduces both operating and financial risk** ~~results in a more balance sheet efficient strategy~~, which is expected to drive higher returns while offering more flexibility in response to changing economic conditions and expects this to result in more stable financial performance through the housing cycle due to lower invested capital and equity at**~~

risk limited to the lot deposit. Because of the higher and more stable return profile, land light builders tend to trade at higher valuation multiples than peers that own considerable land positions. • Highly Experienced, Aligned and Proven Management Team. UHG benefits from a highly experienced management team that has demonstrated the ability to adapt to ever- changing market conditions while generating substantial growth and innovation. UHG’s executive officers and key employees have over 100 years of cumulative experience in the homebuilding industry. UHG believes its management team’s wide- ranging industry experience, combined with its incentivized executive compensation structure, have been and will continue to be the key to its success. **Strategy and Operations** UHG’s management and Board of Directors have established a multi- pronged growth strategy. UHG **has historically relied upon** expects to achieve its growth goals through successful execution of the following strategies **and anticipates utilizing many of these strategies to achieve additional growth going forward** : • Continue to Leverage Key Macro Housing Trends. UHG plans to continue to capitalize on the macro housing trends including the ongoing migration from higher- cost areas in the Northeast to more affordable markets in the Southeast. Given its focus on entry- level and first- time move- up buyers, UHG also expects to take advantage of **high the continued inflation in** rental rates to encourage renters to consider home buying as an alternative to renting. It is UHG’s view that household formation, life events and ongoing rent inflation are larger drivers in an entry- level homebuyer’s decision process than interest rates. • Capitalize on Strong Growth in Core Markets. U. S. Census Bureau data indicates UHG’s existing and adjacent markets continue to grow faster than national averages. These conditions are expected to allow well- capitalized homebuilders with a meaningful presence in these markets to grow faster than industry averages. For UHG going forward, **increased market share through take- growth in community count, higher sales pace per and a re- composition of community size and quicker inventory turnover count** are expected to drive organic growth. Specifically, community count is expected to increase in 2024, and UHG expects average community size to increase in its target markets. Management of UHG expects that larger communities will allow the Company to better manage sales cadence and even- flow production schedules, thereby generating increased operating leverage. UHG and its predecessors have demonstrated an ability to capitalize on these trends for more than 20 years, and capital provided from the Business Combination is expected to support additional growth in the future. • Accretive Mergers and Acquisitions (M & A). Homebuilding is a business that benefits from scale, where the benefits of operating as a larger entity can result in lower costs and higher margins. Further, UHG believes that the changing macroeconomic environment has resulted in an increased willingness of smaller builders to explore partnerships with larger organizations. Through January 2024, UHG completed three acquisitions, allowing the Company to further grow operations in the upstate and coastal regions of South Carolina, and expand operations into Raleigh, NC. Management believes UHG continues to have an opportunity to be an “acquirer of choice” for smaller builders as UHG’s acquisition strategy is focused on retaining local operations and brands. UHG has in place dedicated personnel focused on M & A opportunities. • Programmatic Build to Rent (BTR) Relationships. Institutional owners of residential rental homes are increasingly turning to homebuilders to help meet the need for more housing supply. Further, newly constructed rental homes tend to come with lower maintenance costs and higher rents than older homes. UHG’s existing product set, geared towards entry- level and first- time move- up buyers, is highly consistent with the rental product desired by institutional capital. UHG **has considerable experience developing single expects to continue to explore opportunities in the BTR sector from time to time to augment its core for - sale business** family rental homes and is in discussions with and expects to enter programmatic relationships with institutional investors for development of Built to Rent (“BTR”) communities. In 2023, UHG was contracted to deliver 108 units in one BTR community. Institutional owners closed on 36 of the 108 units in this BTR community in the fourth quarter of 2023 and the remaining 72 units are expected to close in 2024. • Ancillary Revenue Growth Opportunities. UHG management continuously looks for accretive sources of EBITDA growth, not just in product line opportunities, but also in opportunities to drive additional EBITDA from existing operations. A key example of this is **the recent formation and launch of Homeowners Mortgage, which is began generating revenue in July 2022. The creation of Homeowners Mortgage, structured as a joint venture with a leading national lender that, will arrange arranges** mortgage financing for potential homebuyers and **is anticipated to deliver delivers** incremental **high margin** revenue to UHG and its stockholders. Beyond being a new source of revenue and EBITDA for UHG with little incremental expense or capital investment, **it is anticipated that the Homeowners Mortgage joint venture will, through its use of incentives, has helped** improve buyer traffic conversion and reduce backlog cancellation rates. • **Operational Initiatives** UHG launched multi- faceted operational improvement initiatives in 2024. Through an increased use of data, analytics, and standardization of processes, the Company expects to improve profitability and returns over time. While there are eight distinct workstreams related to these operational initiatives, the Company believes the following should have the largest impact on profitability in the near term: • **Product Improvement.** UHG has undertaken a comprehensive review of its portfolio of house plans, rationalizing its offering, refreshing designs, and offering new customization options to buyers. The Company expects the refreshed offering to accelerate sales activity, increase pre- sales, and reduce the number of finished homes in inventory, resulting in a lower need for incentives and increased profitability from options and upgrades. Construction has begun on many of these revised plans and the Company expects they will comprise a meaningful part of closings by mid- 2025. The Company expects to offer new product lines going forward as well. • **Lowering Construction Costs.** The Company has launched a formalized program aimed at reducing direct construction costs through the renegotiation and rebidding of major supplier, vendor, and subcontractor agreements. Combined with the product repositioning, lower costs and a higher level of standardization going forward is aimed at improving gross margin. • **Comprehensive Land Underwriting.** UHG has and will continue to make investments in land opportunities for future communities. The Company has and will continue to add to its team in this area and has increased the use of data and analytics to better align its communities and homes with market opportunities. Further, the Company’s land light strategy often employs the use of third- party capital, which has led the Company to increase the hurdle rate requirements on future land investments. UHG Products and Customers UHG’s Homes and Homebuyers

UHG's homebuilding business is driven by its commitment to building high quality homes at affordable prices in attractive locations, while delivering excellent customer service. UHG empowers its customers with flexibility to personalize their desirable open floor plans with a wide array of finishes, options and upgrades to best fit their distinctive tastes and unique needs. In its portfolio of home plans, UHG offers a series of single- family detached and attached homes. The homes are targeted for entry- level buyers, first ~~-time move-ups~~, second ~~-time move-ups~~, and third- time move- ups, and some custom builds. Entry- level homebuyers are typically seeking an economical path to home ownership and desire square footage, quality design and construction at affordable prices. First- time move- up homebuyers generally desire the opportunity to select and upgrade features in their homes. Second- time move- up homebuyers generally seek larger floorplans with a higher level of finish with the ability to upgrade additional features. Third- time move- up homebuyers are similar to second- time move- ups but desire a higher level of finish and top- shelf options and upgrades. Land Acquisition Strategy **Obtaining control of high- quality and Development Process Locating and analyzing attractive land positions is a critical challenge for any homebuilder to the Company's overall success, especially the Company's growth and profitability.** UHG controls its supply **remains focused on controlling anywhere from 4- 5 years of high- quality land positions in its markets** through lot purchase agreements. **The Company** UHG's land selection process begins with key economic drivers: population, demographic trends and employment growth. Following the separation of the land development business, UHG operates under a land- light lot operating strategy that allows UHG **business model which minimizes its upfront capital commitment to a deposit and seeks to avoid engaging in the financial commitment of land development activities**, which requires significant capital expenditures **over an extended timeframe**. Instead, UHG utilizes a comprehensive land underwriting process and will continue to add to its land acquisition teams. **The Company has increased the use of data and analytics to better align its investments with market demands. Due to UHG's extensive history, the Company has strong relationships with both local land owners and developers in its markets. The Company's land acquisition process is headed by UHG's local division leadership with the collaboration of various resources across the company. UHG has a Land Investment Committee ("LIC") which includes the interim Chief Executive Officer, President, Chief Operating Officer, and Chief Financial Officer of the Company. The LIC is responsible for approval of all new investments. The Company's divisions work with senior management throughout the underwriting process and, for potential investments that fit within the Company's criteria, are given authority by the LIC to put deals under LOI with minimal capital requirements in order to perform an initial evaluation of the acquisition opportunity. Acquisition opportunities are presented to the LIC by division leadership, in collaboration with other senior members of the organization, and are generally presented prior to the expiration of the negotiated inspection period and prior to the time that any deposits become non- refundable. The Company considers a lot controlled when the Company is under contract to acquire the land, holds an option to acquire the applicable lot for the relevant timeframe set forth in the option contract, or the lot is owned or controlled by related parties and UHG expects to obtain the contractual right to acquire. Finished lots are typically purchased through lot option contracts with third -party developers, related party developers or land bank partners developers, third-party land-bankers, and the Land Development Affiliates, each for the purchase of developed lots. The Company typically posts UHG's strategy avoids the financial commitments and risks associated with direct land ownership and land development and allows it to control a significant number of lots by putting down deposits on the lots, a relatively low capital commitment compared to the acquisition of land and a materially lower capital commitment than is required for the development of the land into finished lots. The deposit is typically 15 %- 20 % of the total purchase price of the finished lots -UHG's land- and has a staggered takedown schedule designed to match selection and sourcing process involves collaboration between UHG, third- party land developers, and the Land Development Affiliates-expected sales pace for the community. For contracts This collaboration relies on UHG's longstanding relationships with land sellers- bank partners, brokers-UHG typically pays the development costs and is reimbursed the following month from the and-land third-bank partner. As of December 31, 2024, lot deposits relating to lot and land option contracts totaled \$ 48. 2 million, which controlled 7, 565 option lots. As of December 31, 2023, lot deposits relating to lot and land option contracts totaled \$ 33. 0 million, which controlled 8, 653 option lots. While the Company intends to grow its controlled lot position over time to support long - term growth of the business, shorter party developers in its target markets. This enables UHG to source land in a cost- effective manner-term fluctuations in lot count are typical for development by the Company Land- and Development Affiliates and to secure the right to purchase finished lots from the industry through normal course of ongoing acquisition, underwriting, Land- and due diligence activities Development Affiliates and third- party developers. Lot purchase agreements are generally entered into with the land developers between six and 24 months in advance of the expected completion of the land development, depending on whether the land is fully permitted and approved at the time the lot purchase agreement is entered into. In cases where the land is not fully permitted and approved, lot purchase agreements are generally entered into between 18 and 24 months in advance of the expected completion of the land development. In cases where the land is fully permitted and approved, lot purchase agreements are generally entered into between six and 18 months in advance of the expected completion of the land development. Pursuant to UHG's lot purchase agreements, the lots are offered to UHG for purchase on a rolling basis, which is designed to mirror its expected home sales.** Owned and Controlled Lots The following table presents UHG's owned or controlled lots by market as of December 31, **2024 and** 2023 and 2022. As of December 31, **2023As 2024As** of December 31, 2022Market **2023Market / DivisionOwnedControlledTotalOwnedControlledTotalMidlands1105**  
**DivisionOwnedControlledTotalOwnedControlledTotalMidlands674 , 7334, 8001105**, 0185, 128945, 1455, 239Coastal1761-  
**128Coastal171 , 2041, 221761**, 0661, 142341-142Upstate71 , 1571-3831 , 191Upstate1632-**390392** , 3542, 5171451, 9532-  
**1952** , 098Raleigh46215261 -----Total3958-**234Rosewood15180195124159283Raleigh19658446215261Total1257, 5657,**  
**6903958** , 6539, **048** 0482738, 2558, 528-Owned Real Estate Inventory Status The following table presents UHG's owned real estate inventory status as of December 31, **2024 and** 2023 and 2022. As of December 31, **2023As 2024As** of December 31,

2022 Owned 2023 Owned Real Estate Inventory Status (1) % of Owned Real Estate Inventory % of Owned Real Estate Inventory Homes under construction and finished homes 81 homes 85 % 91-81 % Developed lots and land under development and pre-acquisition costs (2) 15 % 19 % 9 % Total 100 % 100 % (1) Represents owned homes under construction and finished lots. (2) On a limited basis, the Company acquires raw parcels of land already zoned for its intended use to develop into finished lots, typically as a result of business acquisitions. Land under development represented zero and 5 % and 0 % of total inventory as of December 31, 2024 and 2023 and 2022, respectively. Homebuilding, Marketing and Sales Process UHG is a production builder, primarily focused on entry-level, first, and second move-up homebuyers, with some third move-up and custom construction. UHG bases the decision on what type of home to build according to its market analysis of potential homebuyers. Home construction ranges from attached single-family product such as townhomes and duplexes to detached single-family homes up to five-bedroom two-story product, primarily using plans designed in-house by UHG. The UHG build-on-demand market entails a homebuyer selecting a lot in a UHG development and picking from a selection of UHG-predesigned home plans and options. UHG does some limited custom home construction as well. UHG uses a variety of marketing tools to reach potential homebuyers, but online marketing has become a key strength of the UHG business model, allowing it to reach a broad range of potential homebuyers at relatively low expense compared to traditional advertising platforms. The digital marketing methods that UHG employs include strategic e-marketing efforts to its current database of potential customers, internet advertising enhanced by search engine marketing, search engine optimization and campaigns and promotions across an array of social media platforms. UHG has also had measurable success utilizing its online digital chat function to assist with inquiries and direct traffic directly to its onsite sales representatives. One area of strength in UHG's digital marketing has been to leverage virtual home tours of inventory and model homes, which has been particularly effective in selling homes to buyers moving into the area UHG's markets from other regions of the country. While digital marketing is a key component of the UHG home sales process, most homebuyers will ultimately want to visit a UHG product in person prior to purchasing. UHG maintains model homes in most developments for potential buyers to see in-person the quality and design features of UHG's homes, as well as the different options that may be available. Onsite sales representatives are present seven days a week in UHG developments to answer questions and provide potential homebuyers with a point-of-sale contact. While efficient marketing methods are important, real estate remains a complicated sales transaction and providing a potential buyer with access to a dedicated onsite sales representative who is an expert on the community is a key to the success of UHG's sales process. Onsite sales representatives are typically local realtors who have contracted with UHG to provide this service. This allows UHG to provide potential homebuyers with a high level of service and knowledgeable onsite sales representatives without incurring the significant overhead cost of hiring full-time employees to service every development. UHG also puts a great deal of effort into maintaining good relationships with local real estate professionals in its target markets. UHG believes that this gives it a competitive advantage over other builders who rely almost solely on in-house marketing efforts. Backlog, Sales Net new orders and Closings For reporting purposes, a "new order home sale" occurs when a buyer has been pre-approved by a mortgage lender, has signed a sales contract with UHG, and has placed a deposit towards the purchase of the home. A "start" occurs when a permit has been obtained and groundbreaking on a home is forthcoming has begun, such as pouring the foundation or footings. "Closing" occurs when the legal process for completing the sale of the home has been finalized and UHG has been paid for the sale. A certain number of sales will not be closed for one reason or another, and these are reported as "cancellations." Homes in "backlog" are those that are under a sales contract but have not closed. For reporting purposes, the total number of sales net new orders is reported as the number of sales new orders during the applicable period, minus the cancellation of existing contracts during that same period. Cancellation rate is determined by the total number of cancellations for the period divided by total number of sales new orders during the same period. Backlog is calculated as the number of homes in backlog from the prior period, plus sales net new orders for the current period, minus the number of closings for the current period. Backlog value is determined based on the selling prices of the homes in backlog. The table below reports sales net new orders, starts, and closings, and backlog in each of UHG's primary markets for the years ended December 31, 2024 and 2023 and 2022. Year Ended December 31, Period Over Period % Change 2023 2022 Market Sales Starts Closings Sales Starts Closings Sales Starts Closings Coastal 150145216160241242 Change 2024 2023 Market Net new orders Starts Closings Net new orders Starts Closings Net new orders Starts Closings Coastal 25221421815014521668 % 48 % 1 % Midlands 736575733755689827 (6-3) % (40-17) % (11) % Upstate 348272407364398333 Midlands 7556898277446959421 % (14) % (12-32) % Upstate 3883993403553374219 22 % 18-Rosewood 325539241733 % NMNMRaleigh 314634315 — NMNMRTotal 1, 2961, 3991, 2591, 2961, 2481, 3838 % (19-7) % 3-Raleigh 3150000 NMNMRTotal 1, 2961, 2481, 3831, 2591, 2731, 6053-% (2) % (14) % -NM- Not Meaningful The following table presents information concerning UHG's net new orders, cancellation rate and ending backlog for the years ended December 31, 2024 and 2023 and 2022. Year Ended December 31, 2023 2022 Net 2024 2023 Net New Orders 1, 2961 3991, 259 Cancellation- 296 Cancellation Rate 13-Rate 11.4 % 13.6 % As of 17.5 % Year Ended December 31, 2024 2023 Backlog inventory 157189 Backlog inventory 2023 2022 Ending Backlog Homes 189276 Ending Backlog Value (in thousands) \$ 58,300 \$ 57,600 \$ 86,000 Materials, Procurement and Construction UHG uses various materials and components and is dependent upon building material suppliers for a continuous flow of raw materials. It typically takes UHG between 90 and 120 days to construct a single-family home and typically longer for certain second move-up and higher-end homes. Some factors that could create fluctuations in UHG's raw material pricing are seasonal variations in the building cycle, labor and material supply chain disruptions, international trade disputes and resulting tariffs and increased demand for materials as a result of the improvements in the housing market. UHG's objective in procurement is to maximize efficiencies on local and regional levels and to ensure consistent utilization of established contractual arrangements. UHG employs a comprehensive procurement program that leverages its size and geographic footprint to achieve attractive cost savings and, whenever possible, standardize products to be

used with multiple subcontractors and suppliers. This standardization process supports UHG's efforts to maintain service levels and delivery commitments and to protect its pricing. UHG also leverages its volume to negotiate better pricing from manufacturers. UHG has numerous national distribution arrangements in place for framing supplies, plumbing fixtures, appliances, heating, ventilation and air conditioning systems, roofing and other supplies. UHG has extensive experience managing all phases of the construction process. Although UHG does not employ its own skilled tradespeople, such as plumbers, electricians and carpenters, UHG does employ project managers, area construction managers, and EVPs of construction to manage the construction process. UHG's enterprise resource planning system and integrated construction scheduling software, along with a third party scheduling software, allow its project managers to closely monitor the construction progress of each of their homes. UHG's software also enables its project managers to monitor the completion of work, which in turns expedites payments to their subcontractors. Customer Relations, Quality Control and Warranty Program UHG pays particularly close attention to the product design process and carefully considers quality and choice of materials in an attempt to eliminate building deficiencies and reduce warranty expenses. UHG's policy is to require all of its vendors and sub-contractors, in connection with its onboarding process, to execute its standard terms agreement, which includes, among other provisions, work quality standards. UHG's onboarding process also requires all vendors and subcontractors to provide proof of insurance, including liability insurance and workers compensation insurance, and to include UHG as an additional insured under such policies. The quality and workmanship of UHG's subcontractors are monitored in the ordinary course of business by UHG's project managers and area managers, and UHG conducts regular inspections and evaluations of its subcontractors to ensure that its standards are being met. In addition, local governing authorities in all of UHG's markets require the homes UHG builds to pass a variety of inspections at various stages of construction, including a final inspection in which a certificate of occupancy, or its jurisdictional equivalent, is issued. UHG maintains professional staff whose role includes the provision of a positive experience for each customer throughout the pre- sale, sale, building, closing and post- closing periods. These employees are also responsible for providing after- sales customer service. UHG's quality and service initiatives include taking customers on a comprehensive tour of their home prior to closing and using customer survey results to improve its standards of quality and customer satisfaction. Competition and Market Factors UHG faces competition in the homebuilding industry, which is characterized by relatively low barriers to entry and multiple operators. UHG's competition includes national, regional, and local homebuilders, as well as the individual home resale market and available rental housing. Homebuilders compete for, among other things, homebuyers, desirable lots, financing, raw materials and skilled labor. Competition for homebuyers is primarily based upon factors such as price, location, design, quality, and the reputation of the builder. Increased competition may prevent UHG from acquiring attractive lots on which to build homes or make such acquisitions more expensive, hinder its market share expansion or lead to pricing pressures on its homes that may adversely impact its margins and revenues. The housing industry is cyclical and is affected by consumer confidence levels, employment, affordability, prevailing economic conditions and interest rates. Other factors that affect the housing industry and the demand for new homes include: the availability and the cost of land, labor and materials; changes in consumer preferences; demographic trends; and the availability and interest rates of mortgage finance programs. See " Risk Factors " for additional information regarding these risks. ~~UHG is dependent upon building material suppliers for a continuous flow of raw materials. Whenever possible, UHG attempts to utilize standard products available from multiple sources.~~ Seasonality The sale of both new and existing homes in the United States exhibit demonstrable seasonality over the course of a calendar year. This seasonality can be evidenced across multiple sources including, but not limited to, government data (U. S. Census Bureau), trade groups (National Association of Realtors) and public company reports. Typically, prospective home buyers search for homes beginning in late winter to early spring, which in industry parlance is often referred to as the " spring buying season. " As homes are constructed, those contracts are then closed upon through the summer into fall. As a result, UHG and the homebuilding industry tends to experience more new **orders home sales** in the first half of a calendar year and increased closings and revenue recognition in the second half of a calendar year. In all of its markets, UHG has historically experienced similar variability in its results of operations and capital requirements from quarter to quarter due to the seasonal nature of the homebuilding industry. As a result, UHG's revenue may fluctuate on a quarterly basis. As a result of seasonal activity, UHG's quarterly results of operations and financial position at the end of a particular quarter are not necessarily representative of the results it expects at year end. UHG expects this seasonal pattern to continue in the long- term. Governmental Regulation and Environmental, Health and Safety Matters As a licensed builder in South Carolina, Georgia and North Carolina, UHG is subject to each state's statutes and regulations governing licensure, as well as other federal, state, and local laws and ordinances that govern the construction of homes in the relevant jurisdictions in which UHG operates. Homes built by UHG in South Carolina, Georgia and North Carolina are required to be built to conform to the standards established by the latest edition of the International Residential Code (" IRC ") (as adopted and modified by each state). The construction of homes to the IRC standards is closely monitored by local authorities, and homes built by UHG must pass inspection at multiple stages of the construction process. Enforcement of the IRC standards is conducted at the local level, which has led and may continue to lead to conflicting interpretations among the multiple jurisdictions in which UHG does business and can cause delays to the construction process. Changes to the IRC or differences in interpretation among jurisdictions may result in additional costs incurred by UHG in the construction process. Preparation of building sites for homes is governed by a variety of federal, state, and local environmental statutes, regulations, and ordinances. As a purchaser of finished lots from developers, one of the principal regulatory requirements that affects UHG is the requirement that it comply with stormwater and erosion control measures. Regulators frequently inspect UHG **homes communities** for compliance with these measures, and fines and other penalties causing delays may be imposed if such inspections reveal that these regulations have not been complied with. Federal and state environmental laws may hold current or former real estate owners strictly or jointly and severally liable for certain hazardous or toxic substances that may be found on the property. Current or former owners may be required to investigate and clean up these substances and owners can be found liable for related damages. Homes

subject to these conditions, or certain naturally occurring conditions like methane or radon, may require a mitigation plan, and a home subject to a mitigation plan may be less attractive to buyers. Use of building material by UHG that is found to be hazardous and to cause injury could also result in UHG being held liable for damages. ~~UHG procures lots for building homes from the Land Development Affiliates and other third-party developers.~~ The supply of lots ~~from these companies~~ is affected by a number of federal, state, and local statutes, regulations, and ordinances, and can lead to substantially increased costs, delays, or even cancellation of the construction of communities. Unexpected factors such as an endangered species being found on a site, unanticipated jurisdictional wetlands, or geotechnical factors may lead to delays in the supply of lots or increased costs. Local governments may pass restrictions on density and other zoning requirements that make building homes more costly or impractical. Local jurisdictions may also pass moratoriums on development or issuing building permits that can affect the supply of lots to UHG. While UHG will generally purchase developed and entitled lots from **related party developers, the Land Development Affiliates and other third-party developers and land banks**, these lots may be subject to subsequent restrictions and regulations by local authorities, which can increase costs. UHG expects the use of local government land-use regulation to restrict residential development will intensify in the future. Homeowners Mortgage, UHG's joint-venture mortgage brokerage company, is subject to a wide array of federal and state statutes and regulations. As a mortgage broker, Homeowners Mortgage is primarily regulated by state financial services regulators: the South Carolina Department of Consumer Affairs (SCDCA), the South Carolina Board of Financial Institutions (SCBOFI), the North Carolina Commissioner of Banks (NCCOB), and the Georgia Department of Banking and Finance (GADBF). In addition, federal enforcement authority is vested with the Federal Trade Commission (FTC) and the United States Consumer Financial Protection Bureau (CFPB). Homeowners Mortgage is subject to both federal and state law, including regulations promulgated by federal financial regulators (mainly, the CFPB and Federal Reserve Board) and the state financial regulators, which implement these laws. State financial regulators oversee the licensing of Homeowners Mortgage as a mortgage broker. Homeowners Mortgage maintains a Mortgage Broker License in North Carolina and South Carolina and a Mortgage Broker / Processor License / Registration in Georgia. Homeowners Mortgage's activities, advertising, disclosures to consumers, and its relationship with mortgage loan originators (MLOs) is subject to numerous federal laws, including the Real Estate Settlement Practices Act (RESPA) and its implementing regulation, Regulation X; the Truth in Lending Act (TILA) and Regulation Z; the Equal Credit Opportunity Act (ECOA) and Regulation B; the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act); the Home Mortgage Disclosure Act (HMDA) and Regulation C; the Gramm-Leach-Bliley Act (GLBA) and Regulation P; the Fair Credit Reporting Act (FCRA) and Regulation V; and the Mortgage Acts and Practices — Advertising Rule (MAP Rule) and Regulation N. Some of these laws and regulations directly apply to Homeowners Mortgage, while other obligations apply indirectly through its relationship with the MLOs. The states in which Homeowners Mortgage operates have corollary legal and regulatory regimes, as well as additional restrictions on the conduct of mortgage brokerage businesses that are specific to transactions within the given state. Beyond these laws and regulations, Homeowners Mortgage is subject to compliance with the terms of various governmental and government-sponsored enterprise (GSE) underwriting and compliance guides. These programs, such as those operated by the Federal Housing Administration (FHA), the Veterans Benefits Administration (VA), the United States Department of Agriculture (USDA), the Federal National Mortgage Association (FNMA / Fannie Mae), the Government National Mortgage Association (GNMA / Ginnie Mae), and the Federal Home Loan Mortgage Corporation (FHLMC / Freddie Mac) promulgate regulations and guidelines pursuant to which they will originate or guarantee mortgage loans. Human Capital Resources and Organizational Culture UHG ~~builds~~ **operates with a mission to lead the industry by delivering high** quality homes ~~for the people in the Southeastern United States. The values UHG team members bring to accomplish that mission are those common to where they grew up, individually and as an organization. UHG enjoys a sterling reputation with its exceptional value with a focus on customers—customer satisfaction, competitors, developers, and government officials driven by its institutional values. This~~ **As of December 31, 2024, UHG had** ~~had~~ **won** reputation of its team members and organization gives UHG a competitive advantage over national builders in UHG's core markets. UHG believes that its culture, and the commitment of its team members to it, has enabled UHG's growth rate to date. UHG has approximately **196-175** full-time team members. UHG also has offices throughout its markets, including offices in the Upstate market in Mauldin, SC, an office in the Coastal market in Myrtle Beach, SC, and an office in Raleigh, NC. The regional concentration of UHG markets, mostly within a two-hour drive from corporate headquarters ~~in~~ **near** Columbia in the Midlands market, allows UHG to retain a light, cost-effective team and infrastructure footprint in the Upstate, Coastal and Raleigh markets. UHG offers its team members generous benefits, including paid time off, health insurance and a 401k retirement plan. UHG values its team members and understands ~~the their~~ **their** importance ~~of them~~ to the success of the business. No UHG team members are members of a labor union or covered by a collective bargaining agreement, there have been no work stoppages or strikes, and relations between UHG and ~~its~~ **its** team members are believed to be positive. UHG primarily uses subcontractors to build homes, and UHG believes it has good relationships with these subcontractors. Available Information UHG's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments to those reports are filed with the SEC. Such reports and other information filed by UHG with the SEC are made available free of charge on UHG's website at [ir.unitedhomesgroup.com](http://ir.unitedhomesgroup.com), as soon as reasonably practicable after such material is available on the SEC's website. All of these filings with the SEC are also available to the public over the internet at the SEC's website at [www.sec.gov](http://www.sec.gov). UHG's internet address is [www.unitedhomesgroup.com](http://www.unitedhomesgroup.com). Information contained on, or accessible through, these websites is not incorporated by reference into and does not constitute a part of this **prospectus report**. UHG's principal executive offices are located at 917 Chapin Road, Chapin, South Carolina 29036 and its telephone number is (844) 766-4663. Item 1A. Risk Factors **The results of UHG's homebuilding operations** ~~long-term growth depends~~ **depend in part** upon its **UHG's continuing** ability to acquire developed lots from affiliated land development companies (collectively, the "Land Development Affiliates") or other sellers, and the ability of such sellers to successfully identify, **control** and acquire desirable land parcels for residential build-out. A

failure to successfully identify and **an adequate number** acquire desirable land parcels for residential build-out could adversely affect UHG's business or financial results. UHG's long-term growth depends upon its ability to continually acquire developed lots from its Land Development Affiliates or other sellers on favorable terms. UHG also depends upon the ability of these entities to successfully identify and acquire attractive land parcels for the construction of UHG's single-family homes at reasonable prices, and to develop such parcels in a manner that meets UHG's criteria for developed lots. In addition, because UHG employs a land-light business model, it may have access to fewer and less attractive homebuilding lots than if it owned lots outright, like some of its competitors who do not operate under a land-light model. The ability to acquire land parcels for new single-family homes may be adversely affected by changes in **desirable locations**, the general availability of land parcels, the willingness of land sellers to sell land parcels at reasonable prices, competition for available land parcels, availability of financing to acquire land parcels, zoning, and other market conditions, and there **There** can be no assurance that an adequate supply of land parcels **homebuilding lots** will continue to be available to UHG **if on terms similar to the those available in the past, or that UHG will not be required to devote a greater amount of capital to controlling homebuilding lots than UHG has historically**. In addition, because UHG employs a land-light business model, UHG may have access to fewer and less attractive homebuilding lots than if UHG owned lots outright, like some of UHG's competitors who do not operate under a land-light model. An insufficient supply of land parcels appropriate **homebuilding lots in one or more of UHG's markets, an inability of UHG's developers to deliver finished lots in a timely fashion due to their inability to finance development activities, delays in recording deeds, conveying controlled lots as a result of government shut downs, or** for development of single-family homes is limited because of these factors, or for any other reason **reasons**, or UHG's ability **inability** to grow **purchase or finance homebuilding lots on reasonable terms** could **have a** be significantly limited, and the number of homes that UHG builds and sells could decline, which could materially **material adverse** and negatively affect **effect** its **on UHG's** sales, profitability, stock performance, ability to service its debt obligations and future cash flows. **Any** To the extent that UHG is unable to purchase developed lots on a timely basis and **land shortages or any decrease in the supply of suitable land** at reasonable prices, **could limit UHG's** ability to develop new communities or result in increased lot deposit requirements or land costs. UHG may not be able to pass any increased land costs to its customers, which could adversely impact UHG's revenues, earnings and margins. UHG considers a lot controlled when it holds an option to acquire the applicable lot for the relevant timeframe set forth in the option contract, in addition to lots that are owned or controlled by related parties and which UHG expects to obtain the contractual right to acquire. After UHG signs a finished lot option contract, but prior to the deposit becoming non-refundable (except for certain circumstances such as seller default or force majeure events), UHG has an initial inspection and due diligence period, during which time UHG inspects the property to make sure it meets certain development requirements (e. g., zoning, environmental approvals, and other customary requirements). If UHG discovers that the property does not sufficiently meet the development requirements after this period has passed, UHG could lose some or all of any deposits, fees, or investments paid or made in respect of such arrangements, including any cost overruns, which could adversely impact UHG's profitability, ability to service its debt obligations, and future cash flows. UHG does not typically receive a return of its deposit upon expiration or termination of the contract unless it is due to seller default or a force majeure event. The forfeiture of land contract deposits or inventory impairments may result in a loss that could have a material adverse effect on UHG's profitability, ability to service its debt obligations, and future cash flows. If the property meets UHG's development requirements and successfully exits the initial inspection and due diligence period, the deposit becomes non-refundable (except for certain circumstances such as seller default and force majeure events), and UHG proceeds under the finished lot option contract with the lots available to it for purchase on a staggered takedown schedule, which is designed to mirror UHG's expected **home sales orders**. UHG's options to purchase lots typically expire at the end of each purchase date as set forth in the staggered takedown schedule of the applicable option contract. If, ultimately, UHG does not exercise its option to purchase, the seller then would have the option to terminate the agreement, which would then result in the loss of the option to purchase all remaining unpurchased lots and forfeiture of the remaining deposit for the unpurchased lots. UHG does not typically receive a return of its deposit upon expiration or termination of the contract unless it is due to seller default or a force majeure event. The forfeiture of land contract deposits or inventory impairments may result in a loss that could have a material adverse effect on UHG's profitability, stock performance, ability to service its debt obligations, and future cash flows. Although UHG's preference is to acquire finished lots, from time to time, UHG may also acquire property that requires further development before it can begin building homes. **When a community requires additional developments, UHG devotes substantial time and capital in order to obtain development approvals, acquire land and construct significant portions of project infrastructure and amenities before the community generates any revenue**. In addition, UHG's land bank option contracts often include provisions under which delays in land development and / or longer land takedown periods cause UHG to incur additional cost. It can take several years from the time UHG acquires control of an undeveloped property to the time it makes its first home sale on the site. Delays in the development of communities, including delays associated with subcontractors performing the development activities or entitlements, expose UHG to the risk of changes in market conditions for homes and increase costs. A decline in UHG's ability to develop and market one of its new undeveloped communities successfully and to **generate positive cash flow from these operations in a timely manner could have a material adverse effect on UHG's business** and results of operations **could be negatively impacted and on its ability to service its debt**. UHG currently builds and sells homes in South Carolina, with a smaller presence in Georgia and North Carolina. UHG's business strategy is focused on the design, construction, and sale of single-family homes and townhomes across these key markets. A prolonged economic downturn in this region, or in a particular industry or sector of employment that is fundamental to this region, could have a material adverse effect on UHG's business, prospects, liquidity, financial condition, and results of operations, and a

disproportionately greater impact on UHG than other homebuilders with more geographically diversified operations. **Inflation can adversely affect** Constriction of the credit and capital markets could limit UHG by its ability to access financing and increase its costs of capital. **the lots, materials and labor it needs to operate its business**. During past **In addition, significant inflation is often accompanied by higher interest rates, which have a negative impact on housing affordability, thereby further decreasing demand. In a highly inflationary environment, depending on industry and other economic conditions** and housing downturns, the credit markets constricted and reduced some sources of liquidity that were previously available to UHG. Consequently, UHG relied principally on..... otherwise fund its liquidity needs, it may be **foree** **precluded from raising home prices enough to keep up with the rate of inflation, which could reduce or delay its profit margins.** Moreover, in a highly inflationary environment, UHG's cost of capital, labor, and materials can increase, and the **purchasing power of its cash resources can decline, which could have an adverse impact on its business activities,** lot acquisitions and capital expenditures; • sell assets; • obtain additional debt or **financial results** equity capital; or • restructure or refinance all or a portion of its debt on or before maturity. These alternative **Alternatively** measures may not be successful and UHG may not be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of UHG's existing debt may limit its ability to pursue these alternatives. Further, UHG may seek additional capital in the form of project-level financing from time to time. The availability of borrowed funds, especially for construction financing, may be greatly reduced nationally, and the lending community may require increased amounts of equity to be invested in a **significant period** project by borrowers in connection with both new loans and the extension of **deflation** existing loans. Construction activities may be adversely affected by any shortage or increased cost of financing or the unwillingness of third parties to engage in joint ventures. Any difficulty in obtaining sufficient capital for planned construction expenditures could cause project delays **a decrease in overall spending** and any such delay **borrowing levels. This** could result **lead to deterioration** in cost **economic conditions, including an** increases- **increase** and may adversely affect UHG's sales and future results of operations and cash flows. There are risks inherent in controlling, owning and building upon finished lots and housing **the rate of unemployment. Deflation could also cause the value of UHG's inventory inventories to** risks are substantial for UHG's homebuilding activities. If housing demand declines- **decline or reduce the value of existing**, UHG may not be able to build and sell homes **below** profitably in some target communities, and it may not be able to fully recover the costs of some of the lots it owns or which it is contracted to purchase. Also, the market value of UHG's finished lots and housing inventories may fluctuate significantly due to changes in market conditions. As a result, its deposits for lots controlled under purchase contracts may be put at risk because the measures it employs to manage inventory risk, including its land-light lot operating strategy, may not be adequate to insulate operations from a severe drop in inventory values, and it may have to sell homes for a lower profit margin or record inventory impairment charges on its lots. Because real estate investments are relatively illiquid, UHG's ability to promptly sell one or more properties for reasonable prices in response to changing economic, financial, and investment conditions may be limited, and it may be forced to hold non-income producing properties for extended periods of time. UHG cannot predict whether it will be able to sell any property for the price or on the terms that it sets or whether any price or other- **the related** terms offered by a prospective purchaser would be acceptable, nor can it predict the length of time needed to find a willing purchaser and to close the sale of a property. A significant deterioration in economic or homebuilding industry conditions may result in substantial inventory impairment charges. If UHG is unable to develop its communities successfully or within expected timeframes, its results of operations could be adversely affected. Because most of UHG's customers finance the purchase of their homes, the terms and availability of mortgage **loan balance** financing can affect the demand for and the ability to complete the purchase of a home, which could materially and adversely affect **potentially increase the supply of existing homes. These, or other factors that increase the risk of significant deflation, could have a negative impact on UHG's business or financial results**. A substantial majority of UHG's customers finance their home purchases through lenders that provide mortgage financing. Rising interest rates, decreased availability of mortgage financing, reduced access to certain mortgage programs, higher down payment requirements or increased monthly mortgage costs, among other factors, may lead to reduced demand for UHG's homes and mortgage loans. Mortgage interest rates have generally trended downward for the last several decades and reached historic lows in the summer of 2020, which made the homes UHG sells more affordable. However, more recently, mortgage interest rates have abruptly climbed, and UHG cannot predict whether they will continue to climb, remain at the current levels, or fall. If mortgage rates continue at current levels or climb further, the ability of prospective homebuyers to finance home purchases may be adversely affected and, as a result, UHG's business, operating results and financial condition may be adversely affected. Decreases in the availability of credit and increases in the cost of credit adversely affect the ability of homebuyers to obtain or service mortgage debt. Entry-level and first-time move-up homebuyers are the primary source of demand for UHG's new homes. Entry-level homebuyers are generally more affected by the availability of financing than other potential homebuyers. In addition, many of UHG's potential move-up homebuyers must sell their existing homes in order to buy a home from UHG. Where potential homebuyers must sell their existing homes in order to buy a new home, increases in mortgage costs, lack of availability of mortgages, and / or regulatory changes could prevent the buyers of potential homebuyers' existing homes from obtaining a mortgage, which would result in the inability of a significant number of UHG's potential customers to buy a new home. Similar risks apply to those buyers who are awaiting delivery of their homes and are currently in backlog. The success of homebuilders depends on the ability of potential homebuyers to obtain mortgages for the purchase of homes. If UHG's customers (or potential buyers of its customers' existing homes) cannot obtain suitable financing, UHG's sales and results of operations could be adversely affected. The federal government has taken on a significant role in supporting mortgage lending through its conservatorship of the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"), both of which purchase home mortgages and mortgage-backed securities (MBS) originated by mortgage lenders, and its insurance of mortgages originated by lenders through the Federal Housing Administration ("FHA") and Veterans Administration ("VA"). The FHA insures mortgage loans

that generally have lower credit requirements and is an important source for financing the sale of UHG's homes. The secondary market for mortgage loans continues to primarily prefer securities backed by Fannie Mae, Freddie Mac or the Government National Mortgage Association ("Ginnie Mae"), and UHG believes the liquidity these agencies provide to the mortgage industry is important to the housing market. The availability and affordability of mortgage loans, including interest rates for such loans, could be adversely affected by a curtailment or cessation of the federal government's mortgage-related programs or policies. Additionally, the FHA may continue to impose stricter loan qualification standards, raise minimum down payment requirements, impose higher mortgage insurance premiums and other costs, or limit the number of mortgages it insures. Due to federal budget deficits, the U. S. Treasury may not be able to continue supporting the mortgage-related activities of Fannie Mae, Freddie Mac, the FHA and the VA at present levels, or it may revise significantly the federal government's participation in and support of the residential mortgage market. Because the availability of Fannie Mae, Freddie Mac, FHA and VA-backed mortgage financing is an important factor in marketing and selling many of UHG's homes, any limitations, restrictions or changes in the availability of such government-backed financing could reduce UHG's home sales, which could have a material adverse effect on its business, prospects, liquidity, financial condition and results of operations. **Housing inventory risks are substantial for UHG's homebuilding activities. The market value of building lots and housing inventories can fluctuate significantly as a result of changing market conditions. In addition, inventory carrying costs can be significant and can result in losses in a poorly performing community or market. If housing demand declines, UHG may have to sell homes for a lower profit margin or record inventory impairment charges on its lots, and some of those write-downs could be material.** UHG's backlog reflects sales contracts with homebuyers for homes that have not yet been delivered. UHG has received a deposit from a homebuyer for most homes reflected in its backlog and, generally, has the right to retain the deposit if the homebuyer fails to comply with his or her obligations under the sales contract, subject to certain exceptions, including as a result of state and local law, the homebuyer's inability to sell his or her current home or, in certain circumstances, the homebuyer's inability to obtain suitable financing. Home order cancellations negatively impact the number of closed homes, net new home orders, home sales revenue and results of operations, as well as the number of homes in backlog. Home order cancellations can result from a number of factors, including declines or slow appreciation in the market value of homes, increases in the supply of homes available to be purchased, increased competition, higher mortgage interest rates, homebuyers' inability to sell their existing homes, homebuyers' inability to obtain suitable financing, including providing sufficient down payments, and adverse changes in economic conditions. An increase in the level of UHG's home order cancellations could have a negative impact on its business, prospects, liquidity, financial condition and results of operations. Tax law changes that increase the after-tax costs of owning a home could prevent potential customers from buying UHG's homes and adversely affect its business or financial results. **Changes While tax laws generally permit significant expenses associated with homeownership, primarily mortgage interest expense and real estate taxes, to be deducted for the purpose of calculating an individual's federal and, in many cases, state taxable income, the ability to deduct mortgage interest expense and real estate taxes for federal income tax purposes is limited. The federal government or a state government may change its income tax laws by eliminating, limiting or substantially reducing these income tax benefits without offsetting provisions, which may affect increase the demand after-tax cost of owning a new home for many new homes. Significant expenses of UHG owning a home, including mortgage interest and real estate taxes, have historically been deductible expenses for an individual's U-potential homebuyers. For example S. federal, the and in some cases, state income taxes, subject to various limitations under current tax law and policy. The Tax Cuts and Jobs the Jumpstart Our Business Startups Act (the "JOBS Act"), which became effective January 1, 2018, includes provisions which impose significant contained substantial changes to the Internal Revenue Code of 1986, as amended (the "Code"), including (i) limitations on with respect to these -- the ability of UHG's homebuyers to income tax deductions. For instance, the annual deduction -- deduct property for real estate taxes, (ii) limitations on the ability of UHG's homebuyers to deduct mortgage interest and (iii) limitations on the ability of UHG's homebuyers to deduct state and local income taxes (or sales in lieu of income taxes) is now generally limited to \$10,000. Any similar future changes could also have Furthermore, through the end of 2025, the deduction for mortgage interest is generally only available with respect to the first \$ 750,000 of a material adverse impact new mortgage and there is no longer a federal deduction for interest on UHG's business home equity loans. If the U. S. federal government or a state government further changes its income tax laws to further eliminate or substantially limit these income tax deductions, prospects, liquidity, financial condition and the after-tax cost of owning a new home would further increase for many potential customers. The resulting results loss or reduction of operations these homeowner tax deductions that have historically been available has and could further reduce the perceived affordability of homeownership, and therefore the demand for and sales price of new homes, including those built by UHG.** In addition, increases in property tax rates or fees on developers by local governmental authorities, as experienced in response to reduced federal and state funding or to fund local initiatives, such as funding schools or road improvements, or increases in insurance premiums can adversely affect the ability of potential customers to obtain financing or their desire to purchase new homes, and can have an adverse impact on UHG's business and financial results. UHG cannot make any assurances that its growth strategies will be successful or will not expose it to additional risks or result in other negative consequences to its business or financial results. UHG intends to achieve its primary business objectives by executing on its growth strategies of continuing to leverage key macro housing trends, capitalizing on strong growth in core markets, engaging in accretive mergers and acquisitions, entering into programmatic build-to-rent partnerships, and identifying ancillary revenue growth opportunities. **While UHG has a record of growth and significant achievement in the past Past, this does successes in any of these areas are not an indicator of future successes guarantee UHG will continue to perform successfully.** UHG employs a land-light lot acquisition strategy with a focus on the design, construction and sale of single-family homes and townhomes. UHG utilizes its the Land Development Affiliates and other third party land developers to handle banking relationships during the land acquisition and development and holding process in to maximize UHG's profits and

**an attempt to enhance its access to reduce UHG's up-front capital requirements and align its pace of home orders and home starts**. Prior to 2023, UHG has not historically operated under this structure, and since UHG's land bank option contracts often include provisions under which delays in land development and / or longer land takedown periods cause UHG to incur additional cost. To the extent UHG is critical not able to homebuilding adequately manage the pace of development and sales lot takedown scheduling, this measure UHG's results of operations could be adversely affected affected its results of operations. UHG intends to capitalize on its demonstrated operational experience to grow its market share within its existing markets and to opportunistically expand into new markets where it identifies strong economic and demographic trends that provide opportunities to build homes that meet its profit and return objectives. These strategic decisions may not advance its business strategy, provide a satisfactory return on its investment or provide any other anticipated benefits. Additionally, the execution and integration of any of these growth and expansion initiatives may not be successful and may require significant time and resources, which would divert management's attention from other operations. Any of these initiatives could also expose UHG to material liabilities not discovered in the due diligence process and may lead to litigation. If these initiatives under-perform expectations or are unsuccessful, UHG may incur significant expenses or write-offs of inventory, other assets or intangible assets such as goodwill and company brand, which would adversely affect UHG's business and financial results.

**UHG launched multi-faceted operational improvement initiatives in 2024 and expects to continue to be engaged in those initiatives throughout 2025. See Item 1. Business, for further discussion of certain of these initiatives. UHG's ability to successfully execute these initiatives is subject to various risks and uncertainties and there can be no assurance regarding the timing of or extent to which UHG will realize the anticipated benefits, if at all. These risks could result in operational inefficiencies or other unforeseen complications that may adversely affect UHG's business operations. Additionally, these initiatives will require allocation of both financial and operational resources, and management and key employees may be required to focus on one or more of these initiatives and may give less focus to UHG's day-to-day operations, which could negatively impact UHG's overall business performance. Further, any delays, cost overruns, or implementation difficulties could negatively impact the expected results of these initiatives.** During 2023, UHG completed the acquisition of selected assets of Herring Homes, LLC and the acquisition of 100 % of the outstanding stock of Rosewood Communities, Inc. In January 2024, UHG completed the acquisition of selected assets of Creekside Custom Homes, LLC. From time to time, UHG may evaluate additional possible acquisitions, some of which may be material. These acquisitions may pose significant risks to UHG's existing operations if they cannot be successfully integrated. Completion of acquisitions places additional demands on UHG's managerial, operational, financial and other resources and creates operational complexity requiring additional personnel and other resources. As a result of acquisitions, UHG may enter into new markets, such as its entry into the North Carolina market as a result of the acquisition of selected assets of Herring Homes, LLC. UHG may face challenges with respect to integration of its operations in new markets. In addition, UHG may not be able to successfully finance or integrate any businesses that it acquires. Furthermore, the integration of any acquisition may divert management's time and resources from UHG's core business and disrupt its operations. Moreover, even if UHG is successful in integrating newly acquired businesses or assets, expected synergies or cost savings may not materialize, resulting in lower-than-expected benefits to UHG from such transactions. UHG may spend time and money on projects that do not increase its revenue. Additionally, when making acquisitions, it may not be possible for UHG to conduct a detailed investigation of the nature of the business or assets being acquired, for instance, due to time constraints in making the decision and other factors. UHG may become responsible for additional liabilities or obligations not foreseen at the time of an acquisition. To the extent UHG pays the purchase price of an acquisition in cash, such an acquisition would reduce its cash reserves, and, to the extent the purchase price of an acquisition is paid with UHG's stock, such an acquisition could be dilutive to UHG's stockholders. To the extent UHG pays the purchase price of an acquisition with proceeds from the incurrence of debt, such an acquisition would increase UHG's level of indebtedness and could negatively affect its liquidity and restrict its operations. Further, to the extent that the purchase price of an acquisition is paid in the form of an earn out on future financial results, the success of such an acquisition will not be fully realized by UHG for a period of time as it is shared with the sellers. All of the above risks could have a material adverse effect on UHG's business, prospects, liquidity, financial condition and results of operations. UHG may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on its financial condition, results of operations and stock price. UHG may be forced to write down or write off assets, including intangible assets such as goodwill, restructure operations, or incur impairment or other charges that could result in losses, including due to factors outside of UHG's business and control. For example, UHG has recorded intangible assets, including goodwill, in connection with the acquisition of selected assets of Herring Homes, LLC **and Creekside Custom Homes, LLC** (which ~~was~~ ~~were~~ accounted for as a business combination) and acquisition of common stock of Rosewood Communities, Inc. totaling \$ **10.7** million **as of December 31, 2024**. If UHG were to determine that a significant impairment of any such intangible assets has occurred, UHG would be required to write-off the impaired portion of intangible assets, which could have a material adverse effect on UHG's results of operations in the period in which the write-off occurs. Further, unexpected risks may arise and previously known risks may materialize in a manner not consistent with UHG's risk analysis. Even though these charges may be non-cash items and not have an immediate impact on UHG's liquidity, the fact that UHG reports charges of this nature could contribute to negative market perceptions about UHG or its securities. Accordingly, UHG's securities could suffer a reduction in value. Difficulties with appraisal valuations in relation to the proposed sales price of UHG's homes could force UHG to reduce the price of its homes for sale. UHG's home sales may require an appraisal of each home value before closing. Appraisals are professional judgments of the market value of the property and are based on a variety of market factors. If UHG's internal valuations of the market and pricing do not line up with the appraisal valuations and appraisals are not at or near the agreed upon sales price, UHG may be forced to reduce the sales price of the home to complete the sale. These appraisal issues could have a material adverse effect on UHG's business and results of operations. Substantially all of UHG's

construction work is done by third- party subcontractors with UHG acting as the general contractor. Accordingly, the timing and quality of UHG' s construction depends on the availability and skill of its subcontractors. UHG does not have long- term contractual commitments with any subcontractors, and there can be no assurance that skilled subcontractors will continue to be available at reasonable rates and in the areas in which UHG conducts its operations. In the future, certain of the subcontractors UHG engages with may be represented by labor unions or subject to collective bargaining arrangements that require the payment of prevailing wages that are higher than normally expected on a residential construction site. A strike or other work stoppage involving any of UHG' s subcontractors could also make it difficult to retain subcontractors for its construction work. In addition, union activity could result in UHG paying higher costs to retain its subcontractors. The inability to contract with skilled subcontractors at reasonable costs on a timely basis could have a material adverse effect on UHG' s business, prospects, liquidity, financial condition, and results of operations. UHG could be adversely affected by efforts to impose joint employer liability on it for labor law violations committed by its subcontractors. Although subcontractors are independent of the homebuilders that contract with them under normal management practices and the terms of trade contracts and subcontracts within the homebuilding industry, if regulatory agencies reclassify the employees of subcontractors as employees of homebuilders, UHG could be responsible for wage, hour, and other employment- related liabilities of its subcontractors, which could adversely affect its results of operations and business or financial results. UHG may suffer significant financial harm and loss of reputation if it does not comply, cannot comply or is alleged to have not complied with applicable laws, rules and regulations concerning its classification and compensation practices for independent contractors. UHG retains various independent contractors and subcontractors. With respect to these independent contractors, UHG is subject to the IRS regulations and applicable state law guidelines regarding independent contractor classification. These regulations and guidelines are subject to judicial and agency interpretation, and it might be determined that the independent contractor classification is inapplicable to any sales agents, vendors or any other entity characterized as an independent contractor. Further, if legal standards for the classification of independent contractors change or appear to be changing, UHG may need to modify its compensation and benefits structure for such independent contractors, including by paying additional compensation or reimbursing expenses. There can be no assurance that legislative, judicial, administrative or regulatory (including tax) authorities will not introduce proposals or assert interpretations of existing rules and regulations that would change the independent contractor classification of any individual or vendor currently characterized as independent contractors doing business with UHG. Potential changes, if any, with respect to such classification could have a significant effect on UHG' s operating model. Further, the costs associated with any such potential changes could have a significant effect on UHG' s results of operations and financial condition if it were unable to pass through an increase in price corresponding to such increased costs to its customers. Additionally, UHG could incur substantial costs, penalties and damages, including back pay, unpaid benefits, taxes, expense reimbursement and attorneys' fees in defending future challenges to its employment classification or compensation practices. 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. 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. Material losses or liabilities in excess of insurance proceeds may occur in the future. UHG could suffer physical damage to property and liabilities resulting in losses that may not be fully compensated by insurance. In addition, certain types of risks, such as personal injury claims, may be, or may become in the future, either uninsurable or not economically insurable, or may not be currently or in the future covered by UHG' s insurance policies. The costs of insuring against construction defect, product liability and director and officer claims are substantial, and the cost of insurance for UHG' s operations may rise, deductibles and retentions may increase, and the availability of insurance may diminish. Should an uninsured loss or a loss in excess of insured limits occur, UHG could sustain financial loss or lose capital invested in the affected property as well as anticipated future income from that property. In addition, it could be liable to repair damage or meet liabilities caused by uninsured risks and may also be liable for any debt or other financial obligations related to affected property. Material losses or liabilities in excess of insurance proceeds may occur in the future. In the United States, the coverage offered and the availability of general liability insurance for construction defects is currently limited and is costly. As a result, an increasing number of UHG' s subcontractors in the United States may be unable to obtain insurance. If UHG cannot effectively recover construction defect liabilities and costs of defense from its subcontractors or their insurers, or if it has self- insured liabilities, it may suffer losses. Coverage may be further restricted and become even more costly. Such circumstances could adversely affect UHG' s business, financial condition, and operating results. From time to time, UHG is involved in litigation and other legal proceedings relating to claims arising from its operations in the normal course of business. UHG is currently subject to certain legal proceedings. Litigation is subject to inherent uncertainties, and unfavorable rulings may occur. These or other litigation or legal proceedings could materially affect UHG' s ability to conduct its business in the manner that it expects or otherwise adversely affect UHG should an unfavorable ruling occur. A major health and safety incident relating to UHG' s business could be costly in terms of potential liabilities and reputational damage. Operating in the homebuilding industry poses certain inherent health and safety risks and building sites are inherently dangerous. Due to health and safety regulatory requirements and the number of projects UHG works on, health and safety performance is critical to the success of all areas of its business. Any failure in health and safety performance may result

in penalties for non-compliance with relevant regulatory requirements or litigation, and a failure that results in a major or significant health and safety incident is likely to be costly in terms of potential liabilities incurred as a result. Such a failure could generate significant negative publicity and have a corresponding impact on UHG's reputation, its relationships with relevant regulatory agencies, governmental authorities and local communities, which in turn could have a material adverse effect on its business, prospects, liquidity, financial condition and results of operations. **Difficulties with appraisal valuations in relation to..... financial condition and results of operations.** UHG operates in a very competitive environment which is characterized by competition from a number of other homebuilders in each market in which it operates. Additionally, there are relatively low barriers to entry into the business. UHG competes with numerous large national and regional homebuilding companies and with smaller local homebuilders and land developers for, among other things, home buyers, desirable land parcels, financing, raw materials and skilled management and labor resources. These competitors may independently develop land and construct housing units that are superior or substantially similar to UHG's products. Increased competition could hurt UHG's business, as it could prevent UHG from acquiring attractive lots on which to build homes or make such acquisitions more expensive, hinder its market share expansion and cause it to increase its selling incentives and reduce its prices. If UHG is unable to compete effectively in its markets, its business could decline disproportionately to its competitors, and its results of operations and financial condition could be adversely affected. UHG may be at a competitive disadvantage with regard to certain of its large national and regional homebuilding competitors whose operations are more geographically diversified than UHG's, as these competitors may be better able to withstand any future regional downturn in the housing market. UHG competes directly with a number of large national and regional homebuilders that may have longer operating histories and greater financial and operational resources than UHG. Many of these competitors also have longstanding relationships with subcontractors and suppliers in the markets in which UHG operates. This may give competitors an advantage in securing materials and labor at lower prices, marketing their products and allowing their homes to be delivered to customers more quickly and at more favorable prices. This competition could reduce UHG's market share and limit its ability to expand ~~the its~~ **business as planned.**

**Poor relations with the residents of UHG's communities could negatively impact sales, which could cause UHG's revenues or results of operations to decline. Residents of UHG's communities rely on UHG to resolve issues or disputes that may arise in connection with the operation or development of their communities. Efforts made by UHG to resolve these issues or disputes could be deemed unsatisfactory by the affected residents, and subsequent actions by these residents could adversely affect UHG's sales or reputation. In addition, UHG could be required to make material expenditures related to the settlement of such issues or disputes or to modify its community development plans, which could adversely affect its results of operations.** UHG's mortgage brokering joint venture may not be able to compete effectively in this area. UHG participates in the brokering of mortgage loans through its engagement in its joint venture mortgage brokerage company, Homeowners Mortgage, which ~~was recently launched and~~ brokers loans for financing UHG's home sales. The competitors to Homeowners Mortgage include mortgage brokers and lenders, including national, regional and local mortgage brokers, banks, and other financial institutions. Some of these competitors are subject to fewer governmental regulations and have greater access to capital than Homeowners Mortgage, and some of them may operate with different criteria. These competitors may offer a broader or more attractive array of financing and other products and services to potential customers than Homeowners Mortgage. For these reasons, Homeowners Mortgage, ~~and therefore UHG,~~ may not be able to compete effectively in the mortgage banking business. Homeowners Mortgage may be adversely affected by changes in governmental regulation. Changes in governmental regulation with respect to mortgage brokers and lenders could adversely affect the financial results of Homeowners Mortgage, which in turn could adversely affect UHG's business. Homeowners Mortgage is subject to numerous federal, state and local laws and regulations, which, among other things: prohibit discrimination and establish underwriting guidelines; require appraisals and / or credit reports on prospective borrowers and disclosure of certain information concerning credit and settlement costs; establish maximum loan amounts; prohibit predatory lending practices; and regulate the referral of business to affiliated entities. The regulatory environment for mortgage lending is complex and ever changing and has led to an increase in the number of audits, examinations and investigations in the industry. The 2008 housing downturn resulted in numerous changes in the regulatory framework of the financial services industry. Any changes or new enactments could result in more stringent compliance standards, which could adversely affect UHG's financial condition and results of operations and the market perception of its business. Additionally, if Homeowners Mortgage is unable to broker mortgages for any reason going forward, its customers may experience significant mortgage loan funding issues, which could have a negative impact on UHG's homebuilding business. ~~Inflation can~~ **UHG's business could be materially and adversely disrupted** ~~by increasing costs of the lots, materials and~~ **an labor epidemic or pandemic, or similar public threat, or fear of such an event, and the measures that federal, state and local governments and other authorities implement to address it needs.** ~~An epidemic, pandemic or similar serious public health issue and the measures undertaken by governmental authorities to address it,~~ **could significantly disrupt or prevent UHG from operating** ~~its business in the ordinary course for.~~ ~~In addition, significant inflation is often accompanied by higher interest rates, which have a negative impact on housing affordability, thereby further decreasing demand. In a highly inflationary environment, depending on industry and~~ **an extended period. Among other things, UHG could experience impacts from supply chain disruptions, quarantines, market downturns, and changes in consumer behavior. These impacts, along with any associated economic conditions,** UHG may be precluded from raising home prices enough to keep up with the rate of inflation, which could reduce its profit margins. Moreover, in a highly inflationary environment, UHG's cost of capital, labor and materials ~~can increase~~ **social instability or distress**, and the purchasing power of its cash resources can decline, which could have ~~an a material~~ **adverse impact on its UHG's business or,** **prospects, liquidity, financial condition and results.** ~~Alternatively, a significant period of~~ **operations deflation could cause a decrease in overall spending and borrowing levels.** **Global** This could lead to deterioration in economic conditions, including an ~~and U~~ **increase in the rate of unemployment.**

Deflation could also cause **S. agencies declared** the value **end** of UHG's inventories to decline or reduce the value of existing homes below the related **emergency from** mortgage loan balance, which could potentially increase the supply of existing homes. These, or other factors that increase the risk of significant deflation, could have a negative impact on UHG's business or financial results. Public health issues such as a major epidemic or pandemic could adversely affect UHG's business or financial results. The United States and other countries have experienced, and may experience in the future, outbreaks of contagious diseases that affect public health and public perception of health risk, including the COVID-19 pandemic **in May 2023**. **This** **In** response to the World Health **health crisis had far** Organization's declaration of the COVID-19 pandemic **reaching adverse effects on the global economy**, federal **financial markets**, state and local governments and private entities mandated various restrictions **stakeholders including UHG's employees**, requiring closure of non-essential **customers, suppliers, and other businesses** -- **business associates**. **There is no guarantee that a future outbreak of this for or any** a period of time. **In all of the other municipalities in widespread epidemics or pandemics will not occur, or that the U. S. economy will fully recover, either of which could materially** UHG operates, residential construction and **adversely affect** financial services were deemed essential businesses as part of critical infrastructure, and UHG was able to continue its homebuilding operations in those markets. UHG implemented operational protocols to comply with social distancing and other health and safety standards as required by federal, state and local government agencies, taking into consideration guidelines of the Centers for Disease Control and Prevention and other public health authorities. As a result of the COVID-19 pandemic, UHG experienced supply-chain issues that delayed deliveries. UHG may experience supply-chain and other impacts from quarantines, market downturns, and changes in consumer behavior related to pandemics in the future. The extent to which a pandemic may impact UHG's business, results of operations, liquidity and financial condition will depend on future developments that are highly uncertain and cannot be predicted, including the ultimate geographic spread of such outbreaks; the severity of the virus; the duration of the outbreak; the imposition and duration of travel restrictions; business closures imposed by the governments of impacted countries, states, and municipalities; the implementation, rollout, and efficacy of vaccines; and any new information that may emerge concerning the severity of the virus and the actions to contain its impact. 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 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, 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. These can 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. UHG is subject to home warranty and construction defect claims arising in the ordinary course of its homebuilding business. **These claims are common to the homebuilding industry and can be costly.** UHG relies on subcontractors to perform the actual construction of its homes, and in many cases, to select and obtain

construction materials. Despite UHG's detailed specifications and monitoring of the construction process, its subcontractors may not meet adequate quality standards in the construction of its homes. When UHG finds these issues, it repairs them in accordance with its warranty obligations. ~~Additionally, UHG is subject to construction defect claims which can be costly to defend and resolve in the legal system.~~ Warranty and construction defect matters can also result in negative publicity in the media and on the internet, which can damage UHG's reputation and adversely affect its ability to sell homes. Based on the large number of homes UHG has sold over the years, its potential liabilities related to warranty and construction defect claims are significant. As a consequence, UHG maintains product liability insurance, and seeks to obtain indemnities and certificates of insurance from subcontractors covering claims related to their workmanship and materials. UHG establishes warranty and other reserves for the homes it sells based on its historical experience in its markets and its judgment of the qualitative risks associated with the types of homes built. Because of the uncertainties inherent to these matters, UHG cannot provide assurance that its insurance coverage, its subcontractor arrangements and its reserves will be adequate to address all of its future warranty and construction defect claims. Contractual indemnities can be difficult to enforce against subcontractors, and some types of claims may not be covered by insurance or may exceed applicable coverage limits. Additionally, the coverage offered by and the availability of product liability insurance for construction defects is limited and costly. There can be no assurance that coverage will not be further restricted or become more costly. If costs to resolve future warranty and construction defect claims exceed UHG's estimates, its financial results and liquidity could be adversely affected. **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. 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. The current U. S. administration has called for substantial changes to U. S. foreign trade policy with respect to China and other countries, including significant new and increased tariffs on goods imported into the United States. 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. Trading conflicts could also cause disruptions or shortages in UHG's supply chains and / or negatively impact the U. S., regional or local economies, and, individually or in the aggregate, materially and adversely affect UHG's business, margins, and operating results.** The homebuilding industry has from time to time experienced significant difficulties that can affect the cost or timing of construction, including: • difficulty in acquiring lots suitable for residential building at affordable prices in locations where potential customers want to live; • shortages of qualified subcontractors and skilled labor; • reliance on local subcontractors, manufacturers, distributors and land developers who may be inadequately capitalized; • shortages of materials; and • significant increases in the cost of materials, particularly increases in the price of lumber, drywall and cement, which are significant components of home construction costs. These lots, labor and materials shortages can be more severe during periods of strong demand for housing or during periods where the regions in which UHG operates experience natural disasters that have a significant impact on existing residential and commercial structures. The cost of labor and materials may also increase during periods of shortages or high inflation. In addition, tariffs, duties and / or trade restrictions imposed or increased on imported materials and goods that are used in connection with the construction and delivery of UHG's homes, including steel, aluminum and lumber, may raise its costs for these items or for the products made with them, **and changes in immigration laws and / or their enforcement could result in tighter overall labor conditions and a shortage of labor.** These factors may cause construction delays or cause UHG to incur more costs building its homes. If the level of new home demand increases significantly in future periods, the risk of shortages and cost increases in residential lots, labor and materials available to the homebuilding industry will likely increase. UHG is subject to extensive and complex regulations that affect home construction, including zoning, density restrictions, building design and building standards. Projects that are not fully permitted and approved may be subjected to periodic delays, changes in use, less intensive development or elimination of development in certain specific areas due to government regulations. UHG may also be subject to periodic delays or may be precluded entirely from developing in certain communities due to building moratoriums or "slow- growth" or "no- growth" initiatives that could be implemented in the future. These regulations often provide broad discretion to the administering governmental authorities as to the conditions UHG must meet prior to construction being approved, if approved at all. UHG is subject to determinations by these authorities as to the adequacy of water or sewage facilities, roads or other local services. Government authorities in many markets have implemented no growth or growth- control initiatives. New housing developments may also be subject to various assessments for schools, parks, streets and other public improvements. Any of these may limit, delay or increase the costs of home construction. **In addition, UHG may** ~~From from~~ time to time UHG receives- **receive** notices of complaint from ~~local~~ the South Carolina Department ~~departments~~ of Labor, Licensing and Regulation, Division of Professional-**professional** and Occupational Licensing ~~licensing~~, **arising** Office of Investigations and Enforcement ("LLR"). These complaints arise ~~when a UHG customer contacts LLR such department~~ complaining of substandard work or other standards or code violations. ~~There is one LLR matter that is currently outstanding against UHG; however, UHG has responded to this matter and has worked with the customer in an effort to resolve their concerns. UHG believes this matter will be dismissed and closed.~~ UHG is also subject to a significant number and variety of local, state and federal laws and regulations concerning protection of health, safety, labor standards and the environment. The impact of environmental laws varies depending upon the prior uses of the building site or adjoining properties and may be greater in areas with less supply where undeveloped land or desirable alternatives are less available. These matters may result in delays, may

cause UHG to incur substantial compliance, remediation, mitigation and other costs, and can prohibit or severely restrict development and homebuilding activity in environmentally sensitive regions or areas. Government agencies also routinely initiate audits, reviews or investigations of developers and homebuilders' business practices to ensure compliance with these laws and regulations, which could cause UHG to incur costs or create other disruptions in its business that can be significant. Under various environmental laws, current or former owners of real estate, as well as certain other categories of parties, may be required to investigate and clean up hazardous or toxic substances or petroleum product releases, and may be held liable to a governmental entity or to third parties for related damages, including for bodily injury, and for investigation or clean-up costs incurred by such parties in connection with the contamination. A mitigation system may be installed during the construction of a home if cleanup does not remove all contaminants of concern or to address a naturally occurring condition such as methane. Some buyers may not want to purchase a home with a mitigation system. Government restrictions, standards, or regulations intended to reduce greenhouse gas emissions or potential climate change impacts are likely to result in restrictions on land development in certain areas and may increase energy, transportation, or raw material costs, which could reduce UHG's profit margins and adversely affect its results of operations. The subcontractors UHG relies on to perform the actual construction of its homes are also subject to a significant number of local, state and federal laws and regulations, including laws involving matters that are not within UHG's control. If the subcontractors who construct UHG's homes fail to comply with all applicable laws, UHG can suffer reputational damage and may be exposed to possible liability, either or both of which could adversely affect its business or financial results. UHG's homebuilding operations are located in areas that are subject to natural disasters, severe weather or adverse geologic conditions. These include, but are not limited to, hurricanes, tornadoes, droughts, floods, prolonged periods of precipitation, soil subsidence, and other natural disasters. For example, UHG operates in a number of locations in the Southeast that have been adversely impacted by severe weather conditions and hurricanes. The occurrence of any of these events could damage UHG's lots and projects, cause delays in completion of UHG's projects, reduce consumer demand for housing and cause shortages and price increases in labor or raw materials, any of which could affect UHG's sales and profitability. In addition to directly damaging UHG's lots or projects, many of these natural events could damage roads and highways providing access to UHG's assets or affect the desirability of UHG's lots or projects, thereby adversely affecting UHG's ability to market and sell homes in those areas and possibly increasing the costs of homebuilding completion. Furthermore, the occurrence of natural disasters, severe weather and other adverse geologic conditions has increased in recent years due to climate change and may continue to increase in the future. Climate change may have the effect of making the risks described above occur more frequently and more severely, which could amplify the adverse impact on UHG's business, prospects, liquidity, financial condition and results of operations. As of December 31, 2023-2024, UHG's consolidated homebuilding debt was approximately \$ 77-50 . 2 million, of which was secured by inventory pursuant to the Syndicated Line with Wells Fargo (as defined herein), and carried a weighted average interest rate of 8. 13-41 % as of December 31, 2023-2024. As of December 31, 2023, UHG's convertible notes had an outstanding balance of approximately \$ 68. 0 million, bearing obligations under the Credit Agreement with Kennedy Lewis (as defined herein) are secured by a security interest in 100 at a fixed rate of 15-% of the capital stock of Great Southern Homes, Inc., a subsidiary of UHG (" GSH "). See Note 9- Homebuilding debt Debt and other affiliate debt and Note 14- Convertible note payable of the Notes to the Consolidated Financial Statements contained in this report. The amount and the maturities of UHG's debt could have important consequences on UHG's cash flows and results of operations. For example, UHG's obligations to service its debt facilities could require the dedication of a substantial portion of cash flow from operations to payment of debt and reduce the ability to use cash flow for other operating or investing purposes; limit the flexibility to adjust to changes in business or economic conditions; and limit the ability to obtain future financing for working capital, capital expenditures, acquisitions, debt service requirements or other requirements. The covenants, restrictions or limitations in UHG's debt facilities could limit its ability to plan for or react to market or economic conditions or meet capital needs or otherwise restrict its activities or business plans and adversely affect its ability to finance operations, acquisition, investments or strategic alliances or other capital needs or to engage in other business activities that would be in its interest. UHG's existing financing agreements contain, and the financing arrangements UHG enters into in the future likely will contain, covenants that limit UHG's ability to take certain actions. UHG's Syndicated Line revolving credit facility with Wells Fargo Bank, National Association (" Wells Fargo ") (the " Wells Fargo Facility ") contains significant restrictions on UHG's ability to incur additional debt. The Syndicated Line Wells Fargo Facility also contains affirmative, negative, and financial covenants, including (a) a minimum tangible net worth of no less than the sum of (i) \$ 70 million, (ii) 25 % of positive consolidated earnings earned in any fiscal quarter, (iii) 100 % of new equity contributed to the Borrower (as defined in the Wells Fargo Facility), (iv) 100 % of any increase in tangible net worth resulting from an equity issuance upon the conversion or exchange of any security constituting indebtedness that is convertible or exchangeable, or is being converted or exchanged, for equity interests ;, and (v) 100 % of the amount of any repurchase of equity interests in the Company; (b) a maximum leverage covenant that prohibits the leverage ratio from exceeding 2. 25 to 1. 00 , except for up to two quarterly measurement periods in which the ratio shall not exceed 2. 50 to 1. 00 during the period beginning on August 2, 2024 and ending on December 31, 2025 ; (c) a minimum debt service coverage ratio of to be no less than 2-1 . 00-50 to 1. 00 for any fiscal the period from and after June 30, 2024 until June 30, 2025, and a minimum of 2. 00 to 1. 00 thereafter, provided that a minimum debt service coverage ratio of no less than 1. 35 to 1. 00 will be permitted for up to two quarter-quarterly measurement periods during the period beginning on August 2, 2024 and ending on June 30, 2025 ; (d) a minimum liquidity amount of not less than \$ 37, 500, 000 from and after June 30, 2024, provided that during any period in which the debt service coverage ratio is less than 1. 50 to 1. 00, the minimum liquidity threshold will be at least the greater of ( y-i ) \$ 30-45 , 000, 000 , or ( z-ii ) an amount equal to 1. 50x 5-times the trailing twelve month interest incurred; and (e) unrestricted cash of not less than 50-% of the liquidity required \$ 15, 000, 000 at all times . UHG's Credit Agreement with Kennedy Lewis also contains certain financial covenants, including (a) a minimum tangible net worth of at least \$

**70 million; (b) a maximum leverage covenant that prohibits the consolidated total leverage ratio from exceeding 2.50 to 1.00 for any fiscal quarter (as determined on the last day of each fiscal quarter); provided that UHG 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 2.625 to 1.00 as of the last day of such fiscal quarter; (c) a minimum debt service coverage ratio (as determined on the last day of each fiscal quarter) of (x) not less than 1.35 to 1.00 until June 30, 2025 and (y) thereafter to be greater than 1.50 to 1.00, provided that such debt service coverage ratio may be less than 1.35 to 1.00 in two instances from December 11, 2024 until June 30, 2025 so long as the debt service coverage ratio is greater than or equal to 1.20 to 1.00 as of the last day of such fiscal quarter, and (d) minimum liquidity of not less than \$ 20 million and unrestricted cash of not less than \$ 10 million at all times. The obligations under the Kennedy Lewis Credit Agreement are guaranteed by UHG.** If UHG fails to comply with the covenants, restrictions or limitations in its financing arrangements, UHG would be in default under such financing arrangements and its lenders could elect to declare outstanding amounts due and payable and terminate their commitments. A default also could significantly limit UHG's financing alternatives, which could cause UHG to curtail its investment activities and / or dispose of assets when it otherwise would not choose to do so. In addition, future indebtedness UHG obtains may contain financial covenants limiting its ability to, for example, incur additional indebtedness, make certain investments, reduce liquidity below certain levels and pay dividends to its stockholders and otherwise affect its operating policies. If UHG defaults on one or more of its debt agreements, it could have a material adverse effect on UHG's business, prospects, liquidity, financial condition and results of operations. Failure to further extend the Wells Fargo Facility in ~~2026~~**2027** could have a material adverse effect on UHG's ability to meet the financing requirements of its business. The Wells Fargo Facility has a stated maturity date in ~~2026~~**2027**, which date may be extended by one year upon UHG's request and subject to the terms of the Wells Fargo Facility. If, at such time, UHG is unable to extend the Wells Fargo Facility or find a new source of borrowing on acceptable terms, UHG will be required to pay down the amounts outstanding under the Wells Fargo Facility, which may require UHG to sell assets, seek additional equity financing (which will result in additional dilution to stockholders) or reduce or delay capital expenditures, any of which could have a material adverse effect on UHG's operations and financial condition. If UHG does not have sufficient funds and is otherwise unable to arrange financing, its assets may be foreclosed upon which could have a material adverse effect on UHG's business, financial condition and results of operations. In addition, UHG would be restricted in its ability to acquire new investments, and UHG's independent registered public accounting firm could raise an issue as to UHG's ability to continue as a going concern. Servicing UHG's debt, **including the convertible notes**, requires a significant amount of cash, and it may not have sufficient cash flow to pay its substantial debt, which could adversely impact its business and financial results. UHG's ability to meet its debt service obligations, **including the convertible notes (the "Notes")**, will depend, in part, upon its future financial performance. Future results are subject to the risks and uncertainties described in this Annual Report. UHG's revenues and earnings vary with the level of general economic activity in the markets it serves. Its business is also affected by financial, political, business and other factors, many of which are beyond its control. The factors that affect its ability to generate cash can also affect its ability to raise additional funds for these purposes through the sale of debt or equity, the refinancing of debt or the sale of assets. Changes in prevailing interest rates may affect the cost of UHG's debt service obligations because borrowings under the **Wells Fargo Facility Syndicated Line and the Credit Agreement** bear interest at floating rates. ~~UHG's financing arrangements~~**The Wells Fargo Credit Facility and the Notes** contain a number of restrictive covenants that impose significant operating and financial restrictions on UHG and may limit UHG's ability to engage in acts that may be in UHG's long-term best interest, including, among other things, restrictions on UHG's ability to, in certain instances: **change UHG's governing documents or capital structure in a manner that adversely affects the investors in the Notes;** **incur or guarantee additional indebtedness**, ~~except in accordance with the terms of UHG's financing arrangements;~~ **declare or issue preferred stock;** **pay dividends and make other distributions on, or redeem or repurchase, capital stock of UHG;** ~~and~~ **make amend, modify or supplement any existing equity incentive plan or enter into or adopt any new equity incentive plan; and enter into an agreement with respect to any acquisitions** ~~acquisition~~ **of all or substantially all of the assets of another business or person**, ~~except in accordance with UHG's financing arrangements~~ **or person's earnings before interest, tax, depreciation and amortization during the previous year**. As a result of these restrictions, UHG will be limited as to how it conducts its business and may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness UHG may incur could include more restrictive covenants. UHG cannot make any assurances that it will be able to maintain compliance with these covenants in the future and, if UHG fails to do so, that UHG will be able to obtain waivers from the lenders **or investors in the Notes** and / or amend the covenants. UHG's failure to comply with the restrictive covenants described above and / or the terms of any future indebtedness from time to time could result in an event of default, which, if not cured or waived, could result in UHG's being required to repay these applicable borrowing before its due date and the termination of future funding commitments by UHG's lenders. If UHG is forced to refinance these borrowings on less favorable terms or cannot refinance these borrowings, UHG's results of operations and financial condition could be adversely affected. ~~Constriction of the credit and capital markets could limit UHG's ability to access financing and increase its costs of capital. During past economic and housing downturns, the credit markets constricted and reduced some sources of liquidity that were previously available to UHG. Consequently, UHG relied principally on its cash on hand to meet its working capital needs and repay outstanding indebtedness during those times. There likely will be similar periods~~ UHG may require additional financing to fund its operations or growth, which might not be available on terms that are favorable or acceptable, or at all. If UHG is required to seek financing to fund its working capital requirements, volatility in credit or capital markets may restrict its flexibility to successfully obtain additional financing on terms acceptable to UHG, or at all. The failure to secure additional financing could have a material adverse effect on the continued development or growth of UHG. **Servicing UHG's debt,.....**

and financial condition could be adversely affected. Adverse developments affecting financial institutions, including bank failures, could adversely affect UHG's liquidity and financial performance. UHG holds domestic cash deposits in Federal Deposit Insurance Corporation ("FDIC") insured banks which exceed the FDIC insurance limits. Bank failures, events involving limited liquidity, defaults, non-performance, or other adverse developments that affect financial institutions, or concerns or rumors about such events, may lead to liquidity constraints. The failure of banks, or other adverse conditions in the financial or credit markets impacting financial institutions at which UHG maintains balances, could adversely impact UHG's liquidity and financial performance. There can be no assurance that UHG's deposits in excess of the FDIC or other comparable insurance limits will be backstopped by the U. S. or that any bank or financial institution with which UHG does business will be able to obtain needed liquidity from other banks, government institutions, or by acquisition in the event of a failure or liquidity crisis. Adverse developments affecting financial institutions, including bank failures, could adversely affect UHG's liquidity and financial performance. Additionally if such banks or financial institutions, or any substitute or additional banks or financial institutions, participate in the Wells Fargo Facility, adverse developments may result in such bank or financial institution defaulting under such facility. Under the Wells Fargo Facility, non-defaulting lenders are not unconditionally obligated to cover or acquire a defaulting lender's respective commitment to fund loans or to issue letters of credit, and may not issue additional letters of credit if UHG does not enter into arrangements to address the risk with respect to the defaulting lender (which may include cash collateral). If the non-defaulting lenders are unable or unwilling to cover or acquire a defaulting lender's respective commitment, potentially due to other demands they face under other credit instruments to which they are party, or because of regulatory restrictions, among other factors, UHG may not be able to access the Wells Fargo Facility's full borrowing or letter of credit capacity. As a result **There are various potential conflicts of interest in UHG's CEO's relationship with UHG-related party and land developers the Land Development Affiliates, including conflicts of interest may arise with respect to any transactions involving both UHG's Executive Chairman who has ownership and one or more of the Land Development Affiliates, and the interests in those related party land developers, and the interests of UHG's CEO Executive Chairman** may not be aligned with the interest of UHG's stockholders. UHG has **historically relied upon related party** transferred substantially all of the undeveloped land and land under development previously owned by it to the Land Development Affiliates. UHG's subsidiaries enter into developed **developers for a significant amount of UHG's pipeline of lot purchase agreements with the Land Development Affiliates, pursuant to which such subsidiaries expect to purchase developed lots.** Michael Nieri is the **Chief-Executive Officer and Chairman and a of the Board of Directors- Director** of UHG and is also an owner and a board member of Pennington Communities, LLC, an entity formed to be the sole manager of each of the **these related party Land Development Affiliates.** Lots developed from land **developers owned by the Land Development Affiliates will be sold to UHG at fair market value.** The UHG Related Party Transactions Committee has established and monitors procedures to be followed **in connection with transactions with these related party to ensure that sale prices reflect actual fair market value and land will developers and review reviews** all agreements and transactions entered into or to be entered into involving any of the **related party Land-land developers Development Affiliates** and UHG to ensure any such agreements and transactions are at arm's length. However, because Mr. Nieri has material interests in **the-these entities Land Development Affiliates,** there may be situations in which UHG's interests and Mr. Nieri's interests are inherently not fully aligned in transactions that involve both UHG and one or more of the **related party Land-land developers Development Affiliates,** and in some cases Mr. Nieri's interests may directly conflict with the interest of UHG. These conflicts may include, without limitation: conflicts arising from the enforcement of agreements between UHG and the **related party Land-land developers Development Affiliates;** conflicts in determining whether UHG may be able to obtain more beneficial terms by purchasing lots from other third-party developers; and conflicts in determining the terms of current or future agreements and transactions. These conflicts of interest may result in transactions whose terms or outcomes are less favorable to UHG than would otherwise be the case without such arrangements with **the-related party Land-land developers Development Affiliates.** UHG's Class A common stock has one vote per share, and UHG's Class B common stock has two votes per share. All of UHG's Class B common stock is held by Michael Nieri, UHG's **Chief-Executive Officer and Chairman of the Board of Directors,** and family trusts established for the benefit of certain of Mr. Nieri's family members (such trusts collectively, the "Nieri Trusts"). As a result, Mr. Nieri and the Nieri Trusts control a majority of the voting power of the outstanding UHG Common Shares. Holders of Class A common stock and Class B common stock vote together as a single class on all matters presented to UHG's stockholders for their vote or approval, except as otherwise required by applicable law or UHG's Amended and Restated Certificate of Incorporation. Accordingly, **Mr. Nieri** and the Nieri Trusts will likely effectively control all matters submitted to the stockholders, including the election of directors, amendments of organizational documents, compensation matters, and any merger, consolidation, sale of all or substantially all of UHG's assets, or other major corporate transaction requiring stockholder approval. Even if Mr. Nieri's and the Nieri Trusts' control constitutes less than a majority of the voting power of the outstanding UHG Common Shares, the extent of the influence that they have over UHG may be substantial. Mr. Nieri may have interests that differ from those of other UHG stockholders and may vote in a way with which other stockholders disagree, and which may be adverse to other stockholders' interests. This concentrated control is likely to have the effect of limiting the likelihood of an unsolicited merger proposal, unsolicited tender offer, or proxy contest for the removal of directors. As a result, UHG's dual class structure, coupled with Mr. Nieri's and the Nieri Trusts' concentration of stock ownership, may have the effect of depriving the UHG's stockholders of an opportunity to sell their shares at a premium over prevailing market prices and make it more difficult to replace directors and management. Michael Nieri and the Nieri Trusts control a majority of the voting power of the outstanding UHG Common Shares, and UHG is therefore a "controlled company" within the meaning of applicable rules of Nasdaq. Under these rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including the requirements: • that a majority of the

Board of Directors consists of independent directors; • for an annual performance evaluation of the nominating and corporate governance and compensation committees; • that the controlled company has a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and • that the controlled company has a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibility. While UHG has not relied on these exemptions, UHG may use these exemptions in the future. As a result, UHG's stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance requirements. UHG depends on key personnel whose untimely departure could adversely impact its business and financial results. UHG's success depends to a significant degree upon the contributions of certain key personnel who would be difficult to replace, including, but not limited to, ~~Michael Nieri, the Chief Executive Officer and Chairman of the Board of Directors~~. There is no guarantee that ~~he~~ **these personnel** will remain employed with UHG. If any of UHG's key personnel were to cease employment with it, its operating results could suffer. Further, the process of attracting and retaining suitable replacements for key personnel whose services it may lose would result in transition costs and would divert the attention of other members of senior management from existing operations. The loss of services from key personnel or a limitation in their availability could materially and adversely impact UHG's business, prospects, liquidity, financial condition, and results of operations. Further, such a loss could be negatively perceived in the capital markets. UHG has not obtained and does not expect to obtain key man life insurance that would provide it with proceeds in the event of death or disability of any of its key personnel. UHG's governing documents have anti-takeover effects and may delay, discourage, or prevent an attempted acquisition or change of control or a replacement of the incumbent Board of Directors or management. The governing documents include provisions that: • empower the Board of Directors, without stockholder approval, to issue preferred stock, the terms of which, including voting power, are to be set by the Board of Directors; • eliminate cumulative voting in elections of directors; • permit the Board of Directors to alter, amend, or repeal the company's bylaws or to adopt new bylaws; • provide for a staggered Board of Directors with approximately one-third of UHG's directors in each class, with the effect that generally, no more than one-third of UHG's directors may be elected at any annual meeting of stockholders; and • enable the Board of Directors to increase, between annual meetings, the number of persons serving as directors and to fill the vacancies created as a result of the increase by a majority vote of the directors present at a meeting of directors. These provisions may delay, discourage, or prevent an attempted acquisition or change in control. UHG may change its operational policies, investment guidelines, and business and growth strategies without stockholder consent which may subject it to different and more significant risks in the future that may adversely impact its business and financial results. The Board of Directors determines UHG's operational policies, investment guidelines, and business and growth strategies. The Board of Directors may make changes to, or approve transactions that deviate from, those policies, guidelines, and strategies without a vote of, or notice to, stockholders. This could result in UHG conducting operational matters, making investments, or pursuing different business or growth strategies than those contemplated in this Annual Report. Under any of these circumstances, UHG may expose itself to different and more significant risks in the future, which could have a material adverse effect on its business, prospects, liquidity, financial condition, and results of operations. Any joint venture investments that UHG makes could be adversely affected by its lack of sole decision-making authority, its reliance on co-ventures' financial conditions, and disputes between it and its co-ventures. UHG currently has joint venture investments in its joint venture mortgage company and may co-invest in the future with third parties through partnerships, joint ventures, or other entities, acquiring non-controlling interests in or sharing responsibility for managing the affairs of a land acquisition and / or a development. For such joint venture investments, UHG would not be in a position to exercise sole decision-making authority regarding the acquisition and / or development, and its investment may be illiquid due to its lack of control. Investments in partnerships, joint ventures, or other entities may, under certain circumstances, involve risks not present were a third party not involved, including the possibility that partners or co-ventures might become bankrupt, fail to fund their share of required capital contributions, make poor business decisions, or block or delay necessary decisions. Partners or co-venturers may have economic or other business interests or goals which are inconsistent with UHG's business interests or goals and may be in a position to take actions contrary to UHG's policies or objectives. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither UHG nor the partner or co-venturer would have full control over the partnership or joint venture. Disputes between UHG and partners or co-venturers may result in litigation or arbitration that would increase UHG's expenses and prevent its officers and / or directors from focusing their time and effort on its business. In addition, UHG may in certain circumstances be liable for the actions of its third-party partners or co-venturers. Provisions in the Amended and Restated Certificate of Incorporation and Delaware law may have the effect of discouraging lawsuits against the directors and officers of UHG. UHG's Amended and Restated Certificate of Incorporation provides that unless UHG consents to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action brought by a stockholder on behalf of UHG, (ii) any claim of breach of a fiduciary duty owed by any of UHG's directors, officers, stockholders, or employees, (iii) any claim against UHG arising under its charter or bylaws or the DGCL and (iv) any claim against UHG governed by the internal affairs doctrine. The Amended and Restated Certificate of Incorporation designates the United States District Court for the District of Delaware as the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. This exclusive forum provision will not apply to claims under the Exchange Act but will apply to other state and federal law claims including actions arising under the Securities Act. Section 22 of the Securities Act, however, created concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, there is uncertainty as to whether a court would enforce such a forum selection provision as written in connection with claims arising under the Securities Act. This choice of forum provision may have the effect of increasing costs for investors to bring a claim against UHG and its directors and officers and of limiting a stockholder's ability

to bring a claim in a judicial forum that it finds favorable for disputes with UHG or any of its directors, officers, other employees or stockholders, which may discourage (but not prevent) lawsuits with respect to such claims. UHG's Amended and Restated Certificate of Incorporation contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. UHG is also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together, these provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for UHG's securities. These provisions include: • a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of UHG's stockholders; • a denial of the right of stockholders to call a special meeting; • a vote of 66 2 / 3 % required to approve certain amendments to the Amended and Restated Certificate of Incorporation and the Bylaws; and • the designation of Delaware as the exclusive forum for certain disputes. Sales of a substantial number of shares of UHG's Class A common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of UHG's Class A common stock. On March 30, 2024-2025, an aggregate of approximately 20.8 million shares of UHG's Class A common stock (which includes approximately 18.5 million shares of UHG's Class B common stock that are convertible into shares of UHG's Class A common stock but excludes shares issuable upon conversion of the Notes) will become available for sale without restriction, other than applicable securities laws. Sales of a significant number of these shares at any one time may result in trading volatility and reduce the market price of UHG's Class A common stock. Further, pursuant to the United Homes Group, Inc. 2023 Equity Incentive Plan, UHG grants stock-based awards to its officers, employees, directors, and consultants. Any significant discretionary sales by the recipients of equity awards, including sales of shares received upon the exercise of options (or sell-to-cover transactions effected to address any associated tax liabilities or exercise prices of such options), would be very dilutive to existing stockholders. Any such sales may also result in trading volatility and reduce the market price of UHG's Class A common stock. As of December 31, 2023-2024, UHG had outstanding (i) public warrants and private placement warrants to purchase up to an aggregate of 11,591,663 shares of Class A common stock, and (ii) warrants to purchase up to 746,947 shares of Class A common stock that were issued in connection with warrant agreements of ~~Great Southern Homes, Inc. ("GSH") that existed prior to the Business Combination, and (iii) the Notes, which are convertible into up to an aggregate of 16,000,000 shares of Class A common stock.~~ UHG may also issue up to 21,886,379 shares of Class A common stock in connection with the earnout related to the Business Combination, and may issue shares of Class A common stock in connection with equity based awards, 35,950-569,841-803 of which were outstanding as of December 31, 2023-2024 (such equity-based compensatory awards are generally subject to vesting requirements). UHG may also issue a substantial number of additional shares of common stock (or securities convertible, exercisable or exchangeable for common stock) in the future, including in connection with acquisitions, pursuant to compensation arrangements (including under the United Homes Group, Inc. 2023 Equity Incentive Plan) or as a result of financing transactions. The issuance of additional shares of common stock may significantly dilute the equity interest of existing investors and increase the number of shares eligible for resale in the public market. Sales of a substantial number of such shares in the public markets may adversely affect the market price of UHG's listed securities. There are currently no shares of preferred stock issued and outstanding. The issuance of preferred stock in the future may subordinate the rights of holders of common stock if preferred stock is issued with rights senior to those afforded UHG's common stock. UHG faces high costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could adversely affect UHG's business, financial condition, and results of operations. As a public company, UHG is subject to the reporting requirements of the Exchange Act, the listing standards of Nasdaq and other applicable securities rules and regulations. The requirements of these rules and regulations have increased, and UHG expects will continue to increase, its legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming and costly, and place significant strain on its personnel, systems, and resources. For example, the Exchange Act requires, among other things, that UHG timely file annual, quarterly, and current reports with respect to its business and results of operations. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, UHG's management's attention may be diverted from other business concerns, which could harm UHG's business, financial condition, and results of operations. Although UHG has already hired additional employees to assist it in complying with these requirements, UHG may need to hire more employees in the future or engage outside consultants, which will increase UHG's operating expenses. If UHG fails to satisfy the continued listing requirements of Nasdaq, such as minimum financial and other continued listing requirements and standards, including those regarding minimum stockholders' equity, minimum share price, and certain corporate governance requirements, Nasdaq may take steps to delist UHG's common stock. Such a delisting would likely have a negative effect on the price of UHG's common stock and would impair the ability of stockholders to sell or purchase UHG's common stock when they wish to do so. In the event of a delisting, UHG would expect to take actions to restore its compliance with Nasdaq's listing requirements, but UHG can provide no assurance that any such action taken by it would allow its common stock to become listed again, stabilize the market price or improve the liquidity of its common stock, prevent its common stock from dropping below the Nasdaq minimum bid price requirement, or prevent future non-compliance with Nasdaq's listing requirements. In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. UHG intends to continue investing substantial resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from business operations to

compliance activities. If UHG's efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against UHG and its business may be harmed. UHG also expects that these new rules and regulations will make it more expensive for UHG to obtain director and officer liability insurance, and UHG may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for UHG to attract and retain qualified members of its ~~board~~ **Board** of ~~directors~~ **Directors** and qualified executive officers. As a result of disclosure of information in filings required of a public company, UHG's business and financial condition is more visible than that of a private company, which may result in an increased risk of threatened or actual litigation, including by competitors and other third parties. If such claims are successful, UHG's business, financial condition, and results of operations could be harmed, and even if the claims do not result in litigation or are resolved in UHG's favor, these claims, and the time and resources necessary to resolve them, could divert the resources of UHG's management and harm its business, financial condition, and results of operations. UHG is an "emerging growth company," as defined in the JOBS Act, and it is eligible to take advantage of certain exemptions from various reporting requirements applicable to other public companies but not to emerging growth companies, including, but not limited to, a requirement to present only two years of audited financial statements, an exemption from the auditor attestation requirement of Section 404 of the Sarbanes-Oxley Act, reduced disclosure about executive compensation arrangements pursuant to the rules applicable to smaller reporting companies, and no requirement to seek non-binding advisory votes on executive compensation or golden parachute arrangements. UHG has elected to adopt these reduced disclosure requirements. UHG could be an emerging growth company until the last day of the fiscal year following the fifth anniversary of the Initial Public Offering (January 25, 2026), although a variety of circumstances could cause it to lose that status earlier. In addition, Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7 (a) (2) (B) of the Securities Act for complying with new or revised financial accounting standards. An emerging growth company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. UHG has elected to take advantage of the extended transition period and, as a result of this election, its financial statements may not be comparable to companies that comply with public company effective dates. In choosing to take advantage of the extended transition period, it may later decide otherwise (i.e., "opt in" by complying with the financial accounting standard effective dates applicable to non-emerging growth companies), so long as it complies with the requirements in Sections 107 (b) (2) and (3) of the JOBS Act, which is irrevocable. UHG cannot predict if investors will find its securities less attractive as a result of it taking advantage of these exemptions. If some investors find its securities less attractive as a result of its choices, there may be a less active trading market for its securities and its stock price may be more volatile.

~~If Prior to the Business Combination, GSH was not required to maintain an effective system of internal controls as defined by Section 404 of the Sarbanes-Oxley Act. UHG has identified~~ **identifies a material weakness** ~~in its internal control over financial reporting~~ **in its internal control over financial reporting**, ~~or if UHG fails to maintain an effective system of internal controls, UHG may not be able to accurately or timely report its financial condition or results of operations, which may adversely affect investor confidence and, as a result, the value of the Class A common stock. Effective internal controls over financial reporting are necessary for UHG to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. There is no assurance that material weakness~~ **weaknesses is a deficiency, or significant combination of deficiencies, in internal controls will not be identified in the future or that UHG will be successful in adequately remediating any such material weaknesses and significant deficiencies. UHG may in the future discover areas of its internal controls that need improvement. Furthermore, to the extent UHG's business grows or significantly changes, UHG's internal controls may become more complex, and UHG could require significantly more resources to ensure its internal controls remain effective. As discussed further in Part II, Item 9A of this Annual Report on Form 10-K, in 2023 UHG identified certain material weaknesses in its internal control over financial reporting**, ~~all such that there is a reasonable possibility that a material misstatement of~~ **which have been remediated as of December 31, 2024** ~~its annual or interim financial statements will not be prevented or detected on a timely basis. The~~ **If UHG identifies** ~~material weaknesses identified generally relate to ineffective tax review controls; lack of second-level reviews in business processes; lack of formal control review and documentation~~ **material weaknesses identified generally relate to ineffective tax review controls; lack of second-level reviews in business processes; lack of formal control review and documentation** ~~its common stock. Additionally, the existence of any material weakness or significant deficiency would~~ **require management** ~~by COSO principles; ineffective Information Technology General Controls ("ITGCs") related to~~ **devote significant time** ~~certain systems, applications, and incur significant expense~~ **tools used for financial reporting, and UHG did not establish effective user access and segregation of duties controls across financially relevant functions. In order to remediate the** ~~any such material weaknesses~~ **or significant deficiencies**, UHG is updating various processes and **management** ~~implementing certain changes to its internal processes. UHG may not be able to fully remediate the identified~~ **any such material weaknesses** ~~until the steps described above have been completed and its internal controls have been operating effectively for~~ **or significant deficiencies** ~~a sufficient period of time. UHG believes it made progress in its remediation plan during the year ended December 31, 2023. If the steps UHG takes do not correct the material weaknesses in a timely manner~~ **;** ~~The existence of any material weakness in UHG's~~ **will be unable to conclude that it maintains effective internal control over financial reporting** ~~. Accordingly, there could~~ **also result in errors in** ~~continue to be a reasonable possibility that a material misstatement of UHG's financial statements would not be prevented or detected on a timely basis. UHG also may incur significant costs to execute various aspects of its remediation plan but cannot provide a reasonable estimate of such costs at this time. In the future, it is possible that~~ **could** ~~additional material weaknesses or significant deficiencies may be identified that UHG may be unable to remedy before the requisite~~ **require** ~~deadline for these reports. UHG's ability to~~ **restate** ~~comply with the annual internal control reporting requirements will depend on the effectiveness of its financial~~ **statements** ~~reporting and data systems and controls across the company. Any weaknesses or~~

deficiencies or any failure to implement new or improved controls, or difficulties encountered in the implementation or operation of these controls, could harm UHG's operating results and cause it to fail to meet its financial reporting obligations, **subject** or result in material misstatements in its Consolidated Financial Statements, which could adversely affect its business and reduce its stock price. If UHG is unable to conclude on an ongoing basis that it **to investigations** has effective internal control over financial reporting in accordance with Section 404, UHG's independent registered public accounting firm **from regulatory authorities or cause stockholders** may not issue an unqualified opinion as to the effectiveness of UHG's internal controls over financial reporting, as required by Section 404 when UHG no longer qualifies as an emerging growth company. If UHG is unable to conclude that it has effective internal control over financial reporting, investors could lose confidence in its reported financial information, **all of** which could have a material **materially and** adverse **adversely** effect **affect** on the trading price of UHG's common shares. Failure to remedy any material weakness in its internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict UHG's future access to the capital markets. If securities or industry analysts do not publish or cease publishing research or reports about UHG, its business, or its market, or if they change their recommendations regarding the Class A common stock of UHG adversely, then the price and trading volume of the Class A common stock could decline. The trading market for UHG's Class A common stock and public warrants will be influenced by the research and reports that industry or securities analysts may publish about UHG, its business, its market, or its competitors. Securities and industry analysts do not currently, and may never, publish research on UHG. If no securities or industry analysts commence coverage of UHG, the stock price and trading volume of the Class A common stock and public warrants of UHG would likely be negatively impacted. If any analyst who may cover UHG were to cease coverage of UHG or fail to regularly publish reports on it, UHG could lose visibility in the financial markets, which could cause the stock price or trading volume of the Class A common stock and public warrants of UHG to decline. Moreover, if one or more of the analysts who cover UHG downgrades UHG's Class A common stock, or if UHG's operating results do not meet their expectations, UHG's stock price could decline. The trading price of UHG's securities could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond UHG's control. Any of the factors listed below could have a material adverse effect on the trading prices of UHG's securities. In such circumstances, the trading price of UHG's securities may not recover and may experience a further decline. Factors affecting the trading price of UHG's securities may include: • actual or anticipated fluctuations in UHG's quarterly financial results or the quarterly financial results of companies perceived to be similar to it; • changes in the market's expectations about UHG's operating results; • success or entry of competitors; • UHG's operating results failing to meet the expectation of securities analysts or investors in a particular period; • changes in financial estimates and recommendations by securities analysts concerning UHG or the homebuilding industry in general; • operating and share price performance of other companies that investors deem comparable to UHG; • changes in laws and regulations affecting UHG's business; • UHG's ability to meet compliance requirements; • commencement of, or involvement in, litigation involving UHG; • changes in UHG's capital structure, such as future issuances of securities or the incurrence of additional debt; • the volume of UHG's shares of common stock available for public sale; • any major change in the Board of Directors or management; • sales of substantial amounts of UHG's shares of common stock by its directors, executive officers or significant stockholders or the perception that such sales could occur; and • general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations, and acts of war or terrorism, inflation and market liquidity. Broad market and industry factors may materially harm the market price of UHG's securities irrespective of its operating performance. The stock market in general has experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of UHG's securities, **may are** not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies which investors perceive to be similar to UHG could depress UHG's share price regardless of its business, prospects, financial conditions or results of operations. A decline in the market price of UHG's securities also could adversely affect its ability to issue additional securities and its ability to obtain additional financing in the future. In the past, following periods of market volatility, stockholders have initiated derivative actions. If UHG is involved in derivative litigation, it could have a substantial cost and divert resources and the attention of UHG's management from UHG's business regardless of the outcome of the litigation. Changes in laws, regulations or rules, or a failure to comply with any laws, regulations or rules, may adversely affect UHG's business, investments and results of operations. UHG is subject to laws, regulations and rules enacted by national, regional and local governments and Nasdaq. In particular, UHG is required to comply with certain SEC, Nasdaq and other legal or regulatory requirements of businesses providing financial services. Compliance with, and monitoring of, applicable laws, regulations and rules may be difficult, time consuming and costly. These laws, regulations, and rules include, without limitation, the following: • As an employer, UHG will be subject to state and federal laws relating to employment practices, health and safety of employees, employee benefits and other employment-related matters. • As a company whose common stock is listed for trading on Nasdaq, UHG is subject to Nasdaq's continued listing requirements, which include requirements relating corporate governance matters, the size of the public float of UHG's shares, and the minimum bid price of UHG's shares. • UHG is an SEC reporting company and therefore UHG is required to comply with the various rules and regulations of the SEC that relate to, among other things, the timing and content of annual, quarterly and current reports, the process to register additional shares for sale to the public or for resale by existing investors, and disclosures in connection with meetings of stockholders. Changes in these rules and regulations can have a significant impact on UHG. As UHG's business expands to additional markets, UHG will be required to review and comply with state and local laws, rules, and regulations that apply to UHG's business activities. Those additional laws, rules, and regulations or changes therein could have a material adverse effect on UHG's business, investments and results of operations. A failure to comply with any applicable laws, regulations or rules, as interpreted and applied, could have a material adverse effect on UHG's business and results of operations. UHG may **be a " United States real property holding corporation "** ("

**USRPHC”) for U. S. federal income tax purposes for the current or future years, which could result in adverse U. S. federal income tax consequences to a Non- U. S. holder owning more than 5 % of UHG’ s Class A common stock. UHG generally will be a USRPHC for any taxable year in which 50 % or more of the value of its assets is attributable to interests in real property located in the United States. This is a factual determination that must be made annually and is dependent on various factors, including UHG’ s market capitalization. UHG cannot assure its shareholders that it will not be a USRPHC in the future. If UHG is a USRPHC at any time during a Non- U. S. holder’ s holding period in its shares of Class A common stock, a Non- U. S. Holder owning more than 5 % of UHG’ s Class A common stock will generally be subject to U. S. federal income tax on its gain realized on a sale or other taxable disposition of its shares of Class A common stock. Because of these adverse tax consequences, non- U. S. investors may choose not to invest in UHG. Non- U. S. holders should consult their tax advisors concerning the consequences of disposing of shares of UHG’ s common stock.** UHG may redeem unexpired warrants prior to their exercise at a time that is disadvantageous to warrant holders, thereby making their warrants worthless. UHG has the ability to redeem outstanding warrants at any time after they become exercisable and prior to their expiration, at a price of \$ 0. 01 per warrant, provided that the last reported sales price of UHG’ s Class A common stock equals or exceeds \$ 18. 00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalization and the like) for any 20 trading days within a 30 trading- day period ending on the third trading day prior to the date on which UHG gives proper notice of such redemption to the warrant holders and provided certain other conditions are met. UHG may exercise its redemption right even if it is unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding warrants could force the warrant holders (i) to exercise their warrants and pay the exercise price therefor at a time when it may be disadvantageous for them to do so, (ii) to sell their warrants at the then- current market price when they might otherwise wish to hold their warrants or (iii) to accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, is likely to be substantially less than the market value of their warrants. There is no guarantee that UHG’ s warrants will be in the money at the time they become exercisable, and they may expire worthless. The exercise price for UHG’ s warrants is \$ 11. 50 per Class A common share. There is no guarantee that the warrants will be in the money at any given time prior to their expiration, and as such, the warrants may expire worthless.

~~In connection with the Business Combination, UHG issued Notes in an aggregate principal amount of \$ 80, 000, 000. The Notes are convertible into Class A common shares at a per share price equal to 80 % of the value weighted average trading price per Class A common share during the Measurement Period (as defined in the Notes), subject to a floor price of \$ 5. 00 and a maximum price of \$ 10. 00 per share and bear an initial interest rate of 15 % per annum for the first four years after the Notes’ issuance date, and the interest rate increases by one percent annually, beginning on the fourth anniversary of the issuance date. To the extent UHG exercises its option to pay interest in kind with respect to the Notes rather than in cash, the number of shares of its Class A common shares into which the Notes may be converted would increase. Upon a conversion of the Notes, UHG will have the ability to settle by payment of cash, by issuance of its Class A common shares, or a combination of both. If Class A common shares are issued to the holders of the Notes upon conversion, there will be dilution to UHG’ s stockholders and the market price of its Class A common shares may decrease due to the additional selling pressure in the market. Any downward pressure on the price of UHG’ s Class A common shares caused by the sale, or potential sale, of shares issuable upon conversion of the Notes could also encourage short sales by third parties, creating additional selling pressure on its share price. UHG may not have the ability to raise the funds necessary to settle conversions of the Notes or repay the Notes at their maturity, and its future debt may contain limitations on its ability to pay cash upon conversion, redemption or repurchase of the Notes. UHG will be required to repay the Notes in cash at their maturity, unless earlier converted, redeemed or repurchased. UHG may not have enough available cash or be able to obtain financing at the time it is required to make repurchases of such Notes surrendered or pay cash with respect to such Notes being converted (which it otherwise may elect to do upon the conversion of Notes in lieu of issuing shares). Upon a conversion of the Notes, UHG will have the ability to settle by payment of cash, by issuance of its Class A common shares, or a combination of both. UHG’ s ability to repurchase, redeem or to pay cash upon conversion of Notes may be limited by law, regulatory authority, or agreements governing its future indebtedness. If the payment of the related indebtedness were to be accelerated after any applicable notice or grace periods, UHG may not have sufficient funds to repay the interest on such indebtedness and repurchase the Notes or to pay cash upon conversion of the Notes.~~

**General Risk Factors** An information systems interruption or breach in security could adversely affect UHG. UHG relies on accounting, financial and operational management information systems to conduct its operations. Any disruption in these systems, or the systems of affiliates and other third parties that UHG conducts business with, could adversely affect UHG’ s ability to conduct its business. UHG’ s computer systems are subject to damage or interruption from power outages, computer attacks by hackers, viruses, catastrophes, hardware and software failures and breach of data security protocols by its personnel or third- party service providers. If UHG were to experience a significant period of disruption in information technology systems that involve interactions with customers or suppliers, it could result in the loss of sales and customers and significant incremental costs, which could adversely affect its business. Furthermore, any security breach of information systems or data could result in the misappropriation or unauthorized disclosure of proprietary, personal and confidential information, including information related to employees, counter- parties, and customers, which could result in a violation of applicable privacy and other laws, significant legal and financial exposure, damage to its reputation and a loss of confidence in its security measures, which could harm its business. While UHG has not experienced cyber security incidents in the past, there can be no assurance that future cyber security incidents will not have a material impact on UHG’ s business or operations. UHG’ s business is subject to complex and evolving U. S. laws and regulations regarding privacy and data protection. As part of UHG’ s normal business activities, UHG collects and stores certain information, including information specific to homebuyers, customers, employees, vendors and suppliers. UHG may share some of this information with third parties who assist UHG with certain aspects of its business. The regulatory environment surrounding data privacy and protection is constantly evolving and

can be subject to significant change. Laws and regulations governing data privacy and the unauthorized disclosure of confidential information pose increasingly complex compliance challenges and potentially elevate UHG's costs. Any failure, or perceived failure, by UHG to comply with applicable data protection laws could result in proceedings or actions against UHG by governmental entities or others, subject UHG to significant fines, penalties, judgments and negative publicity, require UHG to change its business practices, increase the costs and complexity of compliance and adversely affect UHG's business. As noted above, UHG is also subject to the possibility of cyber incidents or attacks, which themselves may result in a violation of these laws. Additionally, if UHG acquires a company that has violated or is not in compliance with applicable data protection laws, UHG may incur significant liabilities and penalties as a result. Increasing attention to environmental, social and governance ("ESG") matters may impact UHG's business, financial results or stock price. In recent years, increasing attention has been given to corporate activities related to ESG matters in public discourse and the investment community. A number of advocacy groups, both domestically and internationally, have campaigned for governmental and private action to promote change at public companies related to ESG matters, including through the investment and voting practices of investment advisers, public pension funds, universities and other members of the investing community. These activities include increasing attention and demands for action related to climate change and promoting the use of energy saving building materials. A failure to comply with investor or customer expectations and standards, which are evolving, or if UHG is perceived to not have responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, could also cause reputational harm to UHG's business and could have a material adverse effect on UHG. In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings systems for evaluating companies on their approach to ESG matters. These ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings may lead to increased negative investor sentiment toward UHG and its industry and to the diversion of investment to other industries, which could have a negative impact on UHG's stock price and access to and costs of capital. Acts of war or terrorism may seriously harm UHG's business. Acts of war, any outbreak or escalation of hostilities between the United States and any foreign power or acts of terrorism may cause disruption to the U. S. economy, or the local economies of the markets in which UHG operates, cause shortages of building materials, increase costs associated with obtaining building materials, result in building code changes that could increase costs of construction, affect job growth and consumer confidence, or cause economic changes that UHG cannot anticipate. Each of these events could reduce demand for UHG's homes and adversely impact its business, prospects, liquidity, financial condition and results of operations. Negative publicity may affect UHG's business performance and could affect its stock price. Unfavorable media related to UHG's industry, company, brands, marketing, personnel, operations, business performance, or prospects may affect its stock price and the performance of its business, regardless of the accuracy or inaccuracy of the media report. UHG's success in maintaining, extending, and expanding its brand image depends on its ability to adapt to a rapidly changing media environment. Adverse publicity or negative commentary on social media outlets, such as blogs, websites, or newsletters, could hurt operating results, as consumers might avoid brands that receive bad press or negative reviews. Negative publicity may result in a decrease in operating results that could lead to a decline in the price of UHG's securities and cause stockholders to lose all or a portion of their investment. Changes in accounting rules, assumptions and / or judgments could materially and adversely affect UHG. Accounting rules and interpretations for certain aspects of UHG's financial reporting are highly complex and involve significant assumptions and judgment. These complexities could lead to a delay in the preparation and dissemination of UHG's financial statements. Furthermore, changes in accounting rules and interpretations or in UHG's accounting assumptions and / or judgments, such as those related to asset impairments, could significantly impact UHG's financial statements. In some cases, UHG could be required to apply a new or revised standard retroactively, resulting in restating prior period financial statements. Any of these circumstances could have a material adverse effect on UHG's business, prospects, liquidity, financial condition and results of operations.