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DELTA REPORT

10-K

DIAMONDHEAD HOLDINGS CORP

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	7522
CHANGES	9
DELETIONS	3274
ADDITIONS	4239

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

x

For the fiscal year ended December 31, 2022

or

December 31, 2023

OR

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

o

For the transition period from _____ to _____

Commission File Number file number 001-39936

UNITED HOMES GROUP, INC.

(Exact name of registrant as specified in its charter)

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Delaware	85-3460766
DIAMONDHEAD HOLDINGS CORP.	
(Exact name of registrant as specified in its charter)	

Delaware	85-3460766	
(State or other jurisdiction of incorporation or organization)		**(IRS I.R.S. Employer Identification No.)**

917 Chapin Road **Chapin, South Carolina**	**29036**
(Address of Principal Executive Offices)	(Zip Code)

(844) 766-4663

250 Park Ave. 7th Floor, New York, New York10177

(Address of principal executive offices including zip code)

(212) 572-6260

(Registrant's

Registrant's telephone number, including area code)

code

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

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Title of each class		Trading Symbol(s)		Name of each exchange on which registered
Units, each consisting of one share of Class A common stock, Common Stock, par value $0.0001 per value and one-fourth of one redeemable warrant share		UHG	DHHCU	The Nasdaq Stock Market LLC
Class A common stock, par value $0.0001 per share	DHHC	The Nasdaq Stock Market LLC		
Warrants, each whole warrant exercisable for one share of Class A common stock, each at an exercise price of Common Stock for $11.50 per share	UHGWW		DHHCW	The Nasdaq Stock Market LLC

Securities registered pursuant to section 12(g) of the Act:

Common Shares

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ o No ☒ x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ o No ☒ x

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this

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chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ x No ☐ o

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

(Check one):

Large accelerated filer	☐ o	Accelerated filer	☐ x
Non-accelerated filer	☒ o	Smaller reporting company	☒ x
		Emerging growth company	☒ x

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐ o

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐ o

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b) §240.10D-1(b). ☐ o

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

At June 30, 2022 (the last business day of the registrant's most recently completed second fiscal quarter), the

The aggregate market value of the common voting stock held by non-affiliates of the Registrant was approximately $339,135,000.

As on June 30, 2023, based on the closing price of March 22, 2023, 4,441,032 $11.16 for shares of the Registrant's Class A common stock as reported by The Nasdaq Global Market, was approximately $83,664,251. Shares of common stock beneficially owned by each executive officer, director, and holder of more than 10% of our common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of March 4, 2024, 11,397,129 Class A Common Shares, par value $0.0001 per share, and 8,625,000 shares of 36,973,876 Class B common stock, Common Shares, par value $0.0001 per share, were issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Specific portions of the Registrant's proxy statement for the 2024 annual meeting of stockholders are incorporated by reference in Part III of this Annual Report on Form 10-K.

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DIAMONDHEAD HOLDINGS CORP.

FORM 10-K

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report, including, without limitation,**Cautionary Note Regarding Forward-Looking Statements**

Certain statements under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations," includes contained in this Annual Report on Form 10-K, other than historical facts, may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934. These 1934, as amended (the "Exchange Act"). We intend for all such forward-looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act, as applicable. Such forward-looking statements can generally be identified by the our use of forward-looking terminology including the words "believes," "estimates," "anticipates," "expects," "intends," "plans," such as "may," "will," "potential," "should," "projects, "could," "predicts, "would," "expect," "intend," "plan," "anticipate," "estimate," "believe," "seek," "continue," or "should," or, other similar words.

Any such forward-looking statements are based on current expectations, estimates and projections about the industry and markets in each case, their negative or other variations or comparable terminology. There can be no assurance which we operate, and beliefs of, and assumptions made by, our management and involve uncertainties that actual results will not materially differ from expectations. could significantly affect our financial results. Such statements include, but are not limited to, any statements relating about our future financial performance, strategy, expansion plans, future operations, future operating results, estimated revenues, losses, projected costs, prospects, plans and objectives of management. Such statements are subject to known and unknown risks and uncertainties, which could cause actual results to differ materially from those projected or anticipated, including, without limitation:

- *disruption in the terms or availability of mortgage financing or an increase in the number of foreclosures in our markets;*
- *volatility and uncertainty in the credit markets and broader financial markets;*
- *a slowdown in the homebuilding industry or changes in population growth rates in our markets;*

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- *shortages of, or increased prices for, labor, land or raw materials used in land development and housing construction, including due to changes in trade policies;*
- *material weaknesses in our internal control over financial reporting that we have identified, which, if not corrected, could affect the reliability of our Consolidated Financial Statements;*
- *our ability to consummate any acquisition execute our business model, including the success of our operations in new markets and our ability to expand into additional new markets;*
- *our ability to successfully integrate homebuilding operations that we acquire;*
- *delays in land development or home construction resulting from natural disasters, adverse weather conditions or other business combination and events outside our control;*
- *changes in applicable laws or regulations;*
- *the outcome of any legal proceedings;*
- *our ability to continue to leverage our land-light operating strategy;*
- *the ability to maintain the listing of our securities on Nasdaq or any other exchange; and*
- *the possibility that we may be adversely affected by other economic, business or competitive factors.*

Readers are cautioned not to place undue reliance on these forward-looking statements, that are not statements which speak only as of current or historical facts. These statements are based on management's current expectations, but actual results may differ materially due to various factors, including, but not limited to:

- our ability to complete our initial business combination;
- our expectations around the performance of the prospective target business or businesses;
- our success in retaining or recruiting, or changes required in, our officers, key employees or directors following our initial business combination;
- actual and potential conflicts of interest relating to our sponsor and our directors, officers and other affiliates;
- our ability to draw from the support and expertise of our sponsor, and our directors, officers and other affiliates;
- our officers and directors allocating their time to other businesses and potentially having conflicts of interest with our business or in approving our initial business combination, as a result of which they would then receive expense reimbursements;
- our potential ability to obtain additional financing to complete our initial business combination;
- our pool of prospective target businesses, including the location and industry the date this report is filed with the Securities and Exchange Commission. We cannot guarantee the accuracy of any such target businesses;
- our ability to consummate an initial business combination due to the uncertainty resulting from the COVID-19 pandemic;
- risks associated with acquiring an operating company;
- our public securities' potential liquidity and trading;
- the lack of a market for our securities;

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- the use of proceeds not held in the trust account or available to us from interest income on the trust account balance;
- the trust account not being subject to claims of third parties; or
- our financial performance.

The forward-looking statements contained in this annual report are based on our current expectations Form 10-K, and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance do not intend to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under the heading "Risk Factors". Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities laws. These risks and others described under "Risk Factors" may not be exhaustive.

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By their nature, forward-looking statements involve otherwise. For further information regarding risks and uncertainties because they relate to events associated with our business, and depend on circumstances important factors that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that could cause our actual results of operations, financial condition and liquidity, and developments in the industry in which we operate may differ to vary materially from those made expressed or implied in or suggested by the such forward-looking statements, contained in this annual report. In addition, even if our results or operations, financial condition please refer to the factors listed and liquidity, and developments in the industry in which we operate are consistent with the forward-looking statements contained in this annual report, those results or developments may not be indicative of results or developments in subsequent periods.

Unless otherwise stated described in this report or the context otherwise requires, references to:

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- "anchor investors" are to certain qualified institutional buyers or institutional accredited investors, including certain funds and accounts managed by subsidiaries of BlackRock, Inc. and Millennium Management LLC, respectively;

- "certificate of incorporation" is to our certificate of incorporation, dated as of October 7, 2020, as amended by the first amendment to our certificate of incorporation, dated as of January 25, 2023;

- "common stock" is to our Class A common stock and our Class B common stock, collectively;

- "founder shares" are to shares of our Class B common stock initially purchased by our sponsor in a private placement prior to our initial public offering, and the shares of our Class A common stock issued upon the conversion thereof as described herein;

- "GSH" is to Great Southern Homes, Inc.;

- "GSH Business Combination" is to the proposed business combination with GSH pursuant to the GSH Business Combination Agreement;

- "GSH Business Combination Agreement" is the agreement, dated September 10, 2022, between DHHC, Hestia Merger Sub, Inc., a South Carolina corporation and a wholly-owned subsidiary of DHHC, and Great Southern Homes, Inc., a South Carolina corporation;

- "GSH shares" are to the shares of GSH Class A common stock together with the GSH Class B common stock;

- "GSH options" are to the options to purchase GSH shares;

- "GSH Registration Statement" is to our Registration Statement on Form S-4 (File No. 333-267820) filed with the SEC on February 14, 2023;

- "GSH warrants" are to the warrants to purchase GSH shares;

- "initial stockholders" are to our sponsor and any other holders of our founder shares (or their permitted transferees), excluding the anchor investors which will receive certain founder shares from our sponsor upon consummation of our initial business combination;

- "management" or our "management team" are to our officers and directors;

- "private placement warrants" are to the warrants issued to our sponsor and the anchor investors in a private placement simultaneously with the closing of our initial public offering;

- "public shares" are to shares of our Class A common stock sold as part of the units in our initial public offering (whether they were purchased in such offering or thereafter in the open market);

- "public stockholders" are to the holders of our public shares, including our initial stockholders and management team to the extent our initial stockholders and/or members of our management team purchase public shares, provided that each initial

and in our other Securities and Exchange Commission ("SEC") filings.

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Risk Factor Summary

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stockholder's and member of our management team's status as a "public stockholder" shall only exist with respect to such public shares;

- "public warrants" are to our redeemable warrants sold as part of the units in our initial public offering (whether they were purchased in our initial public offering or thereafter in the open market) and to any private placement warrants or warrants issued upon conversion of working capital loans that are sold to third parties that are not initial purchasers or executive officers or directors (or permitted transferees) The following the consummation of our initial business combination;

- "sponsor" is to DHP SPAC-II Sponsor LLC, a Delaware limited liability company;

- "Sponsor Support Agreement" is to the Sponsor Support Agreement, dated September 10, 2022 between DHHC, the sponsor and GSH;

- "UHG" is to the combined company following the consummation of the GSH Business Combination;

- "warrants" are to our redeemable warrants, which includes the public warrants as well as the private placement warrants to the extent they are no longer held by the initial purchasers of the private placement warrants or their permitted transferees; and

- "we," "us," "company," "DHHC" or "our company" are to DiamondHead Holdings Corp.

PART I

Item 1. Business

Overview

We are an early stage blank check company recently incorporated as a Delaware corporation and formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses, which we refer to throughout this annual report as our initial business combination.

Our sponsor, DHP SPAC-II Sponsor LLC, is an entity affiliated with David T. Hamamoto. Mr. Hamamoto currently serves as a director of Lordstown and previously served as the Chairman and Chief Executive Officer of DiamondPeak, which was a blank check company at the time of its 2019 initial public offering. On October 23, 2020, DiamondPeak completed its initial business combination with Lordstown Motors Corp. ("Lordstown"), a manufacturer of light duty electric trucks. As of March

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28, 2022, other members of our sponsor include a fund managed by Antara Capital, which holds approximately 50% summary of the limited liability company interests principal risks that may materially adversely affect our business, financial condition, results of our sponsor operations and our other officers and directors. Antara Capital, founded by Himanshu Gulati cash flows. The following should be read in 2018, invests across a wide variety of financial instruments, including loans, bonds, convertible bonds, stressed/distressed credit and special situation equity investments.

Our management team is led by David Hamamoto, our Co-Chief Executive Officer and Chairman, and Michael Bayles, our Co-Chief Executive Officer. Mr. Hamamoto is conjunction with the founder of Diamond Head Partners, LLC, which he established in 2017 and currently serves as a director of Lordstown. Mr. Hamamoto has significant experience across the private and public markets as the former head more complete discussion of the NorthStar companies, risk factors we face, which he founded as a private company in 1997, took public in 2004 with an approximately $300 million equity market capitalization, and sold to Colony Capital in 2017 at a $6 billion equity market capitalization. Prior to NorthStar, Mr. Hamamoto spent 14 years at Goldman Sachs, where he founded the Real Estate Principal Investments Area, raised the first Whitehall real estate private equity fund, and raised four additional Whitehall funds and one emerging market fund. We believe Mr. Hamamoto's private real estate investing background and public market track record will benefit us in identifying and executing a business combination, such as the GSH Business Combination. Mr. Bayles, one of our directors and our Co-Chief Executive Officer, currently serves as Chief Executive Officer and a director of EVO Transportation & Energy Services, Inc. Mr. Bayles previously served as a director and chief restructuring officer from October 2020 to March 2021 and restructuring advisor from May 2020 to October 2020. Mr. Bayles served as a vice president of investments of Slam Corp., a special purpose acquisition company, from March 2021 through September 2022. Mr. Bayles previously served as an analyst at Antara Capital LP from May 2018 until May 2020, and as a credit analyst at GLG Partners from May 2016 to December 2017. Prior to GLG Partners, Mr. Bayles was a vice president at Avenue Capital Group from September 2008 to April 2016. Mr. Bayles started his career as an investment banking analyst at J.P. Morgan and then a restructuring analyst at Lazard. Mr. Bayles has a bachelor's degree in economics from the Wharton School of the University of Pennsylvania.

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Our board of directors also includes Jonathan A. Langer, who currently serves as Managing Member of Fireside Investments, LLC, a private investment firm that Mr. Langer founded in 2012, Judith A. Hannaway, a financial industry consultant and former Managing Director of Scudder Investments responsible for Special Product Development including closed-end funds, offshore funds and REIT funds, and Charles Schoenherr, who currently serves as Managing Director of Waypoint Residential, LLC, which invests in multifamily properties in the Sunbelt.

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Proposed GSH Business Combination

On September 10, 2022, we entered into the GSH Business Combination Agreement with Hestia Merger Sub, Inc., a South Carolina corporation and our wholly-owned subsidiary, and GSH, a South Carolina corporation. Pursuant to the terms of the GSH Business Combination Agreement, a business combination between the Company will be effected through the merger of Hestia Merger Sub, Inc. with and into GSH, with GSH surviving the merger as a wholly-owned subsidiary of DHHC. Upon the consummation of the transactions contemplated by the GSH Business Combination Agreement, the Company expects to be renamed United Homes Group, Inc. Capitalized terms not defined but otherwise used in the following description have the meanings ascribed to them in the GSH Business Combination Agreement.

Consideration

Upon the terms and subject to the conditions are set forth in the GSH section entitled “Item 1A. Risk Factors” in this report.

Risks Related to UHG’s Business Combination Agreement, at

- UHG’s long-term growth depends upon its ability to acquire developed lots from affiliated land development companies (collectively, the Effective Time:

    i. Each GSH Class A share and each GSH Class B share issued and outstanding as of immediately prior to the effective time of the GSH Business Combination (excluding shares owned by GSH as treasury stock or dissenting shares) will be cancelled and converted into the right to receive the number of shares of our Class A common stock and Class B common stock, respectively, equal to the Exchange Ratio (as defined in the GSH Business Combination Agreement).

    ii. Each GSH option that is outstanding and unexercised immediately prior to the Effective Time will be cancelled in exchange for an option to purchase a number of shares of our Class A common stock as set forth on the consideration schedule (as defined in the GSH Business Combination Agreement) at an exercise price as set forth on such consideration schedule.

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iii. Each GSH warrant outstanding and unexercised immediately prior to the effective time of the GSH Business Combination shall automatically be converted into a warrant to acquire a number of shares of our Class A common stock in an amount and at an exercise price and subject to such terms and conditions, in each case, as set forth on the consideration schedule. Subject to certain exceptions, such terms and conditions will be the same terms and conditions as were applicable to the GSH warrant immediately prior to the effective time of the GSH Business Combination.

Pursuant "Land Development Affiliates") or other sellers, and the ability of such sellers to successfully identify and acquire desirable land parcels for residential build-out. A failure to successfully identify

and acquire desirable land parcels for residential build-out could adversely affect UHG's business or financial results.

- 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's 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.
- 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.
- UHG's business and financial results could be adversely affected by significant inflation, higher interest rates or deflation.

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.

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- 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 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 GSH Business Combination Agreement, we are required to cause effect of concentrating voting power with UHG's CEO, 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

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- 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

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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 organized into two segments, South Carolina (consisting primarily of the Company's homebuilding operations in South Carolina and a small amount of operations in Georgia) and Other (consisting of homebuilding operations in Raleigh, NC, as well as the Company's mortgage banking joint venture). See *Note 4 - Segment Reporting* of the Notes to the Consolidated Financial Statements for further details.

Under its land-light operating strategy, UHG controls its supply of finished lots through lot 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 right to acquire, in addition to lots that UHG may acquire from third party 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, 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

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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 by Michael Nieri since its inception, UHG has closed approximately 14,000 homes since 2004.

- ***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 population growth of more than 10% from 2010 to 2022 exceeding the national average of 7.4% 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, but rather partner with land developers including 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 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.

Growth Strategy

UHG's management and Board of Directors have established a multi-pronged growth strategy. UHG expects to achieve its growth goals through successful execution of the following strategies:

- ***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

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affordable markets in the Southeast. Given its focus on entry-level and first-time move-up buyers, UHG also expects to take advantage of 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, market share take, growth in community count, and a re-composition of community size 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-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.

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- ***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 began generating revenue in July 2022. The creation of Homeowners Mortgage, structured as a joint venture with a leading national lender, will arrange mortgage financing for potential homebuyers and is anticipated to deliver 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 improve buyer traffic conversion and reduce backlog cancellation rates as well.

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, 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 and Development Process

Locating and analyzing attractive land positions is a critical challenge for any homebuilder. UHG controls its supply of land positions through lot purchase agreements. 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 to avoid engaging in land development activities, which requires significant capital expenditures. Instead, UHG contracts with third-party land developers, third-party land-bankers, and the Land Development Affiliates, each for the purchase of developed lots. 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 purchase price of the lots.

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UHG's land selection and sourcing process involves collaboration between UHG, third-party land developers, and the Land Development Affiliates. This collaboration relies on UHG's longstanding relationships with land sellers, brokers and third-party developers in its target markets. This enables UHG to source land in a cost-effective manner for development by the Land Development Affiliates and to secure the right to purchase finished lots from the Land 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, 2023 and 2022.

	As of December 31, 2023			As of December 31, 2022		
Market/Division	**Owned**	**Controlled**	**Total**	**Owned**	**Controlled**	**Total**
Midlands	110	5,018	5,128	94	5,145	5,239
Coastal	76	1,066	1,142	34	1,157	1,191
Upstate	163	2,354	2,517	145	1,953	2,098
Raleigh	46	215	261	—	—	—
Total	**395**	**8,653**	**9,048**	**273**	**8,255**	**8,528**

Owned Real Estate Inventory Status

The following table presents UHG's owned real estate inventory status as of December 31, 2023 and 2022.

	As of December 31, 2023	As of December 31, 2022
Owned Real Estate Inventory Status(1)	**% of Owned Real Estate Inventory**	**% of Owned Real Estate Inventory**
Homes under construction and finished homes	81%	91%
Developed lots and land under development(2)	19%	9%

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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 5% and 0% of total inventory as of December 31, 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 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.

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Backlog, Sales and Closings

For reporting purposes, a new 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 groundbreaking on a home 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 is reported as the number of sales 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 during the same period. Backlog is calculated as the number of homes in backlog from the prior period, plus sales 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 report sales, starts, closings, and backlog in each of UHG’s primary markets for the years ended December 31, 2023 and 2022.

	Year Ended December 31,								
	2023			2022			Period Over Period % Change		
Market	**Sales**	**Starts**	**Closings**	**Sales**	**Starts**	**Closings**	**Sales**	**Starts**	**Closings**
Coastal	150	145	216	160	241	242	(6)%	(40)%	(11)%
Midlands	755	689	827	744	695	942	1 %	(1)%	(12)%
Upstate	388	399	340	355	337	421	9 %	18 %	(19)%
Raleigh	3	15	0	0	0	0	**NM**	**NM**	**NM**
Total	**1,296**	**1,248**	**1,383**	**1,259**	**1,273**	**1,605**	**3 %**	**(2)%**	**(14)%**

NM - Not Meaningful

The following table presents information concerning UHG’s new orders, cancellation rate and ending backlog for years ended December 31, 2023 and 2022.

	Year Ended December 31,	
	2023	**2022**
Net New Orders	1,296	1,259
Cancellation Rate	13.6 %	17.5 %

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	Year Ended December 31,	
	2023	2022
Ending Backlog - Homes	189	276
Ending Backlog - Value (in thousands)	$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 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 GSH Business Combination ordinary course of business by UHG's project managers and area managers, and UHG conducts regular inspections and evaluations of its subcontractors to be listed 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

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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 Nasdaq a comprehensive tour of their home prior to the closing and using customer survey results to improve its standards of the GSH Business Combination.

Earn Out Consideration

The holders of GSH shares, GSH options quality and GSH warrants, as of immediately prior to the Effective Time of the GSH Business Combination, will also have the contingent right to receive up to an aggregate of 20,000,000 Earn Out Shares. Each such holder will be entitled to receive Earn Out Shares in accordance with their Earn Out Pro Rata Share in three tranches upon the occurrence of the following milestones during the period commencing on the 90th day following the closing date customer satisfaction.

Competition and ending on the fifth anniversary of the Closing Date: (i) a one-time issuance of 7,500,000 Earn Out Shares on the first date on which the volume weighted average price of our common stock over any 20 trading days within the preceding 30 consecutive trading day period (as adjusted, the "VWAP price") is greater than or equal to $12.50; (ii) a one-time issuance of 7,500,000 Earn Out Shares on the first date on which the VWAP price is greater than or equal to $15.00; and (iii) a one-time issuance of 5,000,000 Earn Out Shares on the first date on which the VWAP price is greater than or equal to $17.50 (the "Earn-Out Milestones").

Our sponsor has agreed not to transfer approximately 2.1 million Sponsor Earnout Shares until such shares are released by us upon the achievement of the Earn Out Milestones pursuant to the Sponsor Support Agreement. Our sponsor has also agreed that Market Factors

UHG faces competition in the event that Closing DHHC Cash homebuilding industry, which is less than $100,000,000, up characterized by relatively low barriers to 1.0 million sponsor shares will be Sponsor Earnout Shares, subject to release upon entry and multiple operators. UHG's competition includes national, regional, and local homebuilders, as well as the achievement of the Earn Out Milestones. See "Sponsor Support Agreement" below for more information regarding the Sponsor Earnout Shares and Earn Out Milestones.

individual

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Representations home resale market and Warranties

The GSH Business Combination Agreement contains customary representations and warranties of the parties thereto with respect to, available rental housing. Homebuilders compete for, among other things, (a) organization homebuyers, desirable lots, financing, raw materials and qualification, (b) capital structure, (c) authorization to enter into skilled labor. Competition for homebuyers is primarily based upon factors such as price, location, design, quality, and the GSH Business Combination Agreement, (d) approvals and permits, (e) financial statements, (f) absence of certain changes, (g) absence of undisclosed liabilities, (h) material contracts, (i) litigation, (j) employee matters, (k) compliance with laws, (l) taxes, (m) real and personal property, (n) homeowners associations, (o) construction matters, (p) intellectual property, (q) environmental matters, (r) insurance matters, (s) transactions with affiliates, and (t) regulatory compliance.

Covenants

The GSH Business Combination Agreement includes customary covenants reputation of the parties thereto with respect 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 operation housing industry and the demand for new homes include: the availability and the cost of their respective businesses prior 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 consummation utilize standard products available from multiple sources.

Seasonality

The sale of the GSH Business Combination both new and their respective efforts to consummate the GSH Business Combination. The GSH Business Combination Agreement also contains additional covenants of the parties thereto, including, among others, (a) covenants providing for DHHC, Hestia Merger Sub, Inc. and GSH to cooperate existing homes in the preparation United States exhibit demonstrable seasonality over the course of the Registration Statement / Proxy Statement, which was filed with the SEC on February 14, 2023 in connection with the GSH Business Combination Agreement, (b) covenants for DHHC to hold a special meeting of its stockholders to vote on, among other things, the approval of the GSH Business Combination Agreement and the GSH Business Combination, (c) covenants for GSH to obtain all required consents from third parties and lenders under its financing arrangements, including lender consents or obtaining alternative financing, (d) covenants for GSH to obtain and deliver the Company Stockholder Written Consent within one (1) business day following the date of the GSH Business Combination Agreement, (e) covenants for GSH to effect the

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Pre-Closing Recapitalization and (f) covenants for GSH to take all actions and execute documentation required to deconsolidate with certain affiliated entities.

GSH Non-Solicitation and Company Exclusivity Restrictions

During the period between the date of the GSH Business Combination Agreement and the earlier of (x) the Closing or (y) the termination of the GSH Business Combination Agreement in accordance with its terms, both the Company and GSH have agreed not to, among other things, (i) solicit, initiate, knowingly encourage (including by means of furnishing or disclosing information), knowingly facilitate, discuss or negotiate, directly or indirectly, any inquiry, proposal or offer (written or oral) with respect to an Acquisition Proposal of either us or GSH, (ii) furnish or disclose any non-public information to any person in connection with, or that would reasonably calendar year. This seasonality can be expected to lead to, an Acquisition Proposal of us or GSH, (iii) enter into any contract or other arrangement or understanding regarding an Acquisition Proposal of us or GSH, (iv) other than as contemplated by the GSH Business Combination Agreement, prepare or take any steps in connection with a public offering of any equity securities of GSH or us or their respective subsidiaries or (v) otherwise cooperate in any way, or assist or participate in, or knowingly facilitate or encourage any effort or attempt by any person to do or seek to do any of the items set forth above. The GSH Business Combination Agreement required GSH to immediately cease any and all existing discussions or negotiations with any person conducted prior to the execution and delivery of the GSH Business Combination Agreement with respect to, or which is reasonably likely to give rise to or result in, an Acquisition Proposal of GSH.

Conditions to Closing

Conditions to Each Party's Obligations

The obligations of DHHC, Hestia Merger Sub, Inc. and GSH to consummate the GSH Business Combination are subject to the satisfaction or waiver of certain closing conditions, evidenced across multiple sources including, but not limited to, (i) 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 absence "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 home sales in the first half of any governmental order or law restraining, prohibiting or making illegal a calendar year and increased closings and revenue recognition in the consummation 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 GSH Business Combination, (ii) 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 approval end of our stockholders a particular quarter are not necessarily representative of the Transaction Proposals, (iii) results it expects at year end. UHG expects this seasonal pattern to continue in the approval of GSH's stockholders of the GSH Business Combination Agreement long-term.

Governmental Regulation and the GSH Business Combination, (iv) the effectiveness of the GSH Registration Statement under the Securities Act of 1933, as amended (the "Securities Act"), Environmental, Health and (v) DHHC

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having at least $5,000,001 of net tangible assets as of immediately after the Effective Time.

Our obligation to consummate the GSH Business Combination Safety Matters

As a licensed builder in South Carolina, Georgia and North Carolina, UHG is also subject to each state's statutes and regulations governing licensure, as well as other federal, state, and local laws and ordinances that govern the satisfaction or waiver construction of other closing conditions, including, but not limited homes in the relevant jurisdictions in which UHG operates. Homes built by UHG in South Carolina, Georgia and North Carolina are required to (i) the representations and warranties of GSH being true and correct be built to conform to the standards applicable to such representations and warranties, (ii) each established by the latest edition of the covenants International Residential Code ("IRC") (as adopted and modified by each state). The construction of GSH having been performed or complied with in all material respects, (iii) homes to the Lender Consents or Alternative Financing being obtained, (iv) each IRC standards is closely monitored by local authorities, and homes built by UHG must pass inspection at multiple stages of the written consents 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 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 required under certain scheduled contracts an endangered species being obtained, (v) found on a site, unanticipated jurisdictional wetlands, or geotechnical factors may lead to delays in the Pennington De-Consolidation being completed 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 the Land Development Affiliates and other third-party developers, 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.

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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 GSH

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 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 customers, competitors, developers, and government officials driven by its institutional values. This hard-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 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 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 importance of them to the success of the business. No UHG team

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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 team members are believed to be positive. UHG primarily uses subcontractors to build homes, and UHG believes it has good relationships with these subcontractors.

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Business Combination Agreement, Available Information

UHG's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and certain agreements relating thereto being executed, (vi) the Pre-Closing Recapitalization being completed in compliance any amendments to those reports are filed with the terms 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, as soon as reasonably practicable after such material is available on the GSH Business Combination Agreement, (vii) SEC's website. All of these filings with the absence of a Company Material Adverse Effect and (viii) the delivery of customary closing certificates and transaction documents.

The obligation of GSH to consummate the GSH Business Combination is SEC are also subject available to the satisfaction public over the internet at the SEC's website at www.sec.gov. UHG's internet address is www.unitedhomesgroup.com. Information contained on, or waiver of other closing conditions, including, but not limited to, (i) the representations and warranties of us and Hestia Merger Sub, Inc. being true and correct to the standards applicable to such representations and warranties, (ii) each of our covenants having been performed or complied with in all material respects, (iii) Closing DHHC Cash being equal to or exceeding $125,000,000 (the "Minimum Cash Condition"), (iv) the approval by Nasdaq of the listing of our Class A common stock to be issued in connection with the GSH Business Combination, (v) the adoption of the DHHC A&R Certificate of Incorporation and DHHC A&R Bylaws, (vi) the Lender Consents or Alternative Financing being obtained, (vii) the DHHC Incentive Equity Plan being approved by the Company board and stockholders, (viii) the absence of a DHHC Material Adverse Effect, (ix) the composition of our board post-GSH Business Combination and (x) the delivery of customary closing certificates and transaction documents.

If any of the conditions to a party's obligation to consummate the GSH Business Combination accessible through, these websites is not satisfied incorporated by reference into and does not constitute a part of this prospectus. 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

Risks Related to UHG's Business

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UHG's long-term growth depends upon its ability to acquire developed lots from affiliated land development companies (collectively, the "Land Development Affiliates") or waived other sellers, and the ability of such sellers to successfully identify and acquire desirable land parcels for residential build-out. A failure to successfully identify and 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 writing 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 such party, then such party will not be required to consummate the GSH Business Combination. There can be no assurance that the Minimum Cash Condition will be satisfied on the closing date. In the event that the public shareholders exercise their redemption rights with respect to a number of our common stock such that the Minimum Cash Condition would not be met based on cash held changes in the trust account, we would need general availability of land parcels, the willingness of land sellers to seek to arrange sell land parcels at reasonable prices, competition for additional third-party available land parcels, availability of financing to be able to satisfy the Minimum Cash Condition. We plan to pursue third-party financing to satisfy the Minimum Cash Condition; however, there can be no assurance that any third-party financing will be entered into in connection with the GSH Business Combination acquire land parcels, zoning, and other market conditions, and there can be no assurance that an adequate supply of land parcels will continue to be available to UHG. If the Minimum Cash Condition supply of land parcels appropriate for development of single-family homes is limited because of these factors, or for any other reason, UHG's ability to grow could be significantly limited, and the number of homes that UHG builds and sells could decline, which could materially and negatively affect its sales, profitability, stock performance, ability to service its debt obligations and future cash flows. To the extent that UHG is unable to purchase developed lots on a timely basis and at reasonable prices, UHG's home sales revenue and results of operations could be negatively impacted.

UHG's geographic concentration could materially and adversely affect its business or financial results if the homebuilding industry in its current markets should decline.

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.

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 satisfied. similar periods in the future when financial market upheaval will increase UHG's cost of capital or limit UHG's ability to access the debt markets or obtain

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bank financing. During such times, UHG may not have sufficient cash on hand to meet its working capital needs and repay outstanding indebtedness.

The homebuilding industry is capital-intensive and requires significant up-front expenditures to acquire lots and begin construction on homes. There is no assurance that cash generated from UHG's operations, borrowings incurred under its current credit agreements or project-level financing arrangements, or proceeds raised in capital markets transactions will be sufficient to finance UHG's projects or otherwise fund its liquidity needs. If UHG's future cash flows from operations and other capital resources are insufficient to finance its projects or otherwise fund its liquidity needs, it may be forced to:

- reduce or delay business activities, lot acquisitions and capital expenditures;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of its debt on or before maturity.

These alternative 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 project by borrowers in connection with both new loans and the extension of 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 and any such delay could result in cost increases and may adversely affect UHG's sales and future results of operations and cash flows.

The risks associated with UHG's inventories could adversely affect its business or financial results.

There are risks inherent in controlling, owning and building upon finished lots and housing inventory risks are substantial for UHG's homebuilding activities. If housing demand declines, UHG may not be able to build and sell homes 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 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.

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Because most of UHG's customers finance the purchase of their homes, the terms and availability of mortgage financing can affect the demand for and the ability to complete the purchase of a home, which could materially and adversely affect UHG.

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.

Increases in UHG's home cancellation rate could have a negative impact on its home sales revenue and gross profit.

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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 in federal income tax laws may affect the demand for new homes. Significant expenses of owning a home, including mortgage interest and real estate taxes, have historically been deductible expenses for an individual's U.S. federal, and in some cases, state income taxes, subject to various limitations under current tax law and policy. The Tax Cuts and the Jumpstart Our Business Startups Act (the "JOBS Act"), which became effective January 1, 2018, includes provisions which impose significant limitations with respect to these income tax deductions. For instance, the annual deduction for real estate taxes and state local income taxes (or sales in lieu of income taxes) is now generally limited to $10,000. Furthermore, through the end of 2025, the deduction for mortgage interest is generally only available with respect to the first $750,000 of a new mortgage and there is no longer a federal deduction for interest on home equity loans. If the Minimum Cash Condition U.S. federal government or a state government further changes its income tax laws to further eliminate or substantially limit these income tax deductions, the after-tax cost of owning a new home would further increase for many potential customers. The resulting loss or reduction of 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, this does not 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 the Land Development Affiliates and other third party land developers to handle land

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acquisition and development to maximize UHG's profits and enhance its access to capital. Prior to 2023, UHG has not historically operated under this structure, and since land development is critical to homebuilding and sales, this measure could adversely affect 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 satisfied, amended advance its business strategy, provide a satisfactory return on its investment or waived 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 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.

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 GSH pursuant 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

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business and control. For example, UHG has recorded intangible assets, including goodwill, in connection with the acquisition of selected assets of Herring Homes, LLC (which was accounted for as a business combination) and acquisition of common stock of Rosewood Communities, Inc. totaling $7.1 million. 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.

Failure to find suitable subcontractors may have a material adverse effect on UHG's standards of service.

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.

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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.

UHG may suffer uninsured losses or suffer material losses in excess of insurance limits adversely affecting its business or financial results.

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.

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UHG is subject to litigation and other legal proceedings that could harm its business if an unfavorable ruling were to occur.

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 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.

Fluctuations in real estate values may require UHG to write-down the book value of its real estate assets. The homebuilding industry is subject to significant variability and fluctuations in real estate values. As a result, UHG may be required to write-down the book value of its real estate assets in accordance with GAAP, and some of those write-downs could be material. Any material write-downs of assets could have a material adverse effect on UHG's business, prospects, liquidity, financial condition and results of operations.

UHG may not be able to compete effectively against competitors in the homebuilding industry.

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

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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 business as planned.

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.

UHG's business and financial results could be adversely affected by significant inflation, higher interest rates or deflation.

Inflation can adversely affect UHG by increasing costs of the lots, materials and labor it needs to operate its business. 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, UHG may be precluded from raising home prices enough to keep up with the rate of inflation,

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which could reduce 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 or financial results.

Alternatively, a significant period of deflation could cause a decrease in overall spending and borrowing levels. This could lead to deterioration in economic conditions, including an increase in the rate of unemployment. Deflation could also cause the value of UHG's inventories to decline or reduce the value of existing homes below the related 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 response to the World Health Organization's declaration of the COVID-19 pandemic, federal, state and local governments and private entities mandated various restrictions, requiring closure of non-essential businesses for a period of time. In all of the municipalities in which UHG operates, residential construction and 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.

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.

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;

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- 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

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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.

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.

UHG is subject to home warranty and construction defect claims arising in the ordinary course of its homebuilding business. 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.

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.

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.

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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. 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.

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.

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. From time to time UHG receives notices of complaint from the South Carolina Department of Labor, Licensing and Regulation, Division of Professional and Occupational Licensing, Office of Investigations and Enforcement ("LLR"). These complaints arise when a UHG customer contacts LLR 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.

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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.

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.

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.

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.

As of December 31, 2023, UHG's consolidated homebuilding debt was approximately $77.2 million, which was secured by inventory, and carried a weighted average interest rate of 8.13% as of December 31, 2023. As of December 31, 2023, UHG's convertible notes had an outstanding balance of approximately $68.0 million, bearing interest at a fixed rate of 15%. See *Note 9 - Homebuilding 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

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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 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 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; (c) a minimum debt service coverage ratio to be no less than 2.00 to 1.00 for any fiscal quarter; (d) a minimum liquidity amount of not less than the greater of (y) $30,000,000 or (z) an amount equal to 1.5 times the trailing twelve month interest incurred; and (e) unrestricted cash of not less than 50% of the liquidity required at all times.

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 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, which date may be extended by one year upon UHG's request and subject to the terms of the GSH Business Combination Agreement, then Wells Fargo Facility. If, at such time, UHG is unable to extend the GSH Business Combination 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.

UHG may be unable to obtain additional financing to fund its operations and growth.

UHG may require additional financing to fund its operations or growth, which might not be consummated.

Waivers

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available on terms that are favorable or acceptable, or at all. If permitted 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, 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 bear interest at floating rates.

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.

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;
- issue preferred stock;
- pay dividends and make other distributions on, or redeem or repurchase, capital stock;
- 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 acquisition of another business or person that requires payment of consideration greater than 400% of such business's 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.

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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 law, either DHHC 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 GSH cannot refinance these borrowings, UHG's results of operations 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 waive lead to liquidity constraints. The failure of banks, or other adverse conditions in writing 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 conditions 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 instituting 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.

Risks Related to UHG's Organization and Structure

As a result of UHG's CEO's relationship with UHG and the Land Development Affiliates, conflicts of interest may arise with respect to any transactions involving both UHG and one or more of the Land Development Affiliates, and the interests of UHG's CEO may not be aligned with the interest of UHG's stockholders.

UHG has 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 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 of the Board of Directors of UHG and is also an owner and board member of Pennington Communities, LLC, an entity formed to be the sole manager of each of the Land Development Affiliates. Lots developed from land 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 to ensure that sale prices reflect actual fair market value and will review all agreements and transactions entered into or to be entered into involving any of the Land 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 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

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or more of the Land 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 Land 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 Land Development Affiliates.

The dual class structure of UHG's common stock has the effect of concentrating voting power with UHG's CEO, 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'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 itself contained 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, Nr. 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.

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.

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;

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- 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 GSH Business Combination Agreement or in any document delivered pursuant future. As a result, UHG's stockholders may not have the same protections afforded to the GSH Business Combination Agreement. Notwithstanding the foregoing, pursuant stockholders of companies that are subject to our certificate of incorporation, we cannot consummate the proposed transaction if we have less than $5,000,001 of net tangible assets (as determined in accordance with Rule 3a51-1(g)(1) all of the Securities Exchange Act 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 1934, as amended, (the "Exchange Act")), remaining after the Closing or fail certain key personnel who would be difficult to meet any greater net tangible asset or cash requirement contained in the GSH Business Combination Agreement after the Closing.

Termination

The GSH Business Combination Agreement may be terminated under certain customary and limited circumstances prior to the closing, replace, including, but not limited to:

i. by mutual written consent of us and GSH;

ii. by us, if GSH breaches its representations, warranties and covenants in the GSH Business Combination Agreement such that the closing conditions would not be satisfied (subject to a cure period);

iii. by GSH, if we breach our representations, warranties and covenants in the GSH Business Combination Agreement such that the closing conditions would not be satisfied (subject to a cure period);

iv. subject to certain limited exceptions, by either us or GSH if the GSH Business Combination is not consummated by April 28, 2023;

v. by either us or GSH, if the requisite approval by our stockholders of the Required Transaction Proposals is not obtained after the conclusion of a meeting of our stockholders held for the purpose of voting on such proposals, and at which such stockholders duly voted on such Required Transaction Proposals;

vi. by either us or GSH, if a governmental order permanently enjoining, restraining or otherwise prohibiting the consummation of the GSH Business Combination is issued and becomes final and non-appealable; and

to, Michael Nieri, the Chief Executive Officer and Chairman of the Board of Directors. There is no guarantee that he 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

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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 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.

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.

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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.

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vii. by us, if GSH does not deliver the Company Stockholder Written Consent within 2 Business Days following the date of the GSH Business Combination Agreement.

If

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 GSH Business Combination Agreement is validly terminated, none 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 parties State of Delaware will, to the GSH Business Combination Agreement 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 any liability 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 further obligation under of its directors, officers, other employees or stockholders, which may discourage (but not prevent) lawsuits with respect to such claims.

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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 GSH Business Combination Agreement other than customary confidentiality obligations, except price investors might be willing to pay in the case future for UHG's common stock.

UHG's Amended and Restated Certificate of Willful Breach 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 Fraud.

Related Agreements

Sponsor Support Agreement

In connection with prevent a change of control. Together, these provisions may make more difficult the execution 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 GSH Business Combination Agreement, our sponsor entered into right of stockholders to call a special meeting;
- a vote of 66 2/3% required to approve certain amendments to the Sponsor Support Agreement with us Amended and GSH, pursuant Restated Certificate of Incorporation and the Bylaws; and
- the designation of Delaware as the exclusive forum for certain disputes.

Risks Related to which our sponsor agreed Ownership of UHG's Securities

If UHG's existing stockholders sell, or indicate an intent to among other things, (i) vote 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.

Sales of a substantial number of shares of UHG's Class A common stock in the public market could occur at any meeting time. These sales, or the perception in the market that the holders of our stockholders all a large number of its shares intend to sell shares, could reduce the market price of UHG's Class A common stock.

On March 30, 2024, 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 par value $0.0001 per share (the "Sponsor Shares") and any securities acquired after the execution that are convertible into shares of UHG's Class A common stock but excludes shares issuable upon conversion of the Sponsor Support Agreement, 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 favor trading volatility and reduce the market price of each GSH Business Combination proposal, (ii) be bound by certain other covenants and agreements related UHG's Class A common stock.

Further, pursuant to the GSH 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

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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.

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.

As of December 31, 2023, 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, (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) be bound by certain transfer and redemption restrictions with respect to such Sponsor Shares, in each case, on the terms and subject to the conditions set forth in the Sponsor Support Agreement.

The sponsor has also agreed, subject to certain exceptions, not to transfer approximately 2.1 million Sponsor Earnout Shares (as defined in the Sponsor Support Agreement) until such shares Notes, which are released under the Sponsor Support Agreement. Pursuant to the Sponsor Support Agreement, 37.5%, 37.5% and 25% of such Sponsor Earnout Shares will be released by us, respectively, upon the achievement of the Earn-Out Milestones, on the terms and subject to the conditions set forth in the Sponsor Support Agreement. Any such Sponsor Earnout Shares not vested prior to the fifth anniversary of the closing will be deemed to be forfeited.

The sponsor has also agreed that in the event that Closing DHHC Cash is less than $100,000,000, convertible into up to 1.0 million Sponsor Shares will convert to Sponsor Earnout Shares, subject to the same release conditions set forth in the preceding paragraph. In addition, members of the sponsor have made a commitment to purchase and not redeem an aggregate of 2.5 million public shares.

The sponsor has also agreed, pursuant to the terms of the Sponsor Support Agreement, to forfeit approximately 1.8 million sponsor shares and approximately 50% of its warrants that were acquired in a privately placement consummated simultaneously with the closing of our initial public offering.

Amended and Restated Registration Rights Agreement

The GSH Business Combination Agreement contemplates that, upon completion of the GSH Business Combination, the Company (which expects to be named United Homes Group, Inc. at that time), the sponsor, certain securityholders of the Company and certain former stockholders of GSH will enter into an Amended and Restated Registration Rights Agreement (the "A&R Registration Rights Agreement"). Pursuant to the A&R Registration Rights Agreement, among other things, UHG agrees to file a shelf registration statement with respect to the registrable securities under the A&R Registration Rights Agreement within 45 days of the Closing. Up to two times in any 12-month period, certain legacy company securityholders and legacy GSH stockholders may request to sell all or any portion of their registrable securities in an underwritten offering that is registered pursuant to the shelf registration statement, so long as the total offering price is reasonably expected to exceed $10,000,000. The combined company will also provide customary "demand" and "piggyback" registration rights. The A&R Registration Rights Agreement will provide that UHG will pay certain expenses relating to such registrations and indemnify the securityholders against certain liabilities.

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Further, each securityholder party to the A&R Registration Rights Agreements agrees not to transfer any of their registerable securities subject to lock-up transfer restrictions (as described in the A&R Registration Rights Agreement) until the end of the applicable Lock-Up Period subject to certain customary exceptions described therein.

Financing Commitment Letter

In connection with the execution of the GSH Business Combination Agreement, we entered into a Financing Commitment Letter with the sponsor, David T. Hamamoto, our Co-Chief Executive Officer and Chairman and an affiliate of our sponsor, and Antara Capital, an affiliate of our Sponsor, pursuant to which David T. Hamamoto and Antara Capital (collectively, the "Investors") committed to, or to cause their respective affiliates to, purchase and not redeem at least in the aggregate 2.5 million 16,000,000 shares of our Class A common stock.

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Specifically, David T. Hamamoto and Antara Capital have agreed, among other things, severally, and not jointly, subject UHG may also issue up to certain terms and conditions, (i) to purchase (in open market transactions or otherwise), or to cause one or more of its controlled affiliates to purchase, and beneficially own no less than 1,250,000 shares of our Class A common stock, no later than the date that is 5 business days prior to the special meeting to vote on the GSH Business Combination Agreement and (ii) following such purchases, not to sell, contract to sell, redeem or otherwise transfer or dispose of, directly or indirectly, the acquired shares or the economic ownership of the acquired shares at any time prior to the consummation of the GSH Business Combination. The Investors have purchased and have not redeemed the shares required under the financing commitment letter. The acquired shares will not be subject to any restrictions on transfer or disposition.

Subscription Agreements

On March 23, 2023, in connection with the Company's efforts to raise funds to meet the Minimum Cash Condition, the Company entered into certain private placement transactions (collectively, the "Share Lock-Up Agreements") with certain investors who purchased shares of the Company's Class A common stock on the open market prior to March 16, 2023 (each a "Lock-Up Investor"), pursuant to which, and subject to and conditioned upon the satisfaction of the closing conditions set forth in the Share Lock-Up Agreements, the Company agreed to issue to each Lock-Up Investor 0.25 UHG Class A Common Shares for a purchase price

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of $0.01, for each share of the Company's Class A common stock held by such Lock-Up Investor at the Closing.

Also, on March 23, 2023, the Company and certain investors ("PIPE Investors") entered into subscription agreements (collectively, the "PIPE Subscription Agreements") providing for the purchase by the PIPE Investors at the effective time of the GSH Business Combination of (i) an aggregate of 471,500 shares of the Company's Class A common stock at a price per share of $10.00, and (ii) for each share of the Company's Class A common stock purchased by each PIPE Investor, the Company agreed to issue to the applicable PIPE Investor 0.25 UHG Class A Shares for a purchase price of $0.01 per share for gross proceeds to the Company of approximately $4.7 million.

PIPE Financing

As previously announced on March 22, 2023, the Company entered into a Convertible Note Purchase Agreement (the "Note Purchase Agreement") among itself, GSH and a certain group of investors party thereto (the "PIPE Investors"). Pursuant to the Note Purchase Agreement, the Investors have agreed to purchase $80,000,000 in original principal amount of convertible promissory notes (the "Notes") and 744,588 21,886,379 shares of Class A common stock in a private placement PIPE investment (the "PIPE Investment") in connection with the GSH Business Combination. The aggregate gross amount of earnout related to the PIPE Investment is approximately $75,000,000. The proceeds of the PIPE Investment are expected to be used by the Company to offset redemptions of the Company's Class A common stock (see "Extension and Redemptions" below for details on redemptions of the Company's Class A common stock), and may be used by DHHC to satisfy the Minimum Cash Condition. The closing of the Note Purchase Agreement is contingent upon the substantially concurrent consummation of the GSH Business Combination, and subject to other customary closing conditions and terms set forth therein.

Extension and Redemptions

On January 25, 2023, we convened a special meeting of stockholders, where the stockholders approved an amendment, which we refer to as the "extension amendment," to our certificate of incorporation to extend the date by which the company must consummate a business combination from January 28, 2023 to July 28, 2023. In connection with the vote to approve the extension amendment, the holders of 30,058,968 public shares (after giving effect to withdrawals of redemptions) exercised their right to redeem such shares for a pro rata portion of the funds in the trust account. As a result, approximately $304 million (approximately $10.12 per share) was removed from the trust account to pay such redeeming holders and following such redemptions, approximately $45 million remained in the Company's trust account.

Approval of Initial Business Combination with GSH

On February 14, 2023, the GSH Registration Statement was declared effective by the SEC. We established a record date of January 26, 2023 for the special meeting of stockholders to consider and

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approve, among other things, the GSH Business Combination. On March 23, 2023, we convened a special meeting of stockholders, where the stockholders approved the GSH Business Combination. In connection with the approval of the GSH Business Combination, stockholders holding 109,426 may issue shares of Class A common stock (after giving effect in connection with equity based awards, 3,950,841 of which were outstanding as of December 31, 2023 (such equity-based compensatory awards are generally subject to withdrawals vesting requirements). UHG may also issue a substantial number of redemptions) exercised their right additional shares of common stock (or securities convertible, exercisable or exchangeable for common stock) in the future, including in connection with acquisitions, pursuant to redeem 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 for 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 pro rata portion 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 funds in Exchange Act, the

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Company's trust account. 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

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of operations. As a result approximately $1.1 million (approximately $10.13 per share) 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 be removed 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' 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 trust account activities intended by regulatory or governing bodies due to pay 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 of 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 redeeming holders claims are successful, UHG's business, financial condition, and approximately $43.9 million will remain 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 Company's trust account.

Status as a Public Company

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We are 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", 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 is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act. As such, we are Act, and it is eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are but not "emerging to emerging growth companies" companies, including, but not limited to, not being required a requirement to comply with present only two years of audited financial statements, an exemption from the auditor attestation requirements requirement of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding about executive compensation in our periodic reports arrangements pursuant to the rules applicable to smaller reporting companies, and proxy statements, and exemptions from the requirements of holding a no requirement to seek non-binding advisory vote votes on executive compensation and stockholder approval of any or golden parachute payments not previously approved. If some investors find our securities less attractive as 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 result, there may be a less active trading market for our securities and the prices variety of our securities may be more volatile.

circumstances could cause it to lose that status earlier.

In addition, Section 107 of the JOBS Act also 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. In other words, an "emerging An emerging growth company" company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We intend UHG has elected to take advantage of the benefits extended transition period and, as a result of this extended transition period.

We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following January 28, 2026, (b) in which we have total annual gross revenue of at least $1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Class A common stock that is held by non-affiliates exceeds $700 million as of the prior June 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

Lack of Business Diversification

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For an indefinite period of time after the completion of our initial business combination, the prospects for our success may depend entirely on the future performance of a single business. Unlike other entities that have the resources to complete business combinations with multiple entities in one or several industries, it is probable that we will not have the resources to diversify our operations and mitigate the risks of being in a single line of business. In addition, we have focused our search for an initial business combination in a single industry. By completing our business combination with only a single entity, our lack of diversification may:

- subject us to negative economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact on the particular industry in which we operate after our initial business combination, and

- cause us to depend on the marketing and sale of a single product or limited number of products or services.

Limited Ability to Evaluate the Target's Management Team

Although we have closely scrutinized the management of GSH, our assessment of the target business' management may not prove to be correct. In addition, the future management may not have the necessary skills, qualifications or abilities to manage a public company. At the consummation of the GSH Business Combination, David Hamamoto and Michael Bayles, two of our current directors, will serve on the board of directors of UHG, and Keith Feldman, one of our current directors, will serve as Chief Financial Officer of UHG. Following a business combination, to the extent that we deem it necessary, we may seek to recruit additional managers to supplement the incumbent management team of the target business. There is no assurance that we will have the ability to recruit additional managers, or that additional managers will have the requisite skills, knowledge or experience necessary to enhance the incumbent management.

Competition

In identifying, evaluating and selecting a target business for our business combination, such as GSH, we have encountered, and may continue to encounter intense competition from other entities having a business objective similar to ours, including other blank check companies, private equity groups and leveraged buyout funds, and operating businesses seeking strategic acquisitions. Many of these entities are well established and have extensive experience identifying and effecting business combinations directly or through affiliates. Moreover, many of these competitors possess greater election, its financial technical, human and other resources than we do. Our ability to acquire larger target businesses is limited by our available financial resources. This inherent limitation gives others an advantage in

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pursuing the acquisition of a target business. Furthermore, our obligation to pay cash in connection with our public stockholders who exercise their redemption rights may reduce the resources available to us for our initial business combination and our outstanding warrants, and the future dilution they potentially represent, statements may not be viewed favorably by certain target businesses. Either of these factors may place us at a competitive disadvantage in successfully negotiating an initial business combination.

Human Capital Management

We currently have three officers. These individuals are not obligated comparable to devote any specific number of hours companies that comply with public company effective dates. In choosing to our matters but they devote as much of their time as they deem necessary to our affairs and intend to continue doing so until we have completed our initial business combination. The amount of time they devote in any time period will vary based on whether a target business has been selected for our initial business combination and the stage take advantage of the initial business combination process we are in. We do not intend to have any full time employees prior to the completion of our initial business combination.

Periodic Reporting and Financial Information

Our units, Class A common stock and warrants are registered under the Exchange Act and we have reporting obligations, including the requirement that we file annual, quarterly and current reports extended transition period, it may later decide otherwise (i.e., “opt in” by complying with the SEC. In accordance 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 Exchange JOBS Act, this annual report contains financial statements audited 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 reported on by our independent registered public accountants.

We are required to evaluate our its stock price may be more volatile.

UHG has identified material weaknesses in its internal control procedures for the fiscal year ending December 31, 2022 as required by the Sarbanes-Oxley Act. Only over financial reporting. If remediation of these material weaknesses is not effective, or if UHG identifies additional material weaknesses in the event we are deemed future or otherwise fails to be a large accelerated filer or maintain an accelerated filer, and no longer an emerging growth company, will we be required to have our effective system of internal control procedures audited. A target company controls, UHG may

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not be in compliance with the provisions of the Sarbanes-Oxley Act regarding adequacy of their internal controls. The development of the internal controls of any such entity able to achieve compliance with the Sarbanes-Oxley Act may increase the time and costs necessary to complete any such acquisition.

Item 1A. Risk Factors

You should carefully consider all of the risks described below, together with the other information contained in this Report, including the financial statements. If any of the following risks occur, our business, accurately or timely report its financial condition or results of operations, which may be materially and adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment. The risk factors described below are not necessarily exhaustive and you are encouraged to perform your own investigation with respect to us and our business.

Summary of Risk Factors

We are a recently formed early stage company that has conducted no operations and has generated no revenues. Until we complete our initial business combination, we will have no operations and will generate no operating revenues. These risks are discussed more fully following this summary. Material risks that may affect our business, operating results and financial condition include, but are not necessarily limited to, the following:

- The consummation of the GSH Business Combination is subject to a number of conditions and if those conditions are not satisfied or waived, the GSH Business Combination Agreement may be terminated in accordance with its terms and the GSH Business Combination may not be completed.
- If we are not able to raise funds to meet the Minimum Cash Condition in the GSH Business Combination Agreement, we may not be able to consummate the GSH Business Combination.
- We have not obtained a third-party valuation or fairness opinion in connection with the GSH Business Combination, and consequently, there is no assurance from an independent source that the merger consideration to be paid to GSH equityholders is fair to our stockholders from a financial point of view.
- Termination of the GSH Business Combination Agreement could negatively impact us and GSH.

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- You do not have any rights or interests in funds from the trust account, except under certain limited circumstances. To liquidate your investment, therefore, you may be forced to sell your public shares or warrants, potentially at a loss.

- You are not entitled to protections normally afforded to investors of many other blank check companies.

- Because of our limited resources and the significant competition for business combination opportunities, it may be more difficult for us to complete our initial business combination. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $10.00 per share on our redemption of our public shares, or less than such amount in certain circumstances, and our warrants will expire worthless.

- If the net proceeds of our initial public offering and the sale of the private placement warrants not being held in the trust account are insufficient, it could limit the amount available to complete our initial business combination and we will depend on loans from our sponsor or management team to fund our search for a business combination, to pay our taxes and to complete our initial business combination. If we are unable to obtain these loans, we may be unable to complete our initial business combination.

- We may have a limited ability to assess the management of a prospective target business investor confidence and, as a result, may complete our initial business combination with a target business whose management may not have the skills, qualifications or abilities to manage a public company, which could, in turn, negatively impact the value of our stockholders' investment in us.

- Since our sponsor, officers and directors will lose their entire investment in us if our business combination is not completed, a conflict of interest may arise in determining whether a particular business combination target is appropriate for our initial business combination.

- Our initial stockholders may exert a substantial influence on actions requiring a stockholder vote, potentially in a manner that you do not support.

- We are a recently formed early stage company with no operating history and no revenues, and you have no basis on which to evaluate our ability to achieve our business objective.

- Our search for a business combination, and any target business with which we ultimately consummate a business combination, may be materially adversely affected by the coronavirus ("COVID-19") outbreak.

- Past performance by our management team may not be indicative of future performance of an investment in us.

- The other risks and uncertainties discussed in "Risk Factors" and elsewhere in this annual report.

For the complete list of risks relating to GSH and the GSH Business Combination, please see the section titled "Risk Factors" contained in the GSH Registration Statement.

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Risks Relating to our Search for, Consummation of, or Inability to Consummate, a Business Combination and Post-Business Combination Risks

The consummation of the GSH Business Combination is subject to a number of conditions and if those conditions are not satisfied or waived, the GSH Business Combination Agreement may be terminated in accordance with its terms and the GSH Business Combination may not be completed.

The consummation of the GSH Business Combination is subject to the satisfaction or waiver of a number of conditions, including, among other customary conditions (each as defined in the GSH Business Combination Agreement, as applicable): (i) the approval by GSH's stockholders of the GSH Business Combination Agreement and the GSH Business Combination; (ii) the absence of governmental order or law prohibiting the consummation of the GSH Business Combination; (iii) the effectiveness of the GSH Registration Statement; (iv) approval of our stockholders of the GSH Business Combination Proposal, the Charter Approval Proposal, the Director Election Proposal, the Nasdaq Proposal and the Incentive Plan Proposal; (v) the receipt by GSH of Lender Consents or Alternative Financing; (vi) the completion of the Pre-Closing Recapitalization; (vii) the completion of the Pennington De-Consolidation; (viii) the absence of

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a GSH Material Adverse Effect; (ix) the satisfaction of the Minimum Cash Condition; and (x) the approval for listing on Nasdaq of the UHG Class A Common Shares common stock.

Prior to be issued pursuant to the GSH Business Combination. The consummation of the GSH Business Combination is not assured and is subject to risks, including the risk that conditions to the consummation of the Business Combination, are GSH was not satisfied or waived. The conditions to our obligation to consummate the GSH Business Combination may be waived by us and the conditions to GSH's obligation to consummate the GSH Business Combination may be waived by GSH; however, neither us nor GSH is required to waive any Closing conditions. If we do not consummate the Business Combination, it could be subject to several risks, including:

- we may not be able to consummate an initial business combination by July 28, 2023 and we may be forced to liquidate;
- the parties may be liable for damages to one another under the terms and conditions of the GSH Business Combination Agreement;

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- negative reactions from the financial markets, including declines in the price of our securities due to the fact that current prices may reflect a market assumption that the GSH Business Combination will be completed; and

- the attention of our management will have been diverted to the GSH Business Combination rather than the pursuit of other opportunities in respect of an initial business combination.

For more information about the conditions to the consummation maintain an effective system of internal controls as defined by Section 404 of the GSH Business Combination, see "*Proposed GSH Business Combination — Conditions Sarbanes-Oxley Act. UHG has identified material weaknesses in its internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of its annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses identified generally relate to Closing.*"

***If** we **are** **ineffective tax review controls; lack of second level reviews in business processes; lack of formal control review and documentation required by COSO principles; ineffective Information Technology General Controls ("ITGCs") related to certain systems, applications, and tools used for financial reporting; and UHG did not **able** **establish effective user access and segregation of duties controls across financially relevant functions**. In order to raise funds remediate the material weaknesses, UHG is updating various processes and implementing certain changes to meet the Minimum Cash Condition in the Business Combination Agreement, its internal processes.we*

UHG may not be able to consummate fully remediate the Business Combination.

The GSH Business Combination Agreement provides that identified material weaknesses until the obligation steps described above have been completed and its internal controls have been operating effectively for a sufficient period of GSH to consummate time. UHG believes it made progress in its remediation plan during the GSH Business Combination is conditioned on, among other things, us having Closing DHHC Cash of no less than $125 million year ended December 31, 2023. DHHC has undertaken If the steps UHG takes do not correct the material weaknesses in a PIPE offering process to provide funding to meet the Minimum Cash Condition, which it expects to finalize, if successful, in March 2023, prior to the Closing of the GSH Business Combination. While we expect to fulfill the Minimum Cash Condition at the Closing by a combination of financing options, there can be no assurance that any or all of the financing options timely manner, UHG will be effectuated. If the Minimum Cash Condition is not met, and such condition is not waived by GSH under the terms unable to conclude that it maintains effective internal control over financial reporting. Accordingly, there could continue to be a reasonable possibility that a material misstatement of the GSH Business Combination Agreement, the proposed GSH Business Combination will UHG's financial statements would not be consummated. 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.

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In the event future, it is possible that the GSH Business Combination will not be consummated, all public shares submitted for redemption will be returned to the holders thereof, and we may instead search for an alternate business combination additional material weaknesses or liquidate the Company.

DHHChasnotobtainedathird-partyvaluationorfairnessopinioninconnectionwiththeBusinessCombination, andconsequently,thereisnoassurancefromanindependentsourcethatthemergerconsiderationtobepaid to GSH equityholders is fair to DHHC's stockholders from a financial point of view.

We are not required to, and have not, obtained a third-party valuation or fairness opinion in connection with the GSH Business Combination that the merger consideration to be paid to GSH equityholders is fair to our stockholders from a financial point of view. Our officers and directors have substantial experience in evaluating the operating and financial merits of companies from a wide range of industries, including the real estate industry, and concluded that their experience and background, together with the experience and sector expertise of our advisors, enabled them to make the necessary analyses and determinations regarding the GSH Business Combination. In addition, our officers and directors and our advisors have substantial experience with mergers and acquisitions. Although our board of directors did not seek, or receive a third-party valuation or fairness opinion in connection with the GSH Business Combination, before reaching its decision to approve the GSH Business Combination Agreement, and the transactions contemplated thereby, including the GSH Business Combination, our board of directors reviewed the material aspects of our management's due diligence, including, among other things: (i) research on the residential homebuilding industry, as well as industry trends, historical and projected growth trends, competitive landscape and other industry factors, (ii) information relating to GSH's operations, growth potential, competitive positioning, and financial prospects, (iii) evaluation of potential value-creation opportunities, including organic revenuegrowth, market expansion and potential acquisition opportunities, (iv) other due diligence activities relating to quality of earnings, accounting, legal, tax, operations and other matters and (v) financial and valuation analyses, review and analysis of GSH's financial projections our board of directors concluded that the merger consideration to be paid to GSH equityholders is fair and reasonable, given GSH's growth prospects and the growth outlook for the housing market, the internal valuation of GSH by our management based on an

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analysis of comparable companies and other factors.Our board of directorsalsodeterminedthatGSH'sfairmarketvaluewasatleast80%oftheassets held in the trust account (excluding taxes payable on interest earned on the trust account) at the time of theexecutionofthe GSH BusinessCombinationAgreement. Our stockholderswillberelyingonthejudgment of our board of directors with respect to suchmatters.

Termination of the Business Combination Agreement could negatively impact us and GSH.

If the GSH Business Combination is not completed for any reason, including as a result of our stockholders declining to approve any of the Proposals that are conditions to the consummation of the GSH Business Combination, the ongoing businesses of GSH and the Company significant deficiencies may be adversely impacted and, without realizing any of the anticipated benefits of completing the GSH Business Combination, GSH and the Company would be subject to a number of risks, including the following:

- we may not be able to consummate an initial business combination by July 28, 2023 and we may be forced to liquidate;
- we or GSH may experience negative reactions from the financial markets, including negative impacts on ours stock price (including to the extent that the current market price reflects a market assumption that the GSH Business Combination will be completed);
- GSH may experience negative reactions from its customers, vendors and employees;
- we and GSH will have incurred substantial expenses and will be required to pay certain costs relating to the GSH Business Combination, whether or not the GSH Business Combination is completed; and
- since the GSH Business Combination Agreement restricts the conduct of our and GSH's businesses prior to completion of the GSH Business Combination, we both may not have been able to take certain actions during the pendency of the GSH Business Combination that would have benefitted our respective businesses as an independent company, and the opportunity to take such actions may no longer be available

If the Business Combination Agreement is terminated and our board of directors seeks another merger or business combination, our stockholders cannot be certain identified that we will be able to find another acquisition target that meets our criteria for an initial business combination or that such other merger or business combination will be completed.

We may not be able to complete our initial business combination within the prescribed time frame, in which case we would cease all operations except for the purpose of winding up and we would redeem our public shares and liquidate, in which case our public stockholders may only receive $10.00 per share, or less than such amount in certain circumstances, and our warrants will expire worthless.

Following the Extension Amendment, our certificate of incorporation now provides that we must complete our initial business combination within by July 28, 2023. If we are unable to consummate the GSH Business

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Combination, we may not be able to find a suitable target business and complete our initial business combination by such date. Our ability to complete our initial business combination may be negatively impacted by general market conditions, volatility in the capital and debt markets and the other risks described herein. If we have not completed our initial business combination by such date, we will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including interest earned on the funds held in the trust account and not previously released to us to pay our taxes (less up to $100,000 of interest to pay dissolution expenses), divided by the number of then outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidating distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our board of directors, dissolve and liquidate, subject in each case to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. In such case, our public stockholders may only receive $10.00 per share, and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $10.00 per share on the redemption of their shares.

If permitted withdrawals and other sources of working capital are insufficient, it could limit the amount available to fund our search for a target business or businesses and complete our initial business combination and we will depend on loans from our sponsor or

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management team to fund our search, to pay our taxes and to complete our initial business combination. If we are unable to obtain such loans, we UHG may be unable to complete our initial remedy before the requisite deadline for these reports. UHG's ability to comply with the annual internal control reporting requirements will depend on the effectiveness of its financial 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, or result in material misstatements in its Consolidated Financial Statements, which could adversely affect its business combination.

and reduce its stock price.

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If we are required to seek additional capital, we would need to borrow funds from our sponsor, management team or other third parties to operate or may be forced to liquidate. Neither our sponsor, members of our management team nor any of their respective affiliates UHG is under any obligation or other duty to loan funds to us in such circumstances. Any such loans would be repaid only from funds held outside the trust account or from funds released to us upon completion of our initial business combination. If we are unable to complete our initial business combination because we do not have sufficient funds available to us, we will be forced to cease operations and liquidate the trust account. In such case, our public stockholders may receive only $10.00 per share, or less in certain circumstances, and our warrants will expire worthless. See "— If third parties bring claims against us, the proceeds held in the trust account could be reduced and the per-share redemption amount received by stockholders may be less than $10.00 per share".

You will not have any rights or interests in funds from the trust account, except under certain limited circumstances. To liquidate your investment, therefore, you may be forced to sell your public shares or warrants, potentially at a loss.

Our public stockholders will be entitled to receive funds from the trust account only upon the earliest to occur of: (i) our completion of conclude on an initial business combination, and then only in connection with those shares of our common stock that such stockholder properly elected to redeem, subject to the limitations described in this annual report, (ii) the redemption of any public shares properly submitted in connection with a stockholder vote to amend our certificate of incorporation to modify the substance or timing of our obligation to redeem 100% of our public shares if we do not complete our initial business combination by July 28, 2023 and (iii) the redemption of our public shares if we are unable to complete an initial business combination by July 28, 2023, subject to applicable law and as further described herein. In addition, if we are unable to complete an initial business combination by July 28, 2023 for any reason, compliance with Delaware law may require that we submit a plan of dissolution to our then-existing stockholders for approval prior to the distribution of the proceeds held in our trust account. In that case, public stockholders may be forced to wait beyond July 28, 2023 before they receive funds from our trust account. In no other circumstances will a public stockholder have any right or interest of any kind in the trust account. Accordingly, to liquidate your investment, you may be forced to sell your public shares or warrants, potentially at a loss.

You are not entitled to protections normally afforded to investors of many other blank check companies.

Since the net proceeds of our initial public offering and the sale of the private placement warrants are intended to be used to complete an initial business combination with a target business that has not been selected, we may be deemed to be a "blank check" company under the United States securities laws. However, because we have net tangible assets in excess of $5,000,000, we are exempt from rules promulgated by the SEC to protect investors in blank check companies, such as Rule 419. Accordingly, investors are not afforded the benefits or protections of those rules. Among other things, this means we will have a longer period of time to complete our business combination than do companies subject to Rule 419. Moreover, if our initial public offering were subject to Rule 419, that rule would prohibit the release of any

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interest earned on funds held in the trust account to us unless and until the funds in the trust account were released to us in connection with our completion of an initial business combination.

Because of our limited resources and the significant competition for business combination opportunities, it may be more difficult for us to complete our initial business combination. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $10.00 per share on our redemption of our public shares, or less than such amount in certain circumstances, and our warrants will expire worthless.

We have encountered and expect to continue to encounter intense competition from other entities having a business objective similar to ours, including private investors (which may be individuals or investment partnerships), other blank check companies and other entities, domestic and international, competing for the types of businesses we intend to acquire. Many of these individuals and entities are well-established and have extensive experience in identifying and effecting, directly or indirectly, acquisitions of companies operating in or providing services to various industries. Many of these competitors possess greater technical, human and other resources or more local industry knowledge than we do and our financial resources are relatively limited when contrasted with those of many of these competitors. While we believe there are numerous target businesses we could potentially acquire with the net proceeds of our initial public offering and the sale of the private placement warrants, our ability to compete with respect to the acquisition of certain target businesses that are sizable is limited by our available financial resources. This inherent competitive limitation gives others an advantage in pursuing the acquisition of certain target businesses.

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Furthermore, because we are obligated to pay cash for the shares of Class A common stock which our public stockholders redeem in connection with our initial business combination, target companies will be aware that this may reduce the resources available to us for our initial business combination. This may place us at a competitive disadvantage in successfully negotiating a business combination. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $10.00 per share on the liquidation of our trust account and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $10.00 per share upon our liquidation. See “— If third parties bring claims against us, the proceeds held in the trust account could be reduced and the per-share redemption amount received by stockholders may be less than $10.00 per share”.

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If the funds available to us outside of the trust account are insufficient to allow us to operate until July 28, 2023, we may be unable to complete our initial business combination, in which case our public stockholders may only receive $10.00 per share, or less than such amount in certain circumstances, and our warrants will expire worthless.

The funds available to us outside of the trust account may not be sufficient to allow us to operate until July 28, 2023, assuming that our initial business combination is not completed during that time. We expect to incur significant costs in pursuit of our acquisition plans. Management plans to address this need for capital from potential loans from certain of our affiliates and other unaffiliated parties. However, our affiliates are not obligated to make loans to us in the future, and we may not be able to raise additional financing from unaffiliated parties necessary to fund our expenses. Any such event in the future may negatively impact the analysis regarding our ability to continue as a going concern at such time.

If we are unable to complete our initial business combination, our public stockholders may receive only approximately $10.00 per share on the liquidation of our trust account and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $10.00 per share upon our liquidation. See "— If third parties bring claims against us, the proceeds held in the trust account could be reduced and the per-share redemption amount received by stockholders may be less than $10.00 per share".

Changes in the market for directors and officers liability insurance could make it more difficult and more expensive for us to negotiate and complete an initial business combination.

The market for directors and officers liability insurance for special purpose acquisition companies has changed in ways adverse to us and our management team. Fewer insurance companies are offering quotes for directors and officers liability coverage, the premiums charged for such policies have generally increased and the terms of such policies have generally become less favorable. These trends may continue into the future.

The increased cost and decreased availability of directors and officers liability insurance could make it more difficult and more expensive for us to negotiate an initial business combination. In order to obtain directors and officers liability insurance or modify its coverage as a result of becoming a public company, the post-business combination entity might need to incur greater expense, accept less favorable terms or both. Any failure to obtain adequate directors and officers liability insurance could have an adverse impact on the post-business combination's ability to attract and retain qualified officers and directors.

In addition, even after we were to complete an initial business combination, our directors and officers could still be subject to potential liability from claims arising from conduct alleged to have occurred prior to the initial business combination. As a result, in order to protect our directors and officers, the post-business combination entity may need to purchase additional insurance with respect to any such claims ("run-off insurance"). The need for run-off insurance would be an added expense for the post-business combination

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entity, and could interfere with or frustrate our ability to consummate an initial business combination on terms favorable to our investors.

Subsequent to the completion of our initial business combination, we may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and our stock price, which could cause you to lose some or all of your investment.

Even if we conduct extensive due diligence on a target business with which we combine, we cannot assure you that this diligence will identify all material issues that may be present inside a particular target business, ongoing basis that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside of the target business and outside of our has effective internal control will not later arise. As a result of these factors, we may be forced to later write-down or write-off assets, restructure our operations, or incur impairment or other charges that could result over financial reporting in our reporting losses. Even if our due diligence successfully identifies certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent accordance with our preliminary risk analysis. Even though these charges may be non-cash items and not have an immediate impact on our liquidity, the fact that we report charges of this nature could

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contribute to negative market perceptions about us or our securities. In addition, charges of this nature may cause us to violate net worth or other covenants to which we may be subject as a result of assuming pre-existing debt held by a target business or by virtue of our obtaining post-combination debt financing. Accordingly, any stockholders or warrant holders who choose to remain stockholders or warrant holders following the business combination could suffer a reduction in the value of their securities. Such securityholders are unlikely to have a remedy for such reduction in value.

If third parties bring claims against us, the proceeds held in the trust account could be reduced and the per- share redemption amount received by stockholders may be less than $10.00 per share.

Our placing of funds in the trust account may not protect those funds from third-party claims against us. Although we seek to have all vendors, service providers, prospective target businesses or other entities with which we do business execute agreements with us waiving any right, title, interest or claim of any kind in or to

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any monies held in the trust account for the benefit of our public stockholders, such parties may not execute such agreements, or even if they execute such agreements they may not be prevented from bringing claims against the trust account, including, but not limited to, fraudulent inducement, breach of fiduciary responsibility or other similar claims, as well as claims challenging the enforceability of the waiver, in each case in order to gain advantage with respect to a claim against our assets, including the funds held in the trust account. If any third party refuses to execute an agreement waiving such claims to the monies held in the trust account, our management will perform an analysis of the alternatives available to it and will only enter into an agreement with a third party that has not executed a waiver if management believes that such third party's engagement would be significantly more beneficial to us than any alternative. Making such a request of potential target businesses may make our acquisition proposal less attractive to them and, to the extent prospective target businesses refuse to execute such a waiver, it may limit the field of potential target businesses that we might pursue. Marcum LLP, our Section 404, UHG's independent registered public accounting firm will may not execute agreements with us waiving such claims issue an unqualified opinion as to the monies held in the trust account.

Examples effectiveness of possible instances where we may engage a third party that refuses to execute a waiver include the engagement of a third party consultant whose particular expertise or skills are believed UHG's internal controls over financial reporting, as required by management to be significantly superior to those of other consultants that would agree to execute a waiver or in cases where management Section 404 when UHG no longer qualifies as an emerging growth company. If UHG is unable to find a service provider willing to execute a waiver. In addition, there is no guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with us and will not seek recourse against the trust account for any reason. Upon redemption of our public shares, if we are unable to complete our business combination within the prescribed timeframe, or upon the exercise of a redemption right in connection with our business combination, we will be required to provide for payment of claims of creditors that were not waived that may be brought against us within the 10 years following redemption. Accordingly, the per-share redemption amount received by public stockholders could be less than the $10.00 per share initially held in the trust account, due to claims of such creditors.

Our sponsor has agreed conclude that it will be liable to us if and to the extent any claims by a vendor for services rendered or products sold to us, or a prospective target business with which we have discussed entering into a transaction agreement, reduce the amount of funds in the trust account to below (i) $10.00 per public share or (ii) such lesser amount per public share held in the trust account as of the date of the liquidation of the trust account due to reductions in the value of the trust assets, in each case net of the interest which may be withdrawn to pay taxes. This liability will not apply with respect to any claims (i) by a third party who executed a waiver of any and all rights to seek access to the trust account or (ii) under our indemnity of the underwriter of our initial public offering against certain liabilities, including liabilities under the Securities Act. Moreover, in the event that an executed waiver is deemed to be unenforceable against a third

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party, then our sponsor will not be responsible to the extent of any liability for such third party claims. We have not independently verified whether our sponsor has sufficient funds to satisfy its indemnity obligations and believe that our sponsor's only assets are securities of our company. We have not asked our sponsor to reserve for such indemnification obligations. Therefore, we cannot assure you that our sponsor would be able to satisfy those obligations. As a result, if any such claims were successfully made against the trust account, the funds available for our initial business combination and redemptions could be reduced to less than $10.00 per public share. In such event, we may not be able to complete our initial business combination, and you would receive such lesser amount per share in connection with any redemption of your public shares. None of our officers or directors will indemnify us for claims by third parties including, without limitation, claims by vendors and prospective target businesses.

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We are not required to obtain an opinion from an independent investment banking firm or from an independent accounting firm, and consequently, you may have no assurance from an independent source that the price we are paying for the business is fair to our company from a financial point of view.

We are not required to obtain, and have not obtained, an opinion from an independent investment banking firm or from an independent accounting firm that the price we are paying in the GSH Business Combination is fair to our company from a financial point of view. Our stockholders will be relying on the judgment of our board of directors, who determined fair market value based on standards generally accepted by the financial community. Such standards used have been disclosed in the GSH Registration Statement.

Because we must furnish our stockholders with target business financial statements, we may lose the ability to complete an otherwise advantageous initial business combination with some prospective target businesses.

The federal proxy rules require that a proxy statement with respect to a vote on a business combination meeting certain financial significance tests include target historical and/or pro forma financial statement disclosure. We will include the same financial statement disclosure in connection with our tender offer documents, whether or not they are required under the tender offer rules. These financial statements may be required to be prepared in accordance with, or be reconciled to, accounting principles generally accepted in the United States of America, or GAAP, or international financial reporting standards as issued by the

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International Accounting Standards Board, or IFRS, depending on the circumstances and the historical financial statements may be required to be audited in accordance with the standards of the Public Company Accounting Oversight Board (United States), or PCAOB. These financial statements may also be required to be prepared in accordance with GAAP in connection with our current report on Form 8-K announcing the closing our initial business combination within four business days following such closing. These financial statement requirements may limit the pool of potential target businesses we may acquire because some targets may be unable to provide such financial statements in time for us to disclose such financial statements in accordance with federal proxy rules and complete our initial business combination within the prescribed time frame.

Compliance obligations under the Sarbanes-Oxley Act may make it more difficult for us to complete our initial business combination, require substantial financial and management resources, and increase the time and costs of completing an acquisition.

Section 404 of the Sarbanes-Oxley Act requires that we evaluate and report on our system of internal controls beginning with our Annual Report on Form 10-K for the year ending December 31, 2022. Only in the event we are deemed to be a large accelerated filer or an accelerated filer will we be required to comply with the independent registered public accounting firm attestation requirement on our effective internal control over financial reporting. Further, for as long as we remain an emerging growth company, we will not be required to comply with the independent registered public accounting firm attestation requirement on our internal control over reporting, investors could lose confidence in its reported financial reporting. The fact that we are a blank check company makes compliance with the requirements of the Sarbanes-Oxley Act particularly burdensome on us as compared to other public companies because a target company with which we seek to complete our business combination may not be in compliance with the provisions of the Sarbanes-Oxley Act regarding adequacy of its internal controls. The development of the internal control of any such entity to achieve compliance with the Sarbanes-Oxley Act may increase the time and costs necessary to complete any such acquisition.

We may have a limited ability to assess the management of a prospective target business and, as a result, may complete our initial business combination with a target business whose management may not have the skills, qualifications or abilities to manage a public company, which could, in turn, negatively impact the value of our stockholders' investment in us.

When evaluating the desirability of effecting our initial business combination with a prospective target business, our ability to assess the target business's management may be limited due to a lack of time, resources or information. Our assessment of the capabilities of the target's management, therefore, may prove to be incorrect and such management may lack the skills, qualifications or abilities we suspected. Should the target's management not possess the skills, qualifications or abilities necessary to manage a public company, the operations and profitability of the post-combination business may be negatively impacted. Accordingly, any stockholders who choose to remain stockholders following the business combination could

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suffer a reduction in the value of their shares. Such stockholders are unlikely to have a remedy for such reduction in value.

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The officers and directors of an acquisition candidate may resign upon completion of our initial business combination. The departure of a business combination target's key personnel could negatively impact the operations and profitability of our post-combination business. The role of an acquisition candidate's key personnel upon the completion of our initial business combination cannot be ascertained at this time. Although we contemplate that certain members of an acquisition candidate's management team will remain associated with the acquisition candidate following our initial business combination, it is possible that members of the management of an acquisition candidate will not wish to remain in place.

We may issue notes or other debt securities, or otherwise incur substantial debt, to complete a business combination, which may adversely affect our leverage and financial condition and thus negatively impact the value of our stockholders' investment in us.

Although we have no commitments as of the date of this annual report to issue any notes or other debt securities, or to otherwise incur outstanding debt, we may choose to incur substantial debt to complete our business combination. We have agreed that we will not incur any indebtedness unless we have obtained from the lender a waiver of any right, title, interest or claim of any kind in or to the monies held in the trust account. As such, no issuance of debt will affect the per-share amount available for redemption from the trust account. Nevertheless, the incurrence of debt could have a variety of negative effects, including:

- default and foreclosure on our assets if our operating revenues after an initial business combination are insufficient to repay our debt obligations;
- acceleration of our obligations to repay the indebtedness even if we make all principal and interest payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant;
- our immediate payment of all principal and accrued interest, if any, if the debt security is payable on demand;
- our inability to obtain necessary additional financing if the debt security contains covenants restricting our ability to obtain such financing while the debt security is outstanding;

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- our inability to pay dividends on our common stock;
- using a substantial portion of our cash flow to pay principal and interest on our debt, which will reduce the funds available for dividends on our common stock if declared, our ability to pay expenses, make capital expenditures and acquisitions, and fund other general corporate purposes;
- limitations on our flexibility in planning for and reacting to changes in our business and in the industry in which we operate;
- increased vulnerability to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation;
- limitations on our ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements, and execution of our strategy; and
- other disadvantages compared to our competitors who have less debt.

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We may only be able to complete one business combination with the proceeds of our initial public offering and the sale of the private placement warrants, which will cause us to be solely dependent on a single business which may have a limited number of products or services. This lack of diversification may negatively impact our operations and profitability.

We may complete our business combination with a single target business or multiple target businesses simultaneously or within a short period of time. However, we may not be able to complete our business combination with more than one target business because of various factors, including the existence of complex accounting issues and the requirement that we prepare and file pro forma financial statements with the SEC that present operating results and the financial condition of several target businesses as if they had been operated on a combined basis. By completing our initial business combination with only a single entity, our lack of diversification may subject us to numerous economic, competitive and regulatory developments. Further, we would not be able to diversify our operations or benefit from the possible spreading of risks or offsetting of losses, unlike other entities which may have the resources to complete several business combinations in different industries or different areas of a single industry. In addition, we intend to focus our search for an initial business combination in a single industry. Accordingly, the prospects for our success may be:

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- solely dependent upon the performance of a single business, property or asset, or
- dependent upon the development or market acceptance of a single or limited number of products, processes or services.

This lack of diversification may subject us to numerous economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact upon the particular industry in which we may operate subsequent to our business combination.

We may attempt to complete our initial business combination with a private company about which little information is available, which may result in a business combination with a company that is not as profitable as we suspected, if at all.

In pursuing our acquisition strategy, we may seek to complete our initial business combination with a privately held company. Very little public information generally exists about private companies, and we could be required to make our decision on whether to pursue a potential initial business combination on the basis of limited information, which may result in a business combination with a company that is not as profitable as we suspected, if at all.

We may be unable to obtain additional financing to complete our initial business combination or to fund the operations and growth of a target business, which could compel us to restructure or abandon a particular business combination.

If the net proceeds of our initial public offering and the sale of the private placement warrants prove to be insufficient to allow us to complete our initial business combination, either because of the size of our initial business combination, the depletion of the available net proceeds in search of a target business, the obligation to repurchase for cash a significant number of shares from stockholders who elect redemption in connection with our initial business combination or the terms of negotiated transactions to purchase shares in connection with our initial business combination, we may be required to seek additional financing or to abandon the proposed business combination. We cannot assure you that such financing will be available on acceptable terms, if at all. To the extent that additional financing proves to be unavailable when needed to complete our initial business combination, we would be compelled to either restructure the transaction or abandon that particular business combination and seek an alternative target business candidate. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $10.00 per share plus any pro rata interest earned on the funds held in the trust account (and not previously released to us to pay our taxes) on the liquidation of our trust account and our warrants will expire worthless. In addition, even if we do not need additional financing to complete our business combination, we may require such financing to fund the operations or growth of the target business. The failure to secure additional financing could have a material adverse effect on the continued development trading price of UHG's common shares. Failure to remedy any material weakness in its internal control over financial reporting, or growth to

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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 target business. None of our officers, directors or stockholders is required to provide any financing to us in connection with or after our initial business combination. If we are unable to complete our initial business combination, our public stockholders may only receive approximately $10.00 per share on the liquidation of our trust account, and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $10.00 per share on the redemption of their shares. See "— If third parties bring claims against us, the proceeds held in the trust account Class A common stock could be reduced and the per-share redemption amount received by stockholders may be less than $10.00 per share".

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Risks Relating to our Securities

Nasdaq may delist our securities from The trading on its exchange, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.

Our securities are currently listed on Nasdaq. However, we cannot assure you that our securities will continue to be listed on Nasdaq in the future or prior to our initial business combination. In order to continue listing our securities on Nasdaq prior to our initial business combination, we must maintain certain financial, distribution and stock price levels. Generally, we must maintain a minimum amount in stockholders' equity (generally $2,500,000) and a minimum number of holders of our securities (generally 300 public holders). Additionally, in connection with our initial business combination, we will be required to demonstrate compliance with Nasdaq's initial listing requirements, which are more rigorous than Nasdaq's continued listing requirements, in order to continue to maintain the listing of our securities on Nasdaq. For instance, our stock price would generally be required to be at least $4.00 per share and our stockholders' equity would generally be required to be at least $5.0 million. We cannot assure you that we will be able to meet those initial listing requirements at that time.

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If Nasdaq delists our securities from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our Class A common stock is a "penny stock" which will require brokers trading in our Class A common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as "covered securities". Because our units, market for UHG's Class A common stock and public warrants are listed 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 Nasdaq, our units, 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 are covered securities. Although 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 states are preempted from regulating financial markets, which could cause the sale of our securities, the federal statute does allow the states to investigate companies if there is a suspicion of fraud, and, if there is a finding of fraudulent activity, then the states can regulate or bar the sale of covered securities in a particular case. While we are not aware of a state having used these powers to prohibit or restrict the sale of securities issued by blank check companies, other than the State of Idaho, certain state securities regulators view blank check companies unfavorably and might use these powers, or threaten to use these powers, to hinder the sale of securities of blank check companies in their states. Further, if we were no longer listed on Nasdaq, our securities would not be covered securities and we would be subject to regulation in each state in which we offer our securities.

If we are deemed to be an investment company under the Investment Company Act, we may be required to institute burdensome compliance requirements and our activities may be restricted, which may make it difficult for us to complete our business combination.

If we are deemed to be an investment company under the Investment Company Act, our activities may be restricted, including:

- restrictions on the nature of our investments; and
- restrictions on the issuance of securities, each of which may make it difficult for us to complete our business combination.

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In addition, we may have imposed upon us burdensome requirements, including:

- registration as an investment company with the SEC;
- adoption of a specific form of corporate structure; and
- reporting, record keeping, voting, proxy and disclosure requirements and compliance with other rules and regulations that we are not currently subject to.

In order not to be regulated as an investment company under the Investment Company Act, unless we can qualify for an exclusion, we must ensure that we are engaged primarily in a business other than investing, reinvesting stock price or trading volume of securities and that our activities do not include investing, reinvesting, owning, holding or trading "investment securities" constituting more than 40% of our total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. Our business will be to identify and complete a business combination and thereafter to operate the post-transaction business or assets for the long term. We do not plan to buy businesses or assets with a view to resale or profit from their resale. We do not plan to buy unrelated businesses or assets or to be a passive investor.

We do not believe that our principal activities will subject us to the Investment Company Act. To this end, the proceeds held in the trust account may only be invested in United States "government securities" within the meaning of Section 2(a)(16) of the Investment Company Act having a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act which invest only in direct U.S. government treasury obligations. Pursuant to the trust agreement, the trustee is not permitted to invest in other securities or assets. By restricting the investment of the proceeds to these instruments, and by having a business plan targeted at acquiring and growing businesses for the long term (rather than on buying and selling businesses in the manner of a merchant bank or private equity fund), we intend to avoid being deemed an "investment company" within the meaning of the Investment Company Act. The trust account is intended as a holding place for funds pending the earliest to occur of: (i) the completion of our primary business objective, which is a business combination; (ii) the redemption of any public shares properly submitted in connection with a stockholder vote to amend our certificate of incorporation to modify the substance or timing of our obligation to redeem 100% of our public shares if we do not complete our initial business combination by July 28, 2023; or (iii) absent a business combination, our return of the funds held in the trust account to our public stockholders as part of our redemption of the public shares. If we do not invest the proceeds as discussed above, we may be deemed to be subject to the

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Investment Company Act. If we were deemed to be subject to the Investment Company Act, compliance with these additional regulatory burdens would require additional expenses for which we have not allotted funds and may hinder our ability to complete a business combination. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $10.00 per share on the liquidation of our trust account and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $10.00 per share on the redemption of their shares. See "— If third parties bring claims against us, the proceeds held in the trust account could be reduced and the per-share redemption amount received by stockholders may be less than $10.00 per share".

We have not registered the shares of Class A common stock issuable upon exercise of the warrants under the Securities Act or any state securities laws at this time, and such registration may not be in place when an investor desires to exercise warrants, thus precluding such investor from being able to exercise its warrants except on a cashless basis and potentially causing such warrants to expire worthless.

We have not registered the shares of Class A common stock issuable upon exercise of the warrants under the Securities Act or any state securities laws at this time. However, under the terms of the warrant agreement, we will use our reasonable best efforts to file, and within 60 business days following our initial business combination to have declared effective, a registration statement under the Securities Act covering such shares and maintain a current prospectus relating to the Class A common stock issuable upon exercise and public warrants of UHG to decline. Moreover, if one or more of the warrants, until the expiration of the warrants in accordance with the provisions of the warrant agreement. We cannot assure you that we will be able to do so if, for example, any facts or events arise which represent a fundamental change in the information set forth in the registration statement or prospectus, the financial statements contained or incorporated by reference therein are not current or correct or the SEC issues a stop order. If the shares issuable upon exercise of the warrants issued in our initial public offering are not registered under the Securities Act, we will be required to permit holders to exercise their warrants on a cashless basis. However, no warrant will be exercisable for cash or on a cashless basis, and we will not be obligated to issue any shares to holders seeking to exercise their warrants, unless the issuance of the shares upon such exercise is registered or qualified under the securities laws of the state of the exercising holder, or an exemption from registration is available. If holders exercise their warrants on a cashless basis, the number of shares of Class A common stock that you will receive upon such cashless exercise will be based on a formula subject to a maximum amount of shares of 0.361 shares of Class A common stock per warrant (subject to adjustment). Notwithstanding the above, if our

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Class A common stock is at the time of any exercise of a warrant not listed on a national securities exchange such that it satisfies the definition of a "covered security" under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of public warrants analysts who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event we so elect, we will not be required to file or maintain in effect a registration statement, but we will be required to use our best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. In no event will we be required to net cash settle any warrant or issue securities or other compensation in exchange for the warrants in the event that we are unable to register or qualify the shares underlying the warrants under applicable state securities laws and no exemption is available. If the issuance of the shares upon exercise of the warrants is not so registered or qualified or exempt from registration or qualification, the holder of such warrant shall not be entitled to exercise such warrant and such warrant may have no value and expire worthless. In such event, holders who acquired their warrants as part of a purchase of units will have paid the full unit purchase price solely for the shares of Class A common stock included in the units. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying shares of Class A common stock for sale under all applicable state securities laws.

The grant of registration rights to our initial stockholders and anchor investors may make it more difficult to complete our initial business combination, and the future exercise of such rights may adversely affect the market price of our Class A common stock.

Our initial stockholders, anchor investors and their permitted transferees can demand that we register their founder shares, after those shares convert to our Class A common stock at the time of our initial business combination. In addition, holders of our private placement warrants and their permitted transferees can demand that we register the private placement warrants and the Class A common stock issuable upon exercise of the private placement warrants, and holders of warrants that may be issued upon conversion of working capital loans may demand that we register such warrants or the Class A common stock issuable upon exercise of such warrants. We will bear the cost of registering these securities. The registration and availability of such a significant number of securities for trading in the public market may have an adverse effect on the market price of our Class A common stock. In addition, the existence of the registration rights may make our initial business combination more costly or difficult to conclude. This is because the shareholders of the target business may increase the equity stake they seek in the combined entity or ask for more cash consideration to offset the negative impact on the market price of our Class A common stock that is expected when the common stock owned by our initial stockholders, the anchor investors, holders of our private placement warrants or holders of our working capital loans or their respective permitted transferees are registered.

We may issue additional common stock or preferred stock to complete our initial business combination or under an employee incentive plan after completion of our initial business combination.

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We may also issue shares of Class A common stock upon the conversion of the Class B common stock at a ratio greater than one-to-one at the time of our initial business combination as a result of the anti-dilution provisions contained in our certificate of incorporation. Any such issuances would dilute the interest of our stockholders and likely present other risks.

Our certificate of incorporation authorizes the issuance of up to 300,000,000 shares of Class A common stock, par value $0.0001 per share, 10,000,000 shares of Class B common stock, par value $0.0001 per share, and 10,000,000 shares of preferred stock, par value $0.0001 per share. There are 265,500,000 and 1,375,000 authorized but unissued shares of Class A common stock and Class B common stock, respectively, available for issuance, which amount does not take into account the shares of Class A common stock reserved for issuance upon exercise of any outstanding warrants or the shares of Class A common stock issuable upon conversion of Class B common stock. Shares of Class B common stock are convertible into shares of our Class A common stock initially at a one-for-one ratio but subject to adjustment as set forth herein, including in certain circumstances in which we issue cover UHG downgrades UHG's Class A common stock, or equity-linked if UHG's operating results do not meet their expectations, UHG's stock price could decline.

The trading price of UHG's securities related may be volatile.

The trading price of UHG's securities could be volatile and subject to our initial business combination. There wide fluctuations in response to various factors, some of which are currently no shares beyond UHG's control. Any of preferred stock issued 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 outstanding.

We may issue experience a substantial number 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 shares debt;

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- the volume of common or preferred stock to complete our initial business combination (including pursuant to a specified future issuance) or under an employee incentive plan after completion of our initial business combination (although our certificate of incorporation will provide that we may not issue securities that can vote with common stockholders on matters related to our pre-initial business combination activity). We may also issue shares of Class A common stock to redeem the warrants as described in our final prospectus of our initial public offering or upon conversion of the Class B common stock at a ratio greater than one-to-one at the time of our initial business combination as a result of the anti-dilution provisions contained in our certificate of incorporation. However, our certificate of incorporation provides, among other things, that prior to our initial business

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combination, we may not issue additional shares of capital stock that would entitle the holders thereof to (i) receive funds from the trust account or (ii) vote on any initial business combination. The issuance of additional shares of common or preferred stock:

- may significantly dilute the equity interest of investors in our initial public offering;
- may subordinate the rights of holders of common stock if preferred stock is issued with rights senior to those afforded our common stock;
- could cause a change of control if a substantial number of shares of our common stock are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors; and
- may adversely affect prevailing market prices for our units, Class A common stock and/or warrants.

Our management may not be able to maintain control of a target business after our initial business combination. We cannot provide assurance that, upon loss of control of a target business, new management will possess the skills, qualifications or abilities necessary to profitably operate such business.

We may structure a business combination so that the post-transaction company in which our public stockholders own shares will own less than 100% of the equity interests or assets of a target business, but we will only complete such business combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires an interest in the target sufficient for the

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post-transaction company not to be required to register as an investment company under the Investment Company Act. We will not consider any transaction that does not meet such criteria. Even if the post-transaction company owns 50% or more of the voting securities of the target, our stockholders prior to the business combination may collectively own a minority interest in the post business combination company, depending on valuations ascribed to the target and us in the business combination transaction. For example, we could pursue a transaction in which we issue a substantial number of new shares of Class A common stock in exchange for all of the outstanding capital stock of a target. In this case, we would acquire a 100% interest in the target. However, as a result of the issuance of a substantial number of new UHG's shares of common stock our stockholders immediately prior to such transaction could own less than a majority available for public sale;

- any major change in the Board of our outstanding Directors or management;
- sales of substantial amounts of UHG's shares of common stock subsequent 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 such transaction. In addition, other minority stockholders may subsequently combine their holdings resulting in a single person or group obtaining a larger share the operating performance of the company's stock than we initially acquired. Accordingly, this particular companies affected. The trading prices and valuations of these stocks, and of UHG's securities, may make it more likely that our management will not be able predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies which investors perceive to maintain our control 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 target business. We cannot provide assurance that, upon loss outcome of control 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:

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- 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 target business, new management will possess 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 skills, qualifications or abilities necessary to profitably operate such business.

The exercise price for the public warrants is higher than in some similar blank check company offerings in the past, and, accordingly, the warrants are more likely to expire worthless.

The exercise price size of the public warrants is higher than some similar blank check companies in float of UHG's shares, and the past. Historically, the exercise minimum bid price of a warrant was generally a fraction UHG's shares.

- UHG is an SEC reporting company and therefore UHG is required to comply with the various rules and regulations of the purchase price of the units in the initial public offering. The exercise price for our public warrants is $11.50 per share. As a result, the warrants are less likely to ever be in the money and more likely to expire worthless.

We may amend the terms of the warrants in a manner SEC that may be adverse to holders of public warrants with the approval by the holders of at least 50% of the then outstanding public warrants. As a result, the exercise price of your warrants could be increased, the exercise period could be shortened and the number of shares of our Class A common stock purchasable upon exercise of a warrant could be decreased, all without your approval.

Our warrants are issued in registered form under a warrant agreement between American Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 50% of the then outstanding public warrants to make any change that adversely affects the interests of the registered holders of public warrants. Accordingly, we may amend the terms of the public warrants in a manner adverse to a holder if holders of at least 50% of the then outstanding public warrants approve of such amendment. Although our ability to amend the terms of the public warrants with the consent of at least 50% of the then outstanding public warrants is unlimited, examples of such amendments could be amendments relate to, among other things, increase the exercise price timing and content of annual, quarterly and current reports, the warrants, convert the warrants into cash, shorten the exercise period or decrease the number of process to register additional shares of our Class A common stock purchasable upon exercise of a warrant. Our initial stockholders may purchase public warrants with the

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intention of reducing the number of public warrants outstanding or for sale to vote such warrants on any matters submitted to warrantholders for approval, including amending the terms of the public warrants or for resale by existing investors, and disclosures in connection with meetings of stockholders. Changes in these rules and regulations can have a manner 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 the interests 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 the registered holders of public warrants. While our initial stockholders have no current commitments, plans or intentions to engage in such transactions and have not formulated any terms or conditions for such transactions, there is no limit on the number of our public warrants that our initial stockholders may purchase and it is not currently known how many public warrants, if any, our initial stockholders may hold at the time of our initial business combination or at any other time during which the terms of the public warrants may be proposed to be amended.

We operations.

UHG may redeem your unexpired warrants prior to their exercise at a time that is disadvantageous to you, warrant holders, thereby making your their warrants worthless.

We have

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 our UHG's Class A common stock equals or exceeds $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations 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 we give UHG gives proper notice of such redemption to the warrant holders and provided certain other conditions are met. If and when the warrants become redeemable by us, we UHG may exercise our its redemption right even if we are 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 you the warrant holders (i) to exercise your their warrants and pay the exercise price therefor at a time when it may be disadvantageous for you them to do so, (ii) to sell your their warrants at the then-current market price when you they might otherwise wish to hold your their warrants or (iii)

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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 your their warrants.

In addition, we may redeem your

There is no guarantee that UHG's warrants after 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.

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.

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 stock determined based on shares into which the redemption date and Notes may be converted would increase.

Upon a conversion of the fair market value Notes, UHG will have the ability to settle by payment of our cash, by issuance of its Class A common stock. In addition, such redemption may occur at shares, or a time when the warrants are "out-of-the-money", in which case you would lose any potential embedded value from a subsequent increase in the value combination of the both. If Class A common stock had your warrants remained outstanding.

The value received upon exercise shares are issued to the holders of the warrants (1) may Notes upon conversion, there will be less than the value the holders would have received if they had exercised their warrants at a later time where the underlying share price is higher dilution to UHG's stockholders and (2) may not compensate the holders for the value of the warrants, including because the number of shares received is capped at 0.361 shares of Class A common stock per warrant (subject to adjustment) irrespective of the remaining life of the warrants.

Our warrants and founder shares may have an adverse effect on the market price of our its Class A common stock and make it more difficult to complete our business combination.

We issued warrants to purchase 8,625,000 shares of Class A common stock as part of the units offered in our initial public offering and, simultaneously with the closing of our initial public offering, we issued in a private placement warrants to purchase an aggregate of 5,933,333 shares of Class A common stock at

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$11.50 per share. Our initial stockholders currently own 8,625,000 founder shares. The founder shares are convertible into shares of Class A common stock on a one-for-one basis, subject to adjustment as set forth herein. In addition, if our sponsor makes any working capital loans, up to $1,500,000 of such loans may be converted into warrants, at the price of $1.50 per warrant at the option of the lender. Such warrants would be identical decrease due to the private placement warrants, including as to exercise price, exercisability and exercise period.

To the extent we issue shares of Class A common stock to complete a business combination, the potential for the issuance of a substantial number of additional shares of Class A common stock upon exercise of these warrants and conversion rights could make us a less attractive acquisition vehicle to a target business. Any such issuance will increase the number of issued and outstanding shares of our Class A common stock and reduce the value of the shares of Class A common stock issued to complete the business combination. Therefore, our warrants and founder shares may make it more difficult to complete a business combination or increase the cost of acquiring the target business.

The private placement warrants are identical to the warrants sold as part of the units in our initial public offering except that, so long as they are held by our sponsor, the anchor investors or their permitted transferees, (i) they will not be redeemable by us (except for a number of shares of Class A common stock in certain circumstances), (ii) they (including the Class A common stock issuable upon exercise of these warrants) may not, subject to certain limited exceptions, be transferred, assigned or sold by our sponsor or the anchor investors until 30 days after the completion of our initial business combination and (iii) they may be exercised by the holders on a cashless basis.

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Because each unit contains one-fourth of one warrant and only a whole warrant may be exercised, the units may be worth less than units of other blank check companies.

Each unit contains one-fourth of one warrant. Because, pursuant to the warrant agreement, the warrants may only be exercised for a whole number of shares, only a whole warrant may be exercised at any given time. This is different from other offerings similar to ours whose units include one share of common stock and one warrant to purchase one whole share. We have established the components of the units in this way in order to reduce the dilutive effect of the warrants upon completion of a business combination since the warrants will be exercisable selling pressure in the aggregate for one fourth of the number of shares compared

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to units that each contain a warrant to purchase one whole share, thus making us, we believe, a more attractive merger partner for target businesses. Nevertheless, this unit structure may cause our units to be worth less than if they included a warrant to purchase one whole share.

A provision of our warrant agreement may make it more difficult for us to consummate an initial business combination.

Unlike most blank check companies, if (x) we issue additional shares of Class A common stock or equity-linked securities for capital raising purposes in connection with the closing of our initial business combination at an issue price or effective issue price of less than $9.20 per share of Class A common stock (with such issue price or effective issue price to be determined in good faith by our board of directors and, in the case of any such issuance to our initial stockholders or their affiliates, without taking into account any founder shares held by our initial stockholders or such affiliates, as applicable, prior to such issuance including any transfer or reissuance of such shares), (y) the aggregate gross proceeds from such issuances represent more than 50% of the total equity proceeds, and interest thereon, available for the funding of our initial business combination on the date of the consummation of our initial business combination (net of redemptions), and (z) the volume weighted average trading price of our Class A common stock during the 10 trading day period starting on the trading day prior to the day on which we consummate our initial business combination (such price, the "Market Value") is below $9.20 per share, then the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, the $18.00 per share redemption trigger price of the warrants will be adjusted (to the nearest cent) to be equal to 180% of the higher of the Market Value and the newly issued price and the $10.00 per share redemption trigger price will be adjusted (to the nearest cent) to be equal to the higher of the Market Value and the newly issued price. This may make it more difficult for us to consummate an initial business combination with a target.

The requirements of being a public company may strain our resources and divert management's attention.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002 (the "Sarbanes Oxley Act"), the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of Nasdaq and other applicable securities rules and regulations. Compliance with these rules and regulations increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources, particularly after we are no longer an "emerging growth company." The Sarbanes Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight maybe required. As a result, management's attention maybe diverted from other business concerns, which could adversely affect our business and operating results. We may need to hire more employees in the future or engage outside consultants to comply with these requirements, which will increase our costs and expenses.

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A market for our securities may not develop, which would adversely affect the liquidity and price of our securities.

The price of our securities may vary significantly due to one or more potential business combinations and general market or economic conditions. Furthermore, an active trading market for our securities may never develop or, if developed, it may not be sustained. You may be unable to sell your securities unless a market can be established and sustained.

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Risks Relating to our Sponsor and Management Team

Our independent directors may decide not to enforce the indemnification obligations of our sponsor, resulting in a reduction in the amount of funds in the trust account available for distribution to our public stockholders.

In the event that the proceeds in the trust account are reduced below the lesser of (i) $10.00 per public share or (ii) such lesser amount per share held in the trust account as of the date of the liquidation of the trust account due to reductions in the value of the trust assets, in each case net of the interest which may be withdrawn to pay taxes, and our sponsor asserts that it is unable to satisfy its obligations or that it has no indemnification obligations related to a particular claim, our independent directors would determine whether to take legal action against our sponsor to enforce its indemnification obligations.

While we currently expect that our independent directors would take legal action on our behalf against our sponsor to enforce its indemnification obligations to us, it is possible that our independent directors in exercising their business judgment may choose not to do so if, for example, the cost of such legal action is deemed by the independent directors to be too high relative to the amount recoverable or if the independent directors determine that a favorable outcome is not likely. If our independent directors choose not to enforce these indemnification obligations, the amount of funds in the trust account available for distribution to our public stockholders may be reduced below $10.00 per share.

Involvement of members of our management and companies with which they are affiliated in civil disputes and litigation, governmental investigations or negative publicity unrelated to our business affairs could materially impact our ability to consummate an initial business combination.

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Members of our management team and companies with which they are affiliated, including Lordstown Motors, have been or may in the future be, involved in civil disputes, litigation, governmental investigations and negative publicity relating to their business affairs. market. Any such claims, investigations, lawsuits or negative publicity may be detrimental to our reputation and could negatively affect our ability to identify and complete an initial business combination in a material manner and may have an adverse effect downward pressure on the price of our securities.

We 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 satisfy indemnification claims of our directors repay the interest on such indebtedness and officers.

We have agreed to indemnify our officers and directors to repurchase the fullest extent permitted by law. However, our officers and directors have agreed to waive any right, title, interest or claim of any kind in Notes or to any monies in the trust account and to not seek recourse against the trust account for any reason whatsoever. Accordingly, any indemnification provided will be able to be satisfied by us only if (i) we have sufficient funds outside pay cash upon conversion of the trust account or (ii) we consummate an initial business combination. Our obligation to indemnify our officers and directors may discourage shareholders from bringing a lawsuit against our officers or directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against our officers and directors, even though such an action, if successful, might otherwise benefit us and our shareholders. Furthermore, a shareholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against our officers and directors pursuant to these indemnification provisions.

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Our ability to successfully complete our initial business combination and to be successful thereafter will be totally dependent upon the efforts of members of our management team, some of whom may join us following our initial business combination. The loss of such people could negatively impact the operations and profitability of our post-combination business.

Our ability to successfully complete our business combination is dependent upon the efforts of members of our management team. The role of members of our management team in the target business, however, cannot presently be ascertained. Although some members of our management team may remain with the target business in senior management or advisory positions following our business combination, it is likely that some or all of the management of the target business will remain in place. While we intend to closely scrutinize any individuals we engage after our initial business combination, we cannot assure you that our assessment of these individuals will prove to be correct. These individuals may be unfamiliar with the requirements of operating a company regulated by the SEC, which could cause us to have to expend time and resources helping them become familiar with such requirements.

In addition, the officers and directors of an acquisition candidate may resign upon completion of our initial business combination. The departure of a business combination target's key personnel could negatively impact the operations and profitability of our post-combination business. The role of an acquisition candidate's key personnel upon the completion of our initial business combination
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cannot be ascertained at this time. Although we contemplate that certain members of an acquisition candidate's management team will remain associated with the acquisition candidate following our initial business combination, it is possible that members of the management of an acquisition candidate will not wish to remain in place. The loss of key personnel could negatively impact the operations and profitability of our post-combination business.

Members of our management team may negotiate employment or consulting agreements with a target business in connection with a particular business combination. These agreements may provide for them to receive compensation following our business combination and as a result, may cause them to

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have conflicts of interest in determining whether a particular business combination is the most advantageous.

Members of our management team may be able to remain with the company after the completion of our business combination only if they are able to negotiate employment or consulting agreements in connection with the business combination. Such negotiations would take place simultaneously with the negotiation of the business combination and could provide for such individuals to receive compensation in the form of cash payments and/or our securities for services they would render to us after the completion of the business combination. For example, at the consummation of the GSH Business Combination, David Hamamoto and Michael Bayles, two of our current directors, will serve on the board of directors of UHG, and Keith Feldman, one of our current directors, will serve as Chief Financial Officer of UHG. The personal and financial interests of such individuals may influence their motivation in identifying and selecting a target business. However, we believe the ability of such individuals to remain with us after the completion of our business combination will not be the determining factor in our decision as to whether or not we will proceed with any potential business combination. There is no certainty, however, that any members of our management team will remain with us after the completion of our business combination. We cannot assure you that any members of our management team will remain in senior management or advisory positions with us. The determination as to whether any members of our management team will remain with us will be made at the time of our initial business combination.

Our officers and directors allocate their time to other businesses, thereby causing conflicts of interest in their determination as to how much time to devote to our affairs. This conflict of interest could have a negative impact on our ability to complete our initial business combination.

Our officers and directors are not required to commit their full time to our affairs, which may result in a conflict of interest in allocating their time between our operations and our search for a business combination and their other responsibilities. We do not intend to have any full-time employees prior to the completion of our business combination. Each of our officers and directors is engaged in several other business endeavors for which he or she may be entitled to substantial compensation and our officers and directors are not obligated to contribute any specific number of hours per week to our affairs.

In addition, certain of our officers and directors may invest in securities or other interests of or relating to companies in industries we may target for our initial business combination. Our independent directors also serve as officers or board members for other entities. If our officers' and directors' other business affairs require them to devote substantial amounts of time to such affairs in excess of their current commitment levels, it could limit their ability to devote time to our affairs, which may have a negative impact on our ability to complete our initial business combination.

Certain of our officers and directors are now, and all of them may in the future become, affiliated with entities engaged in business activities similar to those intended to be conducted by us and,

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accordingly, may have conflicts of interest in allocating their time and determining to which entity a particular business opportunity should be presented.

Until we consummate our initial business combination, we intend to engage in the business of identifying and combining with one or more businesses. Our sponsor and officers and directors are, and may in the future become, affiliated with entities (such as operating companies or investment vehicles) that are engaged in a similar business. We do not have employment contracts with our officers and directors that will limit their ability to work at other businesses.

Our officers and directors also may become aware of business opportunities which may be appropriate for presentation to us and the other entities in the future to which they owe certain fiduciary or contractual duties. Accordingly, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented. These conflicts may not be resolved in our favor and a potential target business may be presented to another entity prior to its presentation to us. Our certificate of incorporation provides that we renounce our interest in any corporate opportunity offered to any director or officer unless such opportunity is expressly offered

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to such person solely in his or her capacity as a director or officer of our company and such opportunity is one we are legally and contractually permitted to undertake and would otherwise be reasonable for us to pursue.

Our officers, directors, security holders and their respective affiliates may have competitive pecuniary interests that conflict with our interests.

We have not adopted a policy that expressly prohibits our directors, officers, security holders or affiliates from having a direct or indirect pecuniary or financial interest in any investment to be acquired or disposed of by us or in any transaction to which we are a party or have an interest. In fact (subject to certain approvals and consents) we may enter into a business combination with a target business that is affiliated with our sponsor, our directors or officers, or we may acquire a target business through an Affiliated Joint Acquisition with one or more affiliates of our sponsor. We do not have a policy that expressly prohibits any such persons from engaging for their own account in business activities of the types conducted by us. Accordingly, such persons or entities may have a conflict between their interests and ours. In particular, affiliates of our sponsor, our directors and our officers have invested, and may in the future invest, in a broad array of sectors, including

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those in which our company may invest. As a result, there may be substantial overlap between companies that would be a suitable business combination for us and companies that would make an attractive target for such other affiliates.

We may engage in a business combination with one or more target businesses that have relationships with entities that may be affiliated with our sponsor, officers, directors or existing holders which may raise potential conflicts of interest.

In light of the involvement of our sponsor, officers and directors with other entities, we may decide to acquire one or more businesses affiliated with our sponsor, officers or directors. Our directors also serve as officers and board members for other entities. Such entities may compete with us for business combination opportunities. Although we will not be specifically focusing on, or targeting, any transaction with any affiliated entities, we would pursue such a transaction if we determined that such affiliated entity met our criteria for a business combination and such transaction was approved by a majority of our disinterested directors. Despite our agreement to obtain an opinion from an independent investment banking firm or from an independent accounting firm, regarding the fairness to our company from a financial point of view of a business combination with one or more domestic or international businesses affiliated with our officers, directors or existing holders, potential conflicts of interest still may exist and, as a result, the terms of the business combination may not be as advantageous to our public stockholders as they would be absent any conflicts of interest.

Moreover, we may, at our option, pursue an Affiliated Joint Acquisition opportunity with an entity affiliated with our sponsor. Any such parties may co-invest with us in the target business at the time of our initial business combination, or we could raise additional proceeds to complete the acquisition by making a specified future issuance to any such parties.

Since our sponsor, officers and directors will lose their entire investment in us if our business combination is not completed, a conflict of interest may arise in determining whether a particular business combination target is appropriate for our initial business combination.

In October 2020, our sponsor acquired 8,625,000 founder shares for an aggregate purchase price of $25,000. Prior to the initial investment in the company of $25,000 by our sponsor, the company had no assets, tangible or intangible. The founder shares will be worthless if we do not complete an initial business combination.

In addition, our sponsor and anchor investors purchased an aggregate of 5,933,333 private placement warrants, each exercisable for one share of our Class A common stock at $11.50 per share, for a purchase price of approximately $8,900,000, or $1.50 per whole warrant, that will also be worthless if we do not complete a business combination. Holders of founder shares have agreed (A) to vote any shares owned by them in favor of any proposed business combination and (B) not to redeem any founder shares in connection with a stockholder vote to approve a proposed initial business combination. In addition, we may obtain loans

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from our sponsor, affiliates of our sponsor or an officer or director. The personal and financial interests of our officers and directors may influence their motivation in identifying and selecting a target business combination, completing an initial business combination and influencing the operation of the business following the initial business combination.

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Our initial stockholders may exert a substantial influence on actions requiring a stockholder vote, potentially in a manner that you do not support.

Our initial stockholders own 66% of our issued and outstanding shares of common stock. Accordingly, they may exert a substantial influence on actions requiring a stockholder vote, potentially in a manner that you do not support, including amendments to our certificate of incorporation and approval of major corporate transactions. If our initial stockholders purchase any units in the aftermarket or in privately negotiated transactions, this would increase their control. Factors that would be considered in making such additional purchases would include consideration of the current trading price of our Class A common stock. In addition, our board of directors, whose members were elected by certain of our initial stockholders, is divided into three classes, each of which will generally serve for a term of three years with only one class of directors being elected in each year. We may not hold an annual meeting of stockholders to elect new directors prior to the completion of our business combination, in which case all of the current directors will continue in office until at least the completion of the business combination. If there is an annual meeting, as a consequence of our "staggered" board of directors, only a minority of the board of directors will be considered for election and our initial stockholders, because of their ownership position, will have considerable influence regarding the outcome. Accordingly, our initial stockholders will continue to exert control at least until the completion of our business combination.

In the event we consummate an initial business combination the nominal purchase price paid by our sponsor for the founder shares may further dilute the implied value of your public shares, and our sponsor is likely to make a substantial profit on its investment in us in the event we consummate an initial business combination, even if the business combination causes the trading price of our ordinary shares to materially decline.

Our sponsor paid only a nominal aggregate purchase price of $25,000 for the founder shares, or approximately $0.003 per share. As a result, the value of your public shares may be further and significantly

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diluted in the event we consummate an initial business combination. For example, the following table shows the public shareholders' and the sponsor's investment per share compared to the implied value of one of our shares upon the consummation of our initial business combination if at that time we were valued at $349,152,086, which represents the amount we had in the trust account as of December 31, 2022. At that valuation, each of our ordinary shares would have an implied value of $8.10 per share, which is a 20.0% decrease as compared to the initial implied value per public share of $10.00.

Public shares	34,500,000
Founder shares	8,625,000
Total shares	43,125,000
Total funds in trust available for initial business combination (1)	$ 349,152,086
Implied value per share	$ 8.10
Public shareholders' investment per share (2)	$ 10.00
Sponsor's investment per share (3)	$ 0.003

(1) Funds held in trust account as of December 31, 2022. Does not take into account other potential impacts on our valuation at the time of the business combination, such as the value of our public and private warrants, the trading price of our public shares, the business combination transaction costs, any equity issued or cash paid to the business target's sellers or other third parties, or the target's business itself, including its assets, liabilities, management and prospects.

(2) While the public shareholders' investment is in both the public shares and the public warrants, for purposes of this table no value is ascribed to the public warrants.

(3) Represents the per share price paid by our sponsor for the founder shares. The sponsor's total investment in us is equal to approximately $7,501,000, which includes the payment of $25,000 for the founder shares and the payment by our sponsor of approximately $7,476,000 for the private placement warrants.

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While the implied value of our public shares may be diluted, the implied value of $8.00 per share would represent a significant implied profit for our sponsor relative to the initial purchase price of the founder shares. Our sponsor has invested an aggregate of approximately $7,501,000 in us in connection with our Initial Public Offering, which includes the payment of $25,000 for the founder shares and the payment by our sponsor of approximately $7,476,000 for the private placement warrants. At $8.00 per share, the 8,625,000 founder

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shares would have an aggregate implied value of $69,000,000. As a result, even if the trading price of our ordinary shares significantly declines, our sponsor will stand to make significant profit on its investment in us. In addition, our sponsor could potentially recoup its entire investment in us even if the trading price of our ordinary shares is less than $2.00 per share and even if the private placement warrants are worthless. As a result, our sponsor is likely to make a substantial profit on its investment in us even if we select and consummate an initial business combination that causes the trading price of our ordinary shares to decline, while our public shareholders could lose significant value in their public shares. Our sponsor may therefore be economically incentivized to consummate an initial business combination with a riskier, weaker-performing or less-established target business than would be the case if our sponsor had paid the same per share price for the founder shares as our public shareholders paid for their public shares.

Our letter agreement with our sponsor, officers and directors may be amended without shareholder approval.

Our letter agreement with our sponsor, officers and directors contain provisions relating to transfer restrictions of our founder shares and private placement warrants, indemnification of the trust account, waiver of redemption rights and participation in liquidating distributions from the trust account. The letter agreement may be amended without shareholder approval. It is possible that our board, in exercising its business judgment and subject to its fiduciary duties, chooses to approve one or more amendments to the letter agreement. Any such amendments to the letter agreement would not require approval from our shareholders and may have an adverse effect on the value of an investment in our securities.

General Risk Factors

We are a recently formed early stage company

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, no operating history and no revenues, and you have no basis on which to evaluate our could adversely affect UHG's ability to achieve our business objective.

We 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 recently formed early stage company significant period of disruption in information technology systems that involve interactions with no operating results. Because we lack an operating history, you have no basis upon which to evaluate our ability to achieve our business objective of completing our initial business combination with one customers or more target businesses. We may be unable to complete our business combination. If we fail to complete our business combination, we will never generate any operating revenues.

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If, after we distribute the proceeds suppliers, it could result in the trust account to our public stockholders, we file a bankruptcy petition loss of sales and customers and significant incremental costs, which could adversely affect its business.

Furthermore, any security breach of information systems or an involuntary bankruptcy petition is filed against us that is not dismissed, a bankruptcy court may seek to recover such proceeds, and we and our board may be exposed to claims of punitive damages.

If, after we distribute the proceeds data could result in the trust account misappropriation or unauthorized disclosure of proprietary, personal and confidential information, including information related to our public stockholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, any distributions received by stockholders could be viewed under applicable debtor/creditor and/or bankruptcy laws as either a “preferential transfer” or a “fraudulent conveyance”. As a result, a bankruptcy court could seek to recover all amounts received by our stockholders. In addition, our board of directors may be viewed as having breached its fiduciary duty to our creditors and/or having acted in bad faith, thereby exposing itself employees, counter-parties, and us to claims of punitive damages, by paying public stockholders from the trust account prior to addressing the claims of creditors.

If, before distributing the proceeds in the trust account to our public stockholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, the claims of creditors in such proceeding may have priority over the claims of our stockholders and the per-share amount that would otherwise be received by our stockholders in connection with our liquidation may be reduced.

If, before distributing the proceeds in the trust account to our public stockholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, the proceeds held in the trust account could be subject to applicable bankruptcy law, and may be included in our bankruptcy estate and subject to the claims of third parties with priority over the claims of our stockholders. To the extent any bankruptcy claims deplete the trust account, the per-share amount that would otherwise be received by our stockholders in connection with our liquidation may be reduced.

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We have identified a material weakness in our internal control over financial reporting. If we are unable to develop and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results in a timely manner, customers, which may adversely affect investor confidence in us and materially and adversely affect our business and operating results.

We have identified a material weakness in our internal control over financial reporting. Specifically, our management has concluded that our control around the interpretation and accounting for certain complex features of the Class A common stock and warrants issued by the Company was not effectively designed or maintained. This material weakness resulted in the restatement of the Company's balance sheet as of January 28, 2021, and its interim financial statements for the quarters ended March 31, 2021 and June 30, 2021. As a result of this material weakness, our management has concluded that our disclosure controls and procedures were not effective as of December 31, 2022.

Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. We continue to take steps to remediate the material weakness. If we identify any new material weaknesses in the future, any such newly identified material weakness could limit our ability to prevent or detect a misstatement of our accounts or disclosures that could result in a material misstatement violation of our annual or interim applicable privacy and other laws, significant legal and financial statements. In such case, we may be unable exposure, damage to maintain compliance with securities law requirements regarding timely filing its reputation and a loss of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our financial reporting 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 price unauthorized disclosure of our securities may decline as a result. We cannot assure you that 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

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negative publicity, require UHG to change its business practices, increase the measures we have taken costs and complexity of compliance and adversely affect UHG's business. As noted above, UHG is also subject to date, or any measures we may take in the future, will be sufficient to avoid potential future material weaknesses.

Cyber possibility of cyber incidents or attacks, directed at us could which themselves may result in information theft, data corruption, operational disruption and/or financial loss.

We depend on digital technologies, including information systems, infrastructure and cloud applications and services, including those of third parties with which we may deal. Sophisticated and deliberate attacks on, or security breaches in, our systems or infrastructure, or the systems or infrastructure of third parties or the cloud, could lead to corruption or misappropriation of our assets, proprietary information and sensitive or confidential data. As an early stage company without significant investments in data security protection, we may not be sufficiently protected against such occurrences. We may not have sufficient resources to adequately protect against, or to investigate and remediate any vulnerability to, cyber incidents. It is possible that any a violation of these occurrences, 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 combination of them, could have adverse consequences on our result.

Increasing attention to environmental, social and governance ("ESG") matters may impact UHG's business, and lead to financial loss.

As the number of special purpose acquisition companies evaluating targets increases, attractive targets may become more scarce and there may be increased competition for attractive targets. This could increase the cost of our initial business combination; it could even result in our inability to find a target results or to consummate an initial business combination.

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 special purpose acquisition advocacy groups, both domestically and internationally, have campaigned for governmental and private action to promote change at public companies that have been formed has increased substantially. Many potential targets 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 special purpose acquisition companies have already entered into an initial business combination, action related to climate change and there are still many special purpose acquisition companies preparing for an initial public offering, as well as many such companies currently in

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registration. As a result, at times, fewer attractive targets may be available to consummate an initial business combination.

In addition, because there are more special purpose acquisition companies seeking to enter into an initial business combination with available targets, promoting the competition for available targets with attractive fundamentals or business models may increase, which could cause targets companies to demand improved financial terms. As mentioned throughout this section, attractive deals could also become more scarce for other reasons, such as economic or industry sector downturns, geopolitical tensions, or increases in the cost use of additional capital needed to close business combinations or operate targets post-business combination. Together, this could increase the cost of, delay or otherwise complicate or frustrate our ability to find and consummate an initial business combination, and may result in our inability to consummate an initial business combination on terms favorable to our investors altogether.

Changes in laws or regulations, or a energy saving building materials. A failure to comply with any laws investor or customer expectations and regulations, may adversely affect our 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 investments and results of operations.

We are subject to laws and regulations enacted by national, regional and local governments. In particular, we are required to comply with certain SEC and other legal requirements. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our 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

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UHG's homes and adversely impact its business, investments 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 addition, some cases, UHG could be required to apply a failure to comply

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Table new or revised standard retroactively, resulting in restating prior period financial statements. Any of Contents

with applicable laws or regulations, as interpreted and applied, these circumstances could have a material adverse effect on our UHG's business, prospects, liquidity, financial condition and results of operations.

Our stockholders may be held liable for claims by third parties against us to the extent of distributions received by them upon redemption of their shares.

Under the DGCL, stockholders may be held liable for claims by third parties against a corporation to the extent of distributions received by them in a dissolution. The pro rata portion of

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our trust account distributed to our public stockholders upon the redemption of our public shares in the event we do not complete our initial business combination by July 28, 2023 may be considered a liquidating distribution under Delaware law. If a corporation complies with certain procedures set forth in Section 280 of the DGCL intended to ensure that it makes reasonable provision for all claims against it, including a 60-day notice period during which any third-party claims can be brought against the corporation, a 90-day period during which the corporation may reject any claims brought, and an additional 150-day waiting period before any liquidating distributions are made to stockholders, any liability of stockholders with respect to a liquidating distribution is limited to the lesser of such stockholder's pro rata share of the claim or the amount distributed to the stockholder, and any liability of the stockholder would be barred after the third anniversary of the dissolution. However, it is our intention to redeem our public shares as soon as reasonably possible following July 28, 2023 in the event we do not complete our business combination and, therefore, we do not intend to comply with the foregoing procedures.

Because we will not be complying with Section 280, Section 281(b) of the DGCL requires us to adopt a plan, based on facts known to us at such time that will provide for our payment of all existing and pending claims or claims that may be potentially brought against us within the 10 years following our dissolution. However, because we are a blank check company, rather than an operating company, and our operations are limited to searching for prospective target businesses to acquire, the only likely claims to arise would be from our vendors (such as lawyers, investment bankers, consultants, etc.) or prospective target businesses. If our plan of distribution complies with Section 281(b) of the DGCL, any liability of stockholders with respect to a liquidating distribution is limited to the lesser of such stockholder's pro rata share of the claim or the amount distributed to the stockholder, and any liability of the stockholder would likely be barred after the third anniversary of the dissolution. We cannot assure you that we will properly assess all claims that may be potentially brought against us. As such, our stockholders could potentially be liable for any claims to the extent of distributions received by them (but no more) and any liability of our stockholders may extend beyond the third anniversary of such date. Furthermore, if the pro rata portion of our trust account distributed to our public stockholders upon the redemption of our public shares in the event we do not complete our initial business combination by July 28, 2023 is not considered a liquidating distribution under Delaware law and such redemption distribution is deemed to be unlawful, then pursuant to Section 174 of the DGCL, the statute of limitations for claims of creditors could then be six years after the unlawful redemption distribution, instead of three years, as in the case of a liquidating distribution.

We may not hold an annual meeting of stockholders until after the consummation of our initial business combination and you will not be entitled to any of the corporate protections provided by such a meeting.

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We may not hold an annual meeting of stockholders until after we consummate our initial business combination (unless required by Nasdaq) and thus may not be in compliance with Section 211(b) of the DGCL, which requires an annual meeting of stockholders be held for the purposes of electing directors in accordance with a company's bylaws unless such election is made by written consent in lieu of such a meeting. Therefore, if our stockholders want us to hold an annual meeting prior to our consummation of our initial business combination, they may attempt to force us to hold one by submitting an application to the Delaware Court of Chancery in accordance with Section 211(c) of the DGCL.

Our search for a business combination, and any target business with which we ultimately consummate a business combination, may be materially adversely affected by the coronavirus (COVID-19) pandemic and the status of debt and equity markets.

The COVID-19 pandemic has resulted in, and a significant outbreak of new variants or other infectious diseases could result in, a widespread health crisis adversely affecting the economies and financial markets worldwide, potentially including the business of any potential target business with which we intend to consummate a business combination. Furthermore, we may be unable to complete a business combination at all if concerns relating to COVID-19, new variants or other infectious diseases restrict travel, limit the ability to have meetings with potential investors or make it impossible or impractical to negotiate and consummate a transaction with the target company's personnel, vendors and service providers in a timely manner, if at all. The extent to which COVID-19 impacts our search for a business combination will depend on future developments, which remain uncertain and cannot be predicted. The disruptions posed by COVID-19, new variants or other public health emergencies, diseases or matters of global concern could materially adversely affect our

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ability to consummate a business combination, or the operations of a target business with which we ultimately consummate a business combination.

In addition, our ability to consummate a transaction may be dependent on the ability to raise equity and debt financing, which may be impacted by COVID-19 and other events, including as a result of increased market volatility, decreased market liquidity and third-party financing being unavailable on terms acceptable to us or at all.

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Past performance by our management team may not be indicative of future performance of an investment in us.

Information regarding performance by, or businesses associated with our management team and its affiliates is presented for informational purposes only. Past performance by our management team is not a guarantee either (i) of success with respect to any business combination we may consummate or (ii) that we will be able to locate a suitable candidate for our initial business combination. You should not rely on the historical record of our management team's performance as indicative of our future performance of an investment in us or the returns we will, or are likely to, generate going forward.

The exercise price for the public warrants is higher than in some similar blank check company offerings in the past, and, accordingly, the warrants are more likely to expire worthless.

The exercise price of the public warrants is higher than some similar blank check companies in the past. Historically, the exercise price of a warrant was generally a fraction of the purchase price of the units in the initial public offering. The exercise price for our public warrants is $11.50 per share. As a result, the warrants are less likely to ever be in the money and more likely to expire worthless.

We are an emerging growth company within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies, this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies.

We are an "emerging growth company" within the meaning of the Securities Act, as modified by the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, our stockholders may not have access to certain information they may deem important. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our Class A common stock held by non-affiliates exceeds $700 million as of any June 30 before that time, in which case we would no longer be an emerging growth company as of the following December 31. We cannot predict whether investors will find our securities less attractive because we will rely on these exemptions. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they

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otherwise would be, there may be a less active trading market for our securities and the trading prices of our securities may be more volatile.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accountant standards used.

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Provisions in our certificate of incorporation and Delaware law may inhibit a takeover of us, which could limit the price investors might be willing to pay in the future for our Class A common stock and could entrench management.

Our certificate of incorporation contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. These provisions include a staggered board of directors and the ability of the board of directors to designate the terms of and issue new series of preferred shares, which may make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities.

We are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together these provisions may make the removal of management

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more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities.

Our certificate of incorporation requires, to the fullest extent permitted by law, that derivative actions brought in our name, actions against our directors, officers, other employees or stockholders for breach of fiduciary duty, actions asserting claims arising under the DGCL, or our certificate of incorporation or bylaws and other similar actions may be brought only in a state court located in the State of Delaware and actions arising under the Securities Act may only be brought in the federal district court for the District of Delaware, which may have the effect of discouraging lawsuits against our directors, officers, other employees or stockholders and lawsuits for causes of action arising under the Securities Act.

Our certificate of incorporation requires, to the fullest extent permitted by law, that the sole and exclusive forum for any internal or intra-corporate claims or any action asserting a claim governed by the internal affairs doctrine as defined by the laws of the State of Delaware, including, but not limited to, (1) derivative actions brought in our name, (2) actions against our directors, officers, other employees or stockholders for breach of fiduciary duty and (3) actions asserting a claim arising under the DGCL, our certificate of incorporation or bylaws as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware and other similar actions shall be a state court located in the State of Delaware. Our certificate of incorporation will also require that, unless we consent in writing to an alternative forum, the sole and exclusive form for any action asserting a cause of action arising under the Securities Act or any rule or regulation thereunder shall be the federal district court for the District of Delaware. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our certificate of incorporation. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. Alternatively, if a court were to find the choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

Our certificate of incorporation provides that the exclusive forum provision will be applicable to the fullest extent permitted by applicable law. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision

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will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

UHG recognizes the critical importance of developing, implementing, and maintaining robust cybersecurity measures to safeguard its information systems and protect the confidentiality, integrity, and availability of its data. UHG has cybersecurity and risk management processes in place to adapt to the changing cybersecurity landscape and respond to emerging threats in a timely and effective manner. UHG leverages the National Institute of Standards and Technology (NIST) framework, which organizes cybersecurity risks into five categories: identify, protect, detect, respond, and recover. UHG monitors its systems to assess cybersecurity risks and threats.

UHG's information technology (IT) security team reviews enterprise risk management-level cybersecurity risks and reports on these findings. In addition, UHG has a set of company-wide policies and procedures that directly or indirectly relate to cybersecurity, such as policies related to encryption standards, antivirus protection, remote access, multifactor authentication, confidential information and the use of the internet, social media, email and wireless devices. These policies go through an internal review process and are approved by appropriate members of management.

Managing Material Risks & Integrated Overall Risk Management

UHG has integrated cybersecurity risk management into its broader risk management framework. This integration ensures that cybersecurity considerations are an integral part of UHG's decision-making process. Members of UHG's management work closely with the IT department to continuously evaluate and address cybersecurity risks in alignment with UHG's business objectives and operational needs.

Engage Third Parties on Risk Management

Recognizing the complexity and evolving nature of cybersecurity threats, UHG's IT personnel incorporate external resources and advisors as needed on cybersecurity planning, reporting, and monitoring. These third-party relationships enable UHG to leverage specialized knowledge and insights, to ensure UHG's cybersecurity strategies and processes are aligned

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with industry best practices. In addition to collaboration with various third-parties, all of UHG's employees are required to complete cybersecurity training at least once every three years and also have access to more frequent cybersecurity training through online training courses.

Oversee Third Party Risk

UHG utilizes various third-party software applications in the functioning of its core business. UHG conducts assessments of all third-party providers and maintains ongoing reviews to ensure compliance with its cybersecurity standards. The internal business owners of the hosted applications are required to document user access reviews at least annually and provide from the vendor a System and Organization Controls (SOC) 1 or SOC 2 report. If a third-party vendor is not able to provide a SOC 1 or SOC 2 report, UHG takes additional steps to assess their cybersecurity preparedness and assess its relationship on that basis. UHG's assessment of risks associated with the use of third-party providers is part of its overall cybersecurity framework.

Monitor Cybersecurity Incidents

UHG's IT security team regularly monitors alerts and meets to discuss threat levels, trends, and remediation. The team also prepares a monthly report on cybersecurity threats and risk areas and conducts an annual risk assessment. This ongoing knowledge acquisition and continuing education is crucial for the effective prevention, detection, mitigation, and remediation of cybersecurity incidents. If a security event is alerted, upper management and the incident response team are notified and the steps identified in the Incident Response Plan, or IRP, are initiated. This plan includes immediate actions to mitigate the impact and long-term strategies for remediation and prevention of future incidents.

Risks from Cybersecurity Threats

UHG faces risks from cybersecurity threats that could have a material adverse effect on its business, financial condition, results of operations, cash flows or reputation. For more information about the cybersecurity risks UHG faces, see the risk factor entitled "An information systems interruption or breach in security could adversely affect UHG" in *Item 1A., Risk Factors*. UHG has not encountered cybersecurity challenges that have materially impaired its operations or financial standing.

Governance

UHG's Board is acutely aware of the critical nature of managing risks associated with cybersecurity threats, and recognizes the significance of these threats to UHG's operational integrity and shareholder confidence.

Risk Management Personnel

UHG's Chief Administrative Officer and the Director of IT are responsible for developing and implementing UHG's information security program. UHG's Chief Administrative Officer represented companies in IT integration, AI, and SaaS businesses over a span of two decades in

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private legal practice, and UHG's Director of IT has more than 17 years of experience in data, application, and server security.

Board of Directors Oversight

The Audit Committee is central to the Board's oversight of cybersecurity risks and bears the primary responsibility for this domain. The Audit Committee is composed of board members with diverse expertise including risk management and finance, equipping them to oversee cybersecurity risks effectively.

Management's Role Managing Risk and Reporting to the Board

The Chief Administrative Officer and the Director of IT play a pivotal role in informing the Audit Committee on cybersecurity risks. They provide comprehensive briefings to the Audit Committee on a regular basis, with a minimum frequency of once per year. These briefings encompass a broad range of topics, including:

- Current cybersecurity landscape and emerging threats;
- Actions being taken by the Company to minimize or address such threats;
- Status of ongoing cybersecurity initiatives and strategies;
- Incident reports and learnings from any cybersecurity events; and
- Compliance with regulatory requirements and industry standards.

In addition to scheduled meetings, the Audit Committee, the Chief Administrative Officer and the Director of IT maintain an ongoing dialogue regarding emerging or potential cybersecurity risks. Together, they receive updates on any significant developments in the cybersecurity domain, ensuring the Board's oversight is proactive and responsive. This involvement ensures that cybersecurity considerations are integrated into the broader strategic objectives. The Audit Committee conducts an annual review of the company's cybersecurity posture and the effectiveness of its risk management strategies. This review helps in identifying areas for improvement and ensuring the alignment of cybersecurity efforts with the overall risk management framework.

Item 2. Properties

We do not own any real estate or other physical properties materially important to our operation. We currently maintain our principal executive offices at 250 Park Ave. 7th Floor, New York, New York 10177 and our telephone number is (212) 572-6260. The cost for this space is included in the $10,000 per-month aggregate fee our sponsor charges us for general and administrative services. We consider our current

UHG leases approximately 28,500 square feet of office space combined with in Chapin, South Carolina for its corporate headquarters. In addition, UHG leases local offices in Myrtle

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Beach, South Carolina, Mauldin, South Carolina, and Raleigh, North Carolina to meet operational needs.

The South Carolina segment also owns a local office in Greer, South Carolina. See "Business - Land Acquisition Strategy and Development Process - Owned and Controlled Lots" for a summary of the other office space otherwise available to our executive officers, adequate for our current operations.

properties that UHG owned or controlled as of December 31, 2023.

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Item 3. Legal Proceedings

To

From time to time, UHG is a party to ongoing legal proceedings in the knowledge ordinary course of our management, there is no litigation currently business. See *Note 13 -Commitments and Contingencies* - Litigation of the Notes to the Consolidated Financial Statements contained in this report for information about certain pending against us, any of our officers or directors in their capacity as such or against any of our property.

legal proceedings.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

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Our units,

UHG's Class A common stock shares are listed on the Nasdaq Global Market and UHG's public warrants are each traded listed on the Nasdaq Capital Market (the "Nasdaq") under the symbols "DHHCU, "UHG" and "UHGWW," "DHHC" respectively. UHG's Class B common shares and "DHHCW," respectively". Our units commenced public trading private warrants are not listed or traded on February 26, 2021 any exchange. As of March 4, 2024, and our there were 67 holders of record of UHG's Class A common stock and warrants commenced separate public trading on March 18, 2021.

Holders

On March 22, 2023, there was one shares, 5 holders of record of UHG's Class B common shares, 1 holder of record of our units, one UHG's public warrants, and 1 holder of record of our Class A common stock and six holders of record of our UHG's private warrants.

Such numbers do not include beneficial owners holding UHG's securities through nominee names.

Dividends

We have

UHG has not paid any cash dividends on our Class A common stock shares to date date. UHG may retain future earnings, if any, for future operations, expansion and do not intend debt repayment and has no current plans to pay cash dividends prior for the foreseeable future. Any decision to the completion of our initial business combination. The payment of cash declare and pay dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of our initial business combination. The payment of any cash dividends subsequent to our initial business combination will be within made at the discretion of our board the Board of directors at such time. Directors and will depend on, among other things, UHG's results of operations, financial condition, cash requirements, contractual restrictions and other factors that the Board may deem relevant. In addition, our board the ability to pay dividends may be limited by covenants of directors is not currently contemplating any existing and future outstanding indebtedness the company or its subsidiaries incur. UHG does not anticipate declaring any stock cash dividends to holders of the Class A common shares in the foreseeable future. Further, if we incur any indebtedness in connection with our initial business combination, our ability to declare dividends may be limited by restrictive covenants we may agree to in connection therewith.

Securities Authorized for Issuance Under Equity Compensation Plans

None.

Recent Sales of Unregistered Securities

None.

Use of Proceeds from the Initial Public Offering

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None. For a description of the use of proceeds generated in our initial public offering and private placement, see Part II, Item 5 of our Annual Report on Form 10-K for the year ended December 31, 2021 as filed with the SEC on April 13, 2022. There has been no material change in the planned use of proceeds from our initial public offering and private placement as described in the registration statement filed in connection with our initial public offering.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 6. Reserved

Not applicable.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Operations

References to the "Company," "DHHC," "UHG," "our," "us" or "we" refer to DiamondHead Holdings Corp. United Homes Group, Inc. The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the financial statements Consolidated Financial Statements and the notes thereto contained elsewhere in this report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

Cautionary See "Cautionary Note Regarding Forward-Looking Statements."

Overview

UHG designs, builds and sells homes in South Carolina, North Carolina and Georgia. UHG's principal markets are located within 500 miles of 10 of the top 15 fastest growing markets in the United States, including Nashville, Jacksonville and Orlando, which provides what management believes are attractive expansion opportunities. In 2023, UHG was ranked 48th by Builder Magazine based on home closings and revenues in 2022.

The geographical markets in which UHG presently operates its homebuilding business are high-growth markets, with substantial in-migrations and employment growth. Prior to the Business Combination

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(discussed below), GSH's business historically consisted of both homebuilding operations and land development operations. Recently, GSH separated its land development operations and 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 affiliated land development companies (collectively, the "Land Development Affiliates") that are outside of the corporate structure of UHG, it employs a land-light operating strategy, with a focus on the design, construction and sale of entry-level, first move-up and second move-up single-family houses. UHG principally builds detached single-family houses, and, to a lesser extent, attached single-family houses, including duplex houses and town houses.

UHG's pipeline as of 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 right to acquire, in addition to lots that UHG may acquire from third party lot option contracts.

Since its founding in 2004, UHG has delivered approximately 14,000 homes and, as of December 31, 2023, builds in approximately 61 active subdivisions at prices that generally range from approximately $200,000 to approximately $500,000. For the year ended December 31, 2023 and 2022, UHG had 1,296 and 1,259 net new orders, and generated approximately $421.5 million and $477.0 million in revenue on 1,383 and 1,605 closings, respectively.

UHG's plan to grow its business is multifaceted. UHG plans to continue to execute its external growth strategy, expanding into new markets and increasing community count via targeted acquisitions of complementary private homebuilders and homebuilding operations. UHG also expects to grow both organically, arising out of its historical operations, and through expansion of its business verticals. UHG's business verticals positioned to further drive the Company's growth include its mortgage joint venture Homeowners Mortgage, LLC (the "Joint Venture") and its build-to-rent ("BTR") platform, pursuant to which UHG will continue to work together with institutional investors for development of BTR communities. UHG expects that continued operation of the Joint Venture, which began generating revenue in July 2022, will add to UHG's revenue and EBITDA growth, improve buyer traffic conversion, and reduce backlog cancellation rates.

UHG's revenues decreased from approximately $477.0 million for the year ended December 31, 2022 to $421.5 million for the year ended December 31, 2023. For the year ended December 31, 2023, UHG generated net income of approximately $125.1 million, which included $115.9 million related to the change in fair value of derivative liabilities, gross profit of 18.9%, adjusted gross profit of 21.4%, and adjusted EBITDA margin of 9.6%, representing an increase of $55.6 million, and decreases of (6.0)%, (4.6)%, and (7.8)%, respectively, from the year ended December 31, 2022.

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

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Over the last year the homebuilding industry has faced headwinds due to macro-economic factors, such as rising inflation and the Federal Reserve's response of raising interest rates beginning in March 2022 and continuing through July 2023. As a result, new home demand has been negatively impacted by affordability concerns from higher mortgage rates. In response to softer demand for new homes, UHG introduced additional sales incentives starting in the second half of 2022 and continuing through 2023, mostly in the form of buyer financing incentives such as mortgage rate buy downs, mortgage forward commitments, or cash incentives applied against closing costs.

Although UHG continues to deal with pricing fluctuations related to building materials, labor and lot costs, UHG has experienced a significant decline in lumber prices from the peak prices in 2022. There has also been overall improvement in the supply chain, which, coupled with UHG's standardization of certain features of its homes, has improved construction cycle times. While UHG cannot predict the extent to which the aforementioned factors will impact its performance, it believes that its land-light business model positions it well to effectively navigate market volatility.

Business Combination

On March 30, 2023 (the "Closing Date"), UHG consummated the previously announced business combination (the "Business Combination") contemplated by the Business Combination Agreement, dated as of September 10, 2022 (the "Business Combination Agreement"), by and among DiamondHead Holdings Corp., a Delaware corporation ("DHHC" and, after the consummation of the Business Combination, United Homes Group, Inc. ("UHG" or the "Company")), Hestia Merger Sub, Inc., a South Carolina corporation and wholly owned subsidiary of DHHC ("Merger Sub"), and Great Southern Homes, Inc., a South Carolina corporation ("GSH"). Pursuant to the terms of the Business Combination Agreement, Merger Sub merged with and into GSH, with GSH surviving the merger as a wholly owned subsidiary of the Company. In connection with the consummation of the Business Combination on the Closing Date, DHHC changed its name from DHHC to United Homes Group, Inc.

For accounting treatment of the Business Combination, see *Note 2 - Merger and reverse recapitalization* of the Notes to the Consolidated Financial Statements

This Annual Report contained in this report. Unless otherwise indicated or the context otherwise requires, references in this annual report on Form 10-K includes forward-looking statements within to "Legacy UHG" refer to the meaning homebuilding operations of Section 27A GSH prior to the consummation of the Securities Act Business Combination.

The accompanying results of 1933, operations for the year ended December 31, 2022 ("Legacy UHG financial statements") have been prepared from Legacy UHG's historical financial records and reflect the historical financial position. Results of operations of Legacy UHG for the year is presented on a carve-out basis in accordance with GAAP. The Legacy UHG financial statements present historical information and results attributable to the homebuilding operations of GSH. The Legacy UHG financial statements exclude GSH's operations related to land development operations as amended, Legacy UHG historically did not operate as a standalone company. The carve-out methodology was used since Legacy

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UHG's inception until the Closing Date. Refer to Note 1 - Nature of operations and Section 21E basis of presentation and Note 2 - Merger and reverse recapitalization of the Securities Exchange Act Notes to the Consolidated Financial Statements contained in this report for more information on the Business Combination and Basis of 1934, Presentation.

Recent Developments

Herring Homes Acquisition

On August 18, 2023, UHG entered the Raleigh, North Carolina market through the acquisition of selected assets of Herring Homes, LLC ("Herring Homes") (which was accounted for as amended a business combination) for a purchase price of $2.2 million in cash. UHG recognized the excess purchase price over the fair value of the net assets acquired as goodwill of $0.5 million. The goodwill arising from the acquisition consists largely of the expected synergies from establishing a market presence in Raleigh and the experience and reputation of the acquired management team. The remaining basis of approximately $1.7 million is primarily comprised of the fair value of 12 acquired developed lots and lot purchase agreement deposits with limited other assets and liabilities. Subsequent to the acquisition, UHG acquired 50 lots and 12 homes under construction in separate transactions for a fair value of $4.9 million and $5.9 million, respectively, in the Raleigh, North Carolina market.

Rosewood Communities Acquisition

On October 25, 2023, the Company completed the acquisition of 100% of the common stock of Rosewood Communities, Inc ("Rosewood") (the "Exchange Act" "Rosewood Acquisition") for a purchase price of $24.7 million, of which $22.7 million was in cash. The remaining purchase price is related to a $0.3 million warranty cost reserve and contingent consideration of $1.7 million based on 25% of the EBITDA attributable to Rosewood's business through December 31, 2025. We have based these forward-looking statements on our current expectations The acquisition allows the Company to further expand its presence in the Upstate region of South Carolina.

Creekside Custom Homes Acquisition

On January 26, 2024, the Company completed the acquisition of selected assets of Creekside Custom Homes, LLC, a South Carolina corporation ("Creekside") (the "Creekside Acquisition") for $16.9 million in cash. The acquisition allows UHG to further expand its presence in the coastal region of South Carolina, particularly in the Myrtle Beach, SC area. The Company has not yet completed its evaluation and projections about future events. These forward-looking statements determination of consideration paid and certain assets and liabilities acquired in accordance with ASC 805, Business Combinations.

Factors Affecting the Comparability of UHG's Financial Condition and Results of Operations

UHG's historical financial condition and results of operations for the periods presented are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements not expected to be materially different indicative of UHG's future performance, either from any future results, levels period to period or going forward as a result of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you

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can identify forward-looking statements by terminology such as "may," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "continue," or the negative of such terms or other similar expressions. Such statements include, but are not limited to, possible business combinations and the financing thereof, and related matters, UHG's recent acquisitions as well as all other statements other than statements of historical fact included in this Form 10-K. Factors that might cause or contribute to such the following reasons:

Merger and Reverse Recapitalization

The Company is a discrepancy include, but are not limited to, those described in our other Securities and Exchange Commission ("SEC") filings.

Overview

We are a former blank check company incorporated in on October 7, 2020 under the name DiamondHead Holdings Corp. ("DHHC") as a Delaware on October 7, 2020 corporation formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses (the "Initial Business Combination"). Our sponsor is DHP SPAC-II Sponsor LLC ("Sponsor").

The registration statement for our Initial Public Offering was declared effective on January 25, 2021. On January 28, 2021, we consummated our Initial Public Offering of 34,500,000 units (the "Units" and, with respect to the Class A common stock included in the Units being offered, the "Public Shares"), including 4,500,000 additional Units to cover over-allotments (the "Over-Allotment Units"), at $10.00 per Unit, generating gross proceeds of $345.0 million, and incurring offering costs of approximately $19.6 million, of which approximately $12.1 million was included in deferred underwriting commissions.

On August 10, 2022, the underwriter from the Initial Public Offering resigned from their role in any Business Combination and waived its entitlement to the deferred underwriting commissions in the amount of $12.1 million.

Simultaneously with the closing of the Initial Public Offering, we consummated the private placement ("Private Placement") of 5,933,333 warrants (each, a "Private Placement Warrant" and collectively, the "Private Placement Warrants") at a price of $1.50 per Private Placement Warrant to our Sponsor and to certain qualified institutional buyers or institutional accredited investors, including certain funds and accounts managed by subsidiaries of BlackRock, Inc. and Millennium Management LLC (each an "Anchor Investor"), generating proceeds of $8.9 million.

Upon the closing of the Initial Public Offering and the Private Placement, $345.0 million ($10.00 per Unit) of the net proceeds of the Initial Public Offering and certain of the proceeds of the Private Placement was placed in a trust account ("Trust Account"), located in the United States and invested only in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment

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Company Act of 1940, as amended (the "Investment Company Act"), with a maturity of 185 days or less or in any open-ended investment company that holds itself out as a money market fund selected by us meeting the conditions of Rule 2a-7 of the Investment Company Act, as determined by us, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the Trust Account, as described below.

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If we are unable to complete a Business Combination within the Combination Period, we will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account including interest earned on the funds held in the Trust Account and not previously released to us to pay its tax obligations (less up to $100,000 of interest to pay dissolution expenses), divided by the number of then outstanding Public Shares, which redemption will completely extinguish Public Stockholders' rights as stockholders (including the right to receive further liquidating distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our board of directors, dissolve and liquidate, subject in each case to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. There will be no redemption rights or liquidating distributions with respect to our warrants, which will expire worthless if we fail to complete a Business Combination within the Combination Period.

Trust Account Redemptions and Extension of Combination Period

On January 25, 2023, we held a special meeting of stockholders at which such stockholders voted to extend the time the Company has to consummate an initial business combination from January 28, 2023 to July 28, 2023. In connection with such vote, the holders of an aggregate of 30,058,968 Public Shares exercised their right to redeem their shares for an aggregate of approximately $304 million in cash held in the Trust Account.

Proposed Business Combination

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On September 10, 2022, the Company entered into the Business Combination Agreement with Merger Sub and GSH, pursuant to which the Company expects to effect a business combination with GSH through the merger of Merger Sub with and into GSH (the "Merger"), with GSH surviving the Merger as a wholly-owned subsidiary of the Company. businesses. Upon the consummation of the Transactions, the Company expects Business Combination on March 30, 2023, Great Southern Homes, Inc. became a wholly owned subsidiary of DHHC, which has changed its name to be renamed United Homes Group, Inc. The obligations For information regarding the Company's corporate reorganization, see *Note 1 - Nature of operations and basis of presentation* and *Note 2 - Merger and reverse recapitalization* of the Company, Merger Sub and GSH to consummate the Merger are subject Notesto the satisfaction or waiver of certain closing conditions, which are further described Consolidated Financial Statements contained in this report.

Land Development Operations

Prior to the Business Combination Agreement.

We cannot assure you until the Closing Date, Legacy UHG historically transacted with affiliates that our plans were owned by the shareholders of GSH. The Legacy UHG financial statements contained herein present historical information and results attributable to complete our the homebuilding operations of GSH. The historical financial information of Legacy UHG may not be indicative of Legacy UHG's future performance, primarily because prior to the Business Combination, will the lots developed by affiliates were not transferred to the homebuilding operations of GSH at a market rate. Since the Business Combination, developed lots acquired by UHG from the Land Development Affiliates and third parties have been acquired at fair market value, which, when compared to Legacy UHG's historical acquisition of developed lots from non-third parties at cost, affects the comparability of Cost of sales.

Income Taxes

Prior to the Business Combination, Legacy UHG was included in the tax filing of shareholders of GSH, which was taxed individually under the provision of Subchapter S and Subchapter K of the Internal Revenue Code. Following the Business Combination, UHG became a corporation subject to corporate-level taxes, and the income taxes became dependent upon its taxable income, and its net income since the Business Combination reflects such taxes. UHG recognizes the financial statement impacts of GAAP and tax timing differences on a quarterly basis.

Selling, General and Administrative Expense

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UHG's selling, general and administrative expense have increased as a result of becoming a public company due to increased compliance costs associated with certain provisions of the Sarbanes-Oxley Act and related SEC regulations and the requirements imposed in connection with UHG's shares being listed on Nasdaq. Namely, as a public company, UHG is obligated to establish and maintain internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act, to prepare and file periodic financial and other reports in compliance with federal securities laws, and to adhere to certain standards related to corporate governance and its board of directors. UHG has seen an increase in labor costs in order to pay its employees (including hiring additional employees), directors and officers insurance, board of directors fees, and professional fees to legal counsel and accountants to assist in implementing these tasks and controls.

Equity Incentive Plan

To incentivize individuals providing services to Legacy UHG or its affiliates, the GSH board adopted the Great Southern Homes 2022 Equity Incentive Plan. In connection with the Business Combination the Great Southern Homes 2022 Equity Incentive Plan was terminated and UHG stockholders approved the United Homes Group, Inc. 2023 Equity Incentive Plan (the "2023 Plan"). The 2023 Plan provides for the grant, from time to time, at the discretion of the UHG board of directors or a committee thereof, of stock options, stock appreciation rights, restricted stock, restricted stock units, stock awards, dividend equivalents, other stock-based awards, cash awards, substitute awards and performance awards. Any individual who is a director, officer, employee, consultant, or advisor of UHG or any of its affiliates (which, for purposes of the Equity Incentive Plan, generally consists of entities controlling, controlled by, or under common control with UHG, or in which UHG has a significant interest), is eligible to receive awards under the Equity Incentive Plan at the discretion of the UHG board of directors or the compensation committee of the UHG board of directors.

Change in Fair Value of Derivative Liabilities

Change in fair value of derivative liabilities includes certain stock options issued under the 2023 Plan, warrants issued in connection with DHHC's Initial Public Offering, warrants issued in a private placement by DHHC and certain common shares to be successful. Further, we issued upon the achievement of certain future earnout conditions ("Earnout Shares") issued in connection with the Business Combination. These instruments were recognized as a derivative liability in accordance with ASC 815 starting in 2023, and are marked to market at the end of each reporting period. With the exception of the public warrants, the fair values of each derivative liability are determined using Level 3 inputs. The models used to fair value the derivative liabilities rely on significant assumptions and inputs, including the Company's stock price, which may need to pursue third-party financing, among other things, to satisfy cause volatility in the fair value each reporting period. Fluctuations in the fair value of derivative liabilities as a result of Level 3 inputs may impact the comparability of UHG's results of operations.

Components of UHG's Operating Results

Below are general definitions of the Consolidated Statements of Operations line items set forth in UHG's period over period changes in results of operations.

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Revenues

Revenues predominantly include the proceeds from the closing condition that of homes sold to UHG's customers. Revenues from home sales are recorded at Closing, the time each home sale is closed and closing conditions are met. Performance obligations are generally satisfied at a point in time when the control of the home is transferred to the customer. Control is considered to be transferred to the customer at the time of closing when the title and possession of the home are received by the homebuyer. In some contracts, the customer controls the underlying land upon which the home is constructed. For these specific contracts, the performance obligation is satisfied over time. Revenue for these contracts is recognized using the input method based on costs incurred as compared to total estimated project costs. Proceeds from home sales are generally received within a few days after closing. Home sales are reported net of sales discounts. The pace of net new orders, average home sales price, and the amount of Closing DHHC Cash upgrades or options selected impact UHG's recorded revenues in a given period.

Cost of Sales

Cost of sales includes the lot cost and carrying costs associated with each lot, construction costs of each home, capitalized interest expensed, building permits, warranty costs (both incurred and estimated to be equal incurred) and sales incentives in the form of mortgage rate buydowns and closings costs. In addition, Cost of sales includes payroll, including bonuses for UHG's field-based personnel. Allocated costs, including interest and property taxes incurred during construction of the home, are capitalized and expensed to Cost of sales when the home is closed and revenue is recognized. Indirect costs such as maintenance of communities, signage and supervision are expensed as incurred. Developed land is acquired from related parties and third parties at fair market value, which, when compared to Legacy UHG's historical acquisition of developed land from non-third parties at cost, increases UHG's Cost of sales.

Selling, General and Administrative Expense

Selling general and administrative ("SG&A") expenses consist of corporate and marketing overhead expenses such as payroll, insurance, IT, office expenses, advertising, outside professional services, travel expenses, lease expenses, public company expenses, transaction expenses, stock compensation expense associated with the equity classified Earnout Shares issued in connection with the Business Combination and stock compensation expense associated with the 2023 Plan. UHG recognizes these costs in the period they are incurred.

Prior to the Business Combination, a portion of the SG&A expenses were allocated to Legacy UHG based on direct usage, when identifiable or, exceed $125,000,000 (the "Minimum Cash Condition"). However, there can be when not directly identifiable, on the basis of proportional cost of sales or employee headcount, as applicable. Post Business Combination, the allocation of a portion of SG&A is no assurance that any third-party financing will be longer applicable.

Other (Expense) Income, Net

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Other (expense) income, net includes amortization of deferred loan costs associated with UHG's revolving lines of credit, gain or loss upon sale of retirement of depreciable assets, a portion of interest expense on the Notes entered into in connection with the Merger, Business Combination, investment income, management fees, and there can be no assurance thatmiscellaneous vendor and credit card rebates.

Equity in Net Earnings from Investment in Joint Venture

On February 4, 2022, Legacy UHG entered into a joint venture agreement with an unrelated third party to acquire a 49% equity stake in Homeowners Mortgage, LLC, and made an initial capital contribution of $49,000 at the Minimum Cash Condition will be satisfied. If the Minimum Cash Condition is not satisfied, amended or waived by GSH pursuant to the terms formation of the Business Combination Agreement, then the Merger would not be consummated.

Liquidity and Going Concern

As of December 31, 2022, we had approximately $37,000 joint venture. Equity in cash and a working capital deficit of approximately $3.9 million (not taking into account tax obligations of approximately $746,000 that may be paid using net earnings from investment income earned in Trust Account).

Our liquidity needs to date have been satisfied through a payment of $25,000 from our Sponsor to pay joint venture for certain offering costs in exchange for issuance of Founder Shares, the loan under the Promissory Note of $130,000, and the net proceeds from the consummation of the Private Placement not held in the Trust Account. We fully repaid the Promissory Note on February 1, 2021. In addition, in order to finance transaction costs in connection with an Initial Business Combination, our officers, directors and initial stockholders may, but are not obligated to, provide us Working Capital Loans. As of December 31, 2022 and 2021, there were no amounts outstanding under any Working Capital Loans.

In October 2022, the Company issued unsecured promissory notes to two affiliates of the Sponsor for an aggregate principal amount of up to $400,000. As of December 31, 2022, there was an outstanding balance of $204,110 under these promissory notes including $4,110 of accrued but unpaid interest through December 31, 2022.

In connection with our assessment of going concern considerations in accordance with the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 205-40, "Presentation of Consolidated Financial Statements-Going Concern," we have determined that the existing liquidity condition, mandatory liquidation and subsequent dissolution raise substantial doubt about its ability to continue as a going concern. No adjustments have

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been made to the carrying amounts of assets or liabilities should the Company be required to liquidate on or after July 28, 2023.

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Results of Operations

Our entire activity from inception through December 31, 2022, was in preparation for an Initial Public Offering, and since our Initial Public Offering, our activity has been limited to the search for a prospective initial Business Combination. We will not generate any operating revenues until the closing and completion of our initial Business Combination. We generate non-operating income in the form of investment income from our investments held in the Trust Account. We expect to incur increased expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses.

For the year ended December 31, 2022 December 31, 2023 was $1.2 million, we had net income increasing the investment in joint venture as of approximately $6.9 million, which consisted December 31, 2023 to $1.4 million.

Change in Fair Value of approximately $5.0 million Derivative Liabilities

Change in interest income from investments held in the Trust Account, non-operating income of approximately $7.3 million resulting from changes in the fair value of derivative warrant liabilities includes certain stock options (as discussed in *Note 15 - Share-based compensation* of the Notes to the Consolidated Financial Statements contained in this report) issued under the 2023 Plan, warrants issued in connection with DHHC's Initial Public Offering (the "Public Warrants", as discussed in *Note 17 - Warrant liability* of the Notes to the Consolidated Financial Statements contained in this report), warrants issued in a private placement by DHHC (the "Private Placement Warrants", as discussed in *Note 17 - Warrant liability* of the Notes to the Consolidated Financial Statements contained in this report) and approximately $272,000 gain certain liability classified Earnout Shares issued in connection with the Business Combination (as discussed in *Note 16 - Earnout shares* of the Notes to the Consolidated Financial Statements contained in this report). These instruments are recognized as a derivative liability in accordance with ASC 815, and marked to market at the end of each reporting period. The change in fair value of the derivative liability classified instruments is included in Change in fair value of derivative liabilities on UHG's Consolidated Statement of Operations.

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Income Before Taxes

Income before taxes is revenues less cost of sales, SG&A expense, other (expense) income, net, equity in net earnings (losses) from settlement of deferred underwriting commissions, partially offset by approximately $4.3 million investment in general joint venture, and administrative expenses, approximately $200,000 of franchise tax expense, approximately $4,000 interest expenses and income tax expense of approximately $1.2 million.

For the year ended December 31, 2021, we had net income of approximately $2.7 million, which consisted of $4.4 million for change in fair value of derivative warrant liabilities.

Income Tax Expense

Income taxes are accounted for using the asset and liability method of accounting. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences on differences between the carrying amounts of assets and liabilities and approximately $21,000 their respective tax basis, using tax rates in effect for the year in which the differences are expected to reverse. The effect on deferred assets and liabilities of a change in tax rates is recognized in income from investments held in Trust Account, offset the period when the change is enacted. Deferred tax assets are reduced by approximately $449,000 a valuation allowance when it is “more-likely-than not” that some portion or all of financing costs, approximately $1.0 million the deferred tax assets will not be realized. When evaluating the realizability of general deferred tax assets, all evidence, both positive and administrative expenses and $200,000 of franchise negative, is evaluated.

Net Income

Net income is income before taxes adjusted for income tax expense.

Contractual Obligations

As

Net New Orders

Net new orders is a key performance metric for the homebuilding industry and is an indicator of December 31, 2022, we future revenues and cost of sales. Net new orders for a period is gross sales less any customer cancellations received during the same period. Sales are recognized when a customer signs a contract and UHG approves such contract.

Cancellation Rate

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UHG records a cancellation when a customer provides notification that they do not have any long-term debt obligations, capital lease obligations, operating lease obligations, wish to purchase obligations a home. Increasing cancellations are a negative indicator of future performance and can be an indicator of decreased revenues, cost of sales and net income. Cancellations can occur due to customer credit issues or long-term liabilities.

Registration Rights

changes to the customer's desires. The holders cancellation rate is the total cancellations during the period divided by the total number of new sales for homes during the Founder Shares, Private Placement Warrants and warrants period.

Backlog

Backlog represents homes sold but not yet closed with customers. Backlog is affected by customer cancellations that may be issued upon conversion beyond UHG's control, such as customers unable to obtain financing or unable to sell their existing home.

Gross Profit

Gross profit is revenue less cost of Working Capital Loans (and any shares sales for the reported period.

Adjusted Gross Profit

Adjusted gross profit, a non-GAAP measure, is gross profit less capitalized interest expensed in cost of Class A common stock issuable upon sales, amortization included in homebuilding cost of sales (primarily adjustments resulting from the exercise application of the Private Placement Warrants and warrants that may be issued upon conversion of working capital loans and upon conversion of the Founder Shares) were entitled to registration rights pursuant to a registration rights agreement signed upon the effective date of Initial Public Offering, requiring us to register such securities for resale (in the case of the Founder Shares, only after conversion to Class A common stock). The holders of the majority of these securities were entitled to make up to three demands, excluding short form demands, that we register such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the completion of a Business Combination and rights to require us to register for resale such securities pursuant to Rule 415 under the Securities Act. We will bear the expenses incurred purchase accounting in connection with acquisitions) and non-recurring remediation costs.

Results of Operations

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Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

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

	Year Ended December 31,		Amount Change	% Change
	2023	2022		
Statements of Operations				
Revenue, net of sales discounts	$421,474,101	$477,045,949	$(55,571,848)	(11.6)%
Cost of sales	341,748,481	358,238,703	(16,490,222)	(4.6)%
Selling, general and administrative expense	65,094,444	49,685,730	15,408,714	31.0 %
Other income (expense), net	(3,762,613)	230,692	(3,993,305)	**NM**
Equity in net earnings from investment in joint venture	1,244,091	137,086	1,107,005	**NM**
Change in fair value of derivative liabilities	115,904,646	—	115,904,646	**NM**
Income before taxes	$128,017,300	$ 69,489,294	$ 58,528,006	84.2 %
Income tax expense	2,957,016	—	2,957,016	**NM**
Net income	$125,060,284	$ 69,489,294	$ 55,570,990	80.0 %
Other Financial and Operating Data:				
Active communities at end of period(a)	61	56	5	8.9 %
Home closings	1,383	1,605	(222)	(13.8)%
Average sales price of homes closed(b)	$ 315,718	$ 296,233	$ 19,485	6.6 %
Net new orders (units)	1,296	1,259	37	2.9 %
Cancellation rate	13.6 %	17.5 %	(3.9)%	(22.3)%
Backlog	189	276	(87)	(31.5)%
Gross profit	$ 79,725,620	$118,807,246	$(39,081,626)	(32.9)%
Gross profit %(c)	18.9 %	24.9 %	(6.0)%	(24.1)%
Adjusted gross profit(d)	$ 90,080,976	$124,262,476	$(34,181,500)	(27.5)%
Adjusted gross profit %(c)	21.4 %	26.0 %	(4.6)%	(17.7)%
EBITDA(d)	$144,815,138	$ 75,933,460	$ 68,881,678	90.7 %
EBITDA margin %(c)	34.4 %	15.9 %	18.5 %	116.4 %
Adjusted EBITDA(d)	$ 40,470,122	$ 82,835,216	$(42,365,094)	(51.1)%
Adjusted EBITDA margin %(c)	9.6 %	17.4 %	(7.8)%	(44.8)%

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NM - Not Meaningful

(a) UHG had 7 communities in closeout for the year ended December 31, 2023 and 8 communities in closeout for the year ended December 31, 2022. These communities are not included in the count of any such registration statements.

“Active communities at end of period.”

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

The Business Combination Agreement contemplates that, upon completion

(c) Calculated as a percentage of the Merger, the Company (which expects to be named United Homes Group, Inc. at that time), the Sponsor, certain securityholders revenue

(d) Adjusted gross profit, EBITDA and adjusted EBITDA are non-GAAP financial measures. For definitions of the Company adjusted gross profit, EBITDA and certain former stockholders of GSH will enter into an Amended adjusted EBITDA and Restated Registration Rights Agreement (the “A&R Registration Rights Agreement”). Pursuant a reconciliation to the A&R Registration Rights Agreement, among other things, UHG agrees to file most directly comparable financial measures calculated and presented in accordance with GAAP, see “*Non-GAAP Financial Measures.*”

Revenues: Revenues for the year ended December 31, 2023 were $421.5 million, a shelf registration statement with respect decrease of $55.5 million, or 11.6%, from $477.0 million for the year ended December 31, 2022. The decrease in revenues was primarily attributable to the registrable securities under decrease in sales of production-built homes. The decrease in the A&R Registration Rights Agreement within 45 days number of home closings was due in part to rising mortgage rates, which caused a reduction in purchasing power for homebuyers. The average sales price of production-built homes closed for the Closing. Up to two times year ended December 31, 2023 was $315,718, an increase of $19,484, or 6.6%, from the average sales price of production-built homes closed of $296,233 for the year ended December 31, 2022. A decrease in any 12-month period, certain legacy DHHC securityholders and legacy GSH stockholders may request to sell all or any portion revenues of their registrable securities in an underwritten offering that is registered pursuant$78.8 million due to the shelf registration statement, so long as decrease in the total offering price is reasonably expected number of production-built homes sold was partially offset by $24.9 million from an increase in overall sales prices. The decrease in revenues was also attributable to exceed $10,000,000. a decrease in revenue recognized over time from land owned by customers of $8.3 million.

Cost of Sales and Gross Profit: Cost of sales for the year ended December 31, 2023 was $341.7 million, a decrease of $16.5 million, or 4.6%, from $358.2 million for the year ended December 31, 2022. The combined company will also provide customary “demand” and “piggyback” registration rights. The A&R Registration Rights Agreement will provide that UHG will pay certain expenses relating to such registrations and indemnify the securityholders against certain liabilities.

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Further, each securityholder party decrease in cost of sales was primarily attributable to the A&R Registration Rights Agreements agrees not decrease in number of homes sold. The Company closed 1,383 homes during the year ended December 31, 2023, a decrease of 222 home closings, or 13.8%, as compared to transfer any of their registerable securities subject to lock-up transfer restrictions (as described 1,605 homes closed during the year ended December 31, 2022. This was partially offset by an increase in the A&R Registration Rights Agreement) until the end average cost to complete a home as a result of the applicable Lock-Up Period (as defined higher direct costs, including houses constructed in 2022 with higher lumber costs, and incentives, primarily in the A&R Registration Rights Agreement) subject to certain customary exceptions described therein.

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Underwriting Agreement

We granted mortgage rate buydowns and closing costs. Gross profit for the underwriter year ended December 31, 2023 was $79.7 million, a 45-day option decrease of $39.1 million, or 32.9%, from the date of Initial Public Offering to purchase up to 4,500,000 additional Units at the Initial Public Offering price less the underwriting discounts and commissions. On January 28, 2021, the underwriters fully exercised the over-allotment option.

The underwriter was entitled to a cash underwriting discount of $0.20 per Unit, or $6.9 $118.8 million in the aggregate, paid upon the closing of the Initial Public Offering. In addition, the underwriter was entitled to a deferred fee of $0.35 per Unit, or approximately $12.1 million in the aggregate.

Effective as of August 10, 2022, the underwriter from the Initial Public Offering resigned and withdrew from its role in any Business Combination and waived its entitlement to the deferred underwriting commissions in the amount of approximately $12.1 million. We recognized approximately $11.8 million of the commissions waiver as a reduction to additional paid-in capital in the consolidated statements of changes in stockholders' deficit for the year ended December 31, 2022, due to a decrease in the number of home closings and increased cost per home as described above. Gross profit as a percentage of revenue for the year ended December 31, 2023 was 18.9%, a decrease of 6.0%, as compared 24.9% for the year ended December 31, 2022.

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Adjusted Gross Profit: Adjusted gross profit for the year ended December 31, 2023 was $90.1 million, a decrease of $34.2 million, or 27.5%, as compared to $124.3 million for the year ended December 31, 2022. Adjusted gross profit as a percentage of revenue for the year ended December 31, 2023 was 21.4%, a decrease of 4.6%, as compared to 26.0% for the year ended December 31, 2022. The adjusted gross profit as a percentage of revenue decrease was attributable to a $39.1 million decrease in gross profit for the year ended December 31, 2023 as compared to December 31, 2022. This decrease was partially offset when excluding interest expense included in cost of sales, which increased by $4.0 million due to higher interest rates year over year and the inclusion of convertible note interest in 2023, as well as non-recurring remediation costs of $0.5 million and amortization included in homebuilding cost of sales (primarily adjustments resulting from the application of purchase accounting in connection with acquisitions) of $0.4 million. Adjusted gross profit is a non-GAAP financial measure. For the definition of adjusted gross profit and a reconciliation to the Company's most directly comparable financial measure calculated and presented in accordance with GAAP, see *"Non-GAAP Financial Measures."*

Selling, General and Administrative Expense: Selling, general and administrative expense for the year ended December 31, 2023 was $65.1 million, an increase of $15.4 million, or 31.0%, from $49.7 million for the year ended December 31, 2022. The increase in selling, general and administrative expense was attributable to an increase of $5.6 million related non-cash stock compensation expense, public company expenses of $2.2 million, consulting fees of $2.3 million, insurance expenses of $1.9 million, miscellaneous expenses of $1.1 million, and an increase in salaries and related expenses of $4.3 million as a result of a higher headcount. The increase was offset by a decrease in commission expense of $2.0 million.

Other Income (Expense), Net: Total other income (expense), net for the year ended December 31, 2023 was $(3.8) million, a decrease of $4.0 million as compared to $0.2 million for the year ended December 31, 2022. The decrease in other income (expense), net was primarily attributable to an increase of $6.0 million of interest expense on the Notes issued in connection with the Business Combination and an increase of $0.6 million of amortization expense, offset by an increase in investment income of $2.6 million.

Equity in Net Earnings from Investment in Joint Venture: Equity in net earnings from investment in joint venture for the year ended December 31, 2023 was $1.2 million, an increase of $1.1 million, as compared to $0.1 million for the year ended December 31, 2022, due to the joint venture establishing operations in 2022. The increase in equity in net earnings increased the investment in joint venture to $1.4 million and $0.2 million as of December 31, 2023 and December 31, 2022, respectively.

Change in Fair Value of Derivative Liabilities: Change in fair value of derivative liabilities for the year ended December 31, 2023 was a gain of $115.9 million as compared to zero for the year ended December 31, 2022. This change was primarily attributable to a gain of $126.6 million related to the Earnout Shares and $0.2 million related to stock options issued under the 2023 Plan that are accounted for as derivative liabilities under ASC 815, offset by a loss of $7.4 million related to the Public Warrants and $3.5 million related to the Private Placement Warrants issued in connection with the Business Combination.

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Income Tax Expense: Income tax expense for the year ended December 31, 2023 was $3.0 million as compared to zero for the year ended December 31, 2022. The increase in income tax expense was due to the Company's change in tax status. Great Southern Homes, Inc., a consolidated subsidiary of the Company, had a change in tax status from an S Corporation to a C Corporation on March 30, 2023. Income tax expense primarily resulted from income generated in the fiscal year and permanent book/tax differences, partially offset by the generation of additional federal tax credits. The Company's annual effective tax rate for the year ended December 31, 2023 was 2.4%, driven mainly by the change in fair

value of derivative liabilities of $(24.3) million, offset partially by$1.0 million to initially establish various deferred tax balances as a taxable entity as a result of the Business Combination.

Net Income: Net income for the year ended December 31, 2023 was $125.1 million, an increase of $55.6 million, or 80.0%, from $69.5 million for the year ended December 31, 2022. The increase in net income was primarily attributable to the increase in income before taxes of $58.5 million, or 84.2%, for the year ended December 31, 2023 as compared to the year ended December 31, 2022. The increase in income before taxes is primarily attributable to the change in fair value of derivative liabilities, offset by the decrease in revenue, net of sales discounts.

Non-GAAP Financial Measures

Adjusted Gross Profit

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

The following table presents a reconciliation of adjusted gross profit to the GAAP financial measure of gross profit for each of the periods indicated.

	Year Ended December 31,

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	2023	2022
Revenue, net of sales discounts	$ 421,474,101	$ 477,045,949
Cost of sales	341,748,481	358,238,703
Gross profit	$ 79,725,620	$ 118,807,246
Interest expense in cost of sales	9,385,970	5,455,230
Amortization in homebuilding cost of sales(a)	442,231	—
Non-recurring remediation costs	527,155	—
Adjusted gross profit	$ 90,080,976	$ 124,262,476
Gross profit %(b)	18.9 %	24.9 %
Adjusted gross profit %(b)	21.4 %	26.0 %

(a) Represents expense recognized resulting from purchase accounting adjustments

(b) Calculated as a percentage of revenue

EBITDA and Adjusted EBITDA

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

The following table presents a reconciliation of EBITDA and adjusted EBITDA to the GAAP financial measure of net income for each of the periods indicated.

	Year Ended December 31,	
	2023	2022
Net income	$125,060,284	$ 69,489,294
Interest expense in cost of sales	9,385,970	5,455,230
Interest expense in other (expense) income, net	6,042,358	—
Depreciation and amortization	1,217,778	759,712

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Taxes	3,108,748	229,224
EBITDA	$144,815,138	$ 75,933,460
Stock-based compensation expense	7,019,183	1,422,630
Transaction cost expense	3,239,637	5,479,126
Non-recurring loss on disposal of leasehold improvements	331,424	—
Non-recurring remediation costs	527,155	—
Amortization in homebuilding cost of sales(a)	442,231	—
Change in fair value of derivative liabilities	(115,904,646)	—
Adjusted EBITDA	$ 40,470,122	$ 82,835,216
EBITDA margin(b)	34.4 %	15.9 %
Adjusted EBITDA margin(b)	9.6 %	17.4 %

(a) Represents expense recognized resulting from purchase accounting adjustments

(b) Calculated as a percentage of revenue

Liquidity and Capital Resources

Overview

UHG funds its operations from its current cash holdings and cash flows generated by operating activities, as well as its available revolving lines of credit, as further described below. As of December 31, 2023, UHG had approximately $56.7 million in cash and cash equivalents, an increase of $44.5 million, or 364.8%, from $12.2 million as of December 31, 2022. As of the Closing Date, UHG received net proceeds from the Business Combination and the PIPE investments ("PIPE Investments") of approximately $94.4 million. As of December 31, 2023 and 2022, UHG had approximately $24.4 million and $12.0 million in unused committed capacity under its revolving lines of credit, respectively. See "*Wells Fargo Syndication*" below for information on the modification to the Wells Fargo Syndication subsequent to March 30, 2023.

UHG has used proceeds received from the Business Combination and the PIPE Investments for general corporate purposes, including corporate operating expenses and for the acquisitions of homebuilders which closed in 2023 and January of 2024. UHG believes that its current cash holdings, including proceeds from the Business Combination and PIPE Investments, cash generated from operations, as well as cash available under its revolving lines of credit, will be sufficient to satisfy its short term and long term cash requirements for working capital to support its daily operations, meet current commitments under its contractual obligations, and support the potential acquisition of complementary businesses.

Cash flows generated by UHG's projects can differ materially from its results of operations, as these depend upon the stage in the life cycle of each project. UHG generally relies upon its revolving lines of credit to fund building costs, and timing of draws is such that UHG may from time to time be in receipt of funds from the line of credit in advance of such funds being utilized. UHG is generally required to make significant cash outlays at the beginning of a project related to lot purchases, permitting, and construction of homes, as well as ongoing property

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taxes. These costs are capitalized within UHG's real estate inventory and are not recognized in its operating income until a home sale closes. As a result, UHG

incurs significant cash outflows prior to the recognition of associated earnings. In later stages of projects, cash inflows could exceed UHG's results of operations, as the cash outflows associated with land purchase and home construction and other expenses were previously incurred.

The cost of home construction fluctuates with market conditions and costs related to building materials and labor. The residential construction industry experiences labor and material shortages from time to time, including shortages in qualified subcontractors, tradespeople and supplies of insulation, drywall, cement, steel, and lumber. These labor and material shortages can be more severe during periods of strong demand for housing, during periods following natural disasters that have a significant impact on existing residential and commercial structures or as a result of broader economic disruptions. Increases in lumber commodity prices may result in the renewal of UHG's lumber contracts at more expensive rates, which may significantly impact UHG's cost to construct homes and UHG's business. While UHG has recently seen a steep decline in the price of lumber and more moderate reductions in other building materials relative to what was experienced in 2022, future increases in the cost of building materials and labor could have a negative impact on UHG's margins on homes sold. Supply-chain disruptions may also result in increased costs to obtain building supplies, delayed delivery of developed lots, and incurrence of additional carrying costs on homes under construction, among other things. Labor and material shortages and price increases for labor and materials could cause delays in home construction and increase UHG's costs of home construction, which in turn could have a material adverse effect on UHG's cost of sales and operations.

Finished Lot Deposits

The Company's strategy is to acquire developed lots through related parties and unrelated third party land developers pursuant to lot purchase agreements. Most lot purchase agreements require the Company to pay a nonrefundable cash deposit of approximately 15% - 20% of the agreed-upon fixed purchase price of the developed lots. In exchange for the deposit, the Company receives the right to purchase the finished developed lot at a preestablished price. Such contracts enable the Company to defer acquiring portions of properties owned by third parties until the Company determines whether and when to complete such acquisition, which may serve to reduce financial risks associated with long-term land holdings. As of December 31, 2023 and 2022, the Company's lot deposits related to finished lot purchase contracts were $33.0 million and $3.8 million, respectively.

Prior to the Business Combination, when Legacy UHG was acquiring lots through Land Development Affiliates, it did not have to pay deposits as the land development operations were owned by the shareholders of GSH. Post Business Combination, the Company continues to purchase lots from the former Land Development Affiliates of Legacy UHG, however, as the Company is no longer owned by the shareholders of GSH, the Company must pay lot purchase agreement deposits to acquire lots. As such, as of December 31, 2023 all interests in lot

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purchase agreements, including with related parties, is recorded within Lot purchase agreement deposits on the Consolidated Balance Sheet.

Homebuilding Debt

Prior to the Business Combination, Legacy UHG, jointly with its Other Affiliates (see *Note 1 - Nature of operations and basis of presentation* of the Notes to the Consolidated Financial Statements contained in this report for definitions of these terms) considered to be under common control, entered into debt arrangements with financial institutions. These debt arrangements were in the form of revolving lines of credit and were generally secured by land (developed lots and undeveloped land) and homes (under construction and finished). Legacy UHG and certain related Other Affiliates were collectively referred to as the Nieri Group. The Nieri Group entities were jointly and severally liable for the outstanding balances under the revolving lines of credit; however, Legacy UHG had been deemed the primary obligor of such debt, as it is the sole cash generating entity and responsible for repayment of the debt. As such, Legacy UHG had recorded the outstanding advances under the financial institution debt and other debt within the Legacy UHG financial statements as of December 31, 2022.

A portion represents of the revolving lines of credit were drawn down for the sole operational benefit of the Nieri Group and Other Affiliates outside of Legacy UHG. These line of credit balances are reflected in the table below as Other Affiliates' debt at December 31, 2022. Post Business Combination, the Company no longer enters into debt arrangements with Other Affiliates of Legacy UHG. As discussed further below, in connection with the Business Combination, the Wells Fargo Syndication line was amended and restated to exclude any members of the Nieri Group and Other Affiliates of Legacy UHG from the borrower list.

The advances from the revolving lines of credit, reflected as Homebuilding debt, are used to build homes and are repaid incrementally upon individual home sales. The various revolving construction lines are collateralized by the homes under construction and developed lots. The revolving construction lines are fully secured, and the availability of funds are based on the inventory value at the time of the draw request. Interest is accrued based on the total syndication balance and is paid monthly. As the average construction time for homes is less than one year, all outstanding debt is considered short-term as of December 31, 2023 and 2022.

The following table and descriptions provide a summary of the Company's material debt under the revolving lines of credit for the periods indicated:

	December 31, 2023			
	Weighted average interest rate	Homebuilding Debt - Wells Fargo Syndication	Private Investor Debt	Total
Wells Fargo Bank	8.13 %	$ 20,907,306	$ —	$ 20,907,306

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Regions Bank	8.13 %	17,690,798	—	17,690,798
Flagstar Bank	8.13 %	16,082,543	—	16,082,543
United Bank	8.13 %	12,866,035	—	12,866,035
Third Coast Bank	8.13 %	9,649,526	—	9,649,526
Other Notes Payable		—	3,255,221	3,255,221
Total debt on contracts		**$ 77,196,208**	**$ 3,255,221**	**$ 80,451,429**

	December 31, 2022			
	Weighted average interest rate	**Homebuilding Debt - Wells Fargo Syndication**	**Other Affiliates(1)**	**Total**
Wells Fargo Bank	4.98 %	$ 34,995,080	$ 8,203,772	$ 43,198,852
Regions Bank	4.98 %	27,550,618	—	27,550,618
Texas Capital Bank	4.98 %	19,676,552	—	19,676,552
Truist Bank	4.98 %	19,659,329	—	19,659,329
First National Bank	4.98 %	7,870,621	—	7,870,621
Anderson Brothers	4.74 %	—	2,841,034	2,841,034
Total debt on contracts		**$ 109,752,200**	**$ 11,044,806**	**$ 120,797,006**

(1) Outstanding balances relate to bank financing for land acquisition and development activities of Other Affiliates for which the Company is the co-obligor or has an extinguishment indirect guarantee of the indebtedness of the Other Affiliates. In addition, the $8,203,772 of Other Affiliates Debt with Wells Fargo Bank as of December 31, 2022 is part of the Wells Fargo Syndication.

Wells Fargo Syndication

In July 2021, the Nieri Group entities entered into a $150,000,000 Syndicated Credit Agreement (“Syndicated Line”) with Wells Fargo Bank, National Association (“Wells Fargo”). The Syndicated Line was a three-year revolving credit facility, previously with a maturity date of July 2024, and an option to extend the maturity date for one year that could be exercised upon approval from Wells Fargo. The Syndicated Line also included a $2,000,000 letter of credit as a sub-facility subjected to the same terms and conditions as the Syndicated Line. The Syndicated Line was amended and restated on March 30, 2023 (“Amendment Date”) in connection with the Business Combination (as defined in *Note 1 - Nature of operations and basis of presentation*) and made GSH the sole borrower of the Syndicated Line. An additional amendment and restatement (“Second Amendment”) was entered into on August 10, 2023 (“Second Amendment Date”). As a result of the Second Amendment, the Company became a co-borrower of the Syndicated Line, the maximum borrowing capacity was increased to $240,000,000, and the maturity date was extended to August 10, 2026. In addition,

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Wells Fargo Bank and Regions Bank increased their participation in the Syndicated Line, three lenders exited the Syndicated Line, and three lenders joined as new participants of the Syndicated Line. An additional amendment (“Third Amendment”) was entered into on December 22, 2023 (“Third Amendment Date”) and amended two financial covenants that are described below. No other significant terms of the arrangements were changed other than those relating to the financial covenants and interest rate terms described below.

The remaining availability on the Syndicated Line was $24.4 million and $12.0 million as of December 31, 2023 and 2022, respectively. The Company pays a fee ranging between 15 and 30 basis points per annum depending on the unused amount of the Syndicated Line. The fee is computed on a daily basis and paid quarterly in arrears.

The Syndicated Line contains financial covenants which were revised during 2023 as a result of the amendments referenced above. As of December 31, 2023, the financial covenants listed in the Syndicated Line included (a) a minimum tangible net worth of no less than the sum of (i) $70 million and (ii) 25% of positive actual consolidated earnings earned in any fiscal quarter, (iii) 100% of new equity contributed to the Company, (iv) 100% of any increase in tangible net worth resulting from an equity issuance upon the conversion or exchange of any security constituting indebtedness that is convertible or exchangeable, or is being converted or exchanged, for equity interests; and (v) 100% of the amount of any repurchase of equity interests in the Company; (b) a maximum leverage covenant that prohibits the leverage ratio from exceeding 2.50 to 1.00 until December 31, 2023, and 2.25 to 1.00 for any fiscal quarter thereafter (c) a minimum debt service coverage ratio to be no less than 2.00 to 1.00 as of the last day of any fiscal quarter; (d) a minimum liquidity amount of not less than the greater of (y) $30,000,000 or (z) an amount equal to 1.50x the trailing twelve month interest incurred; and (e) unrestricted cash of not less than 50% of the required liquidity at all times. The Company was in compliance with all debt covenants as of December 31, 2023, and prior fiscal quarters in 2023. Legacy UHG was in compliance with all debt covenants as of December 31, 2022.

The interest rates on the borrowings under the Syndicated Line vary based on the leverage ratio. In connection with the First Amendment, the benchmark interest rate was converted from LIBOR to Secured Overnight Financing Rate (“SOFR”), with no changes in the applicable rate margins. The interest rate is based on the greater of either LIBOR prior to Amendment Date or SOFR post Amendment Date plus an applicable margin (ranging from 275 basis points to 350 basis points) based on the Company’s leverage ratio as determined in accordance with a pricing grid, or the base rate plus the aforementioned applicable margin.

On January 26, 2024, the Company amended and restated the credit agreement associated with the Syndicated Line (“Fourth Amendment”). As a result of the Fourth Amendment, Rosewood Communities Inc., a consolidated subsidiary of the Company, along with the Company are co-borrowers of the Syndicated Line. Refer to *Note 21 - Subsequent events* of the Notes to the Consolidated Financial Statements contained in this report for additional information.

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Other Affiliates Debt

On February 27, 2023, Legacy UHG paid off Wells Fargo debt associated with Other Affiliates in the amount of $8,340,545 and on February 28, 2023, Legacy UHG was released as a co-obligor from the Anderson Brothers debt associated with Other Affiliates in anticipation of the Business Combination that closed on March 30, 2023 as discussed in Note 1. As a result there is no remaining debt balance associated with Other Affiliates as of December 31, 2023.

Other Notes Payable

The Company had other borrowings totaling $3,255,221 as of December 31, 2023, which are comprised of other notes payable acquired in the normal course of business. These notes have maturities ranging up to two years. The effective interest rates on these notes range up to 7.69%.

Convertible Note

The Company entered into a Convertible Note Agreement in connection with the closing of the Business Combination. The Notes have an outstanding balance of $68,038,780 as of December 31, 2023 and mature on March 30, 2028. The Notes bear interest at a rate of 15%. Future interest payments on the remaining outstanding Notes totaled approximately $63.8 million, with approximately $14.1 million due within the next twelve months. Refer to *Note 14 - Convertible note payable* of the Notes to the Consolidated Financial Statements contained in this report for additional information.

Leases

The Company leases several office spaces in South Carolina under operating leases with related parties, and one office space in North Carolina with a third party. The office leases have a remaining lease term of up to five years, some of which include options to extend on a month-to-month basis, and some of which include options to terminate the lease. These options are excluded from the calculation of the operating right-of-use (“ROU”) asset and lease liability until it is reasonably certain that the option will be exercised. As of December 31, 2023, the future minimum lease payments required under these leases totaled $6.9 million, with $1.4 million payable within 12 months. Further information regarding the Company’s leases is provided in *Note 13 - Commitments and contingencies* of the Notesto the Consolidated Financial Statements contained in this report.

In addition to leasing land and office space, in December 2022, Legacy UHG began entering into sale-leaseback transactions with related parties, where revenue and cost of sales are recognized. As of December 31, 2022, revenue and cost of sales were $5,188,716 and $4,508,819, respectively. Further information regarding these transactions is provided in *Note 10 - Related party transactions* of the Notesto the Consolidated Financial Statements contained in this report.

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Cash Flows

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

The following table summarizes the Company's cash flows for the periods indicated:

	Year Ended December 31,	
	2023	2022
Net cash flows provided by operating activities	$28,224,880	$34,616,722
Net cash flows used in investing activities	(24,300,985)	(206,877)
Net cash flows provided by (used in) financing activities	40,508,741	(73,675,897)

Net cash provided by operating activities was $28.2 million for the year ended December 31, 2023, as compared to $34.6 million of net cash provided by operating activities for the year ended December 31, 2022. The difference in cash flows year over year is $6.4 million. This change is partially attributable to cash provided by the change in inventory of $22.2 million, income tax payable of $0.4 million and income adjusted for non-cash transactions of $19.3 million for the year ended December 31, 2023. This change is offset by cash used in the change in deferred tax asset of $2.6 million due to the change in tax status from S-Corp to C-Corp during the year ended December 31, 2023. For the year ended December 31, 2022, cash provided by the change in net income adjusted for non-cash transactions of $72.1 million was partially offset by cash used in the change in inventory of $26.7 million.

Net cash used in investing activities was $24.3 million for the year ended December 31, 2023, as compared to $0.2 million of net cash used in investing activities for the year ended December 31, 2022. The difference in cash flows year over year is $24.1 million. The increase in net cash used in investing activities was primarily attributable to cash paid to acquire certain assets of Herring Homes, LLC of $2.2 million and acquisition of Rosewood Communities, Inc. of $22.1 million. The net cash used was offset by proceeds from a promissory note issued in exchange for the sale of fixed assets and proceeds from the sale of property and equipment of $0.2 million.

Net cash provided by financing activities was $40.5 million for the year ended December 31, 2023, as compared to net cash used in financing activities of $73.7 million for the year ended December 31, 2022. The difference in cash flows year over year is $114.2 million. The increase in net cash from financing activities was primarily attributable to cash received of $94.4 million as a result of the Business Combination, PIPE, and recapitalization transactions, proceeds from homebuilding debt of $72.5 million, partially offset by repayment of homebuilding debt of $105.1 million, distributions and net transfers to stockholders and other affiliates of $17.9 million, and the payment of deferred underwriting commissions on public shares which was originally recognized financing costs of $3.2 million. In contrast, for the year ended December 31, 2022, cash flows used in accumulated deficit. The remaining balance financing activities included $171.7 million for repayment of approximately $272,000 is recognized as a gain homebuilding and other affiliate debt, $54.2 million of cash flows used in distributions and net transfers to

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stockholders and other affiliates, and $37.8 million in changes in net due to and due from settlement stockholders and other affiliates, partially offset by $179.3 million of deferred underwriting commissions on public warrants in the consolidated statements proceeds from homebuilding debt and $10.9 million of operations, which represents the original amount expensed in our initial public offering.

proceeds from other affiliate debt.

Critical Accounting Policies

This management's discussion and analysis Estimates

UHG prepared the Consolidated Financial Statements in accordance with GAAP. Its critical accounting estimates are those that it believes have the most significant impact to the presentation of our its financial condition position and results of operations and that require the most difficult, subjective or complex judgments. In many cases, the accounting treatment of a transaction is based on our consolidated specifically dictated by GAAP without the need for the application of judgment.

In certain circumstances, however, the preparation of financial statements which have been prepared in accordance conformity with United States generally accepted accounting principles. The preparation of these financial statements GAAP requires us UHG to make certain estimates, judgments and judgments assumptions that affect the reported amounts of assets and liabilities revenues and expenses and the disclosure of contingent assets and liabilities as of the date of the Consolidated Financial Statements, as well as the reported amounts of revenues and expenses during the reporting period.

While UHG's significant accounting policies are more fully described in our consolidated financial statements. On an ongoing basis, we evaluate our*Note 3 - Summary of significant accounting policies* of the Notes to the Consolidated Financial Statements contained in this report, UHG believes the following topics reflect the critical accounting policies and the more significant judgment and estimates used in the preparation of the Consolidated Financial Statements.

Revenue Recognition

UHG recognizes revenue in accordance with ASC 606 *Revenue from Contracts with Customers*. Home sale transactions typically have a single performance obligation to deliver a completed home to the homebuyer which is generally satisfied when control of the home is transferred to the customer. Control is considered to be transferred to the customer at the time of closing when the title and judgments, including those possession of the home are received by the

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homebuyer. Little to no estimation is involved in recognizing such revenues. Revenue is reported net of any discounts and incentives.

Revenues from home sales in which the buyer retains title to the homesite while UHG builds the home are recognized based on the percentage of completion of the home construction. Percentage of completion is based on costs incurred as compared to total estimated project costs.

Real Estate Inventory and Cost of Home Sales

Inventory includes land under development, developed lots, homes under construction, and finished homes. Land under development consists of raw parcels of land already zoned for its intended use to develop into finished lots. Developed lots consist of land that has been developed for or acquired by UHG, and vertical construction is imminent. At the time construction begins, developed lots are transferred to homes under construction. Homes under construction represents costs associated with active homebuilding activities which include, but are not limited to, direct material, labor, and overhead costs related to home construction, capitalized interest, real estate taxes, and land option fees. Finished homes represent completed but unsold homes at the end of the reporting period. Costs incurred in connection with completed homes and selling, general, and administrative costs are expensed as incurred.

UHG relies on certain estimates to determine its construction and land development costs. Construction and land costs are comprised of direct and allocated costs, including estimated future costs. In determining these costs, UHG compiles project budgets that are based on a variety of assumptions, including future construction schedules and costs to be incurred. Actual results can differ from budgeted amounts for various reasons, including construction delays, labor or material shortages, slower absorptions, increases in costs that have not yet been committed, changes in governmental requirements, or other unanticipated issues encountered during construction and development and other factors beyond UHG's control. To address uncertainty in these budgets, UHG assesses, updates and revises project budgets on a regular basis, utilizing the most current information available to estimate home construction and land development costs.

Developed lots are typically allocated to individual residential lots on a per lot basis based on specific costs incurred for the acquisition of the lot. At the time construction of the home begins, developed lots are transferred to homes under construction within inventory. Sold units are expensed to cost of sales based on a specific identification basis. Cost of sales consists of specific construction costs of each home, estimated warranty costs, allocated developed lots, and closing costs applicable to the home.

Inventories are carried at the lower of accumulated cost or net realizable value. UHG periodically reviews the performance and outlook of its inventories for indicators of potential impairment.

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UHG records rebates with certain suppliers as a reduction in cost of sales based on a specific identification basis. At the time of closing, costs that were incurred as part of the construction of the home but not paid at the time of closing are accrued. The accrual is recorded within cost of sales.

Share-Based Compensation

As of December 31, 2023, the Company had outstanding three types of share-based compensation: stock options, restricted stock units ("RSUs") and stock warrants. Stock option and RSU awards are expensed on a straight-line basis over the requisite service period of the entire award from the date of grant through the period of the last separately vesting portion of the grant. The Company accounts for forfeitures when they occur. Stock warrant awards do not contain a service condition and are expensed on the grant date. The fair value of financial instruments stock option awards, granted or modified, is determined on the grant date (or modification or acquisition dates, if applicable) at fair value, using the Black-Scholes option pricing model. This model requires the input of highly subjective assumptions, including the option's expected term and accrued expenses. We base our estimates stock price volatility. The grant date fair value of the RSUs is the closing price of UHG's common stock on historical experience, known trends and events and various other factors that we believe the date of the grant. Refer to be reasonable under*Note 15 - Share-based compensation* of the circumstances, Notes to the results of which form the basis Consolidated Financial Statements contained in this report for making judgments about the carrying values of assets and liabilities and related revenue and expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

additional information.

Derivative Warrant Liabilities

We do

The Company does not use derivative instruments to hedge our exposures to cash flow, market, or foreign currency risks. Management The Company evaluates all of the Company's consolidated its financial instruments, including issued warrants, to purchase its Class A common stock, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to FASB ASC Topic 480, "Distinguishing Liabilities from Equity" ("ASC 480") and FASB ASC Topic 815, "Derivatives and Hedging" ("ASC 815"). derivatives. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

Refer to *Components of UHG's Operating Results* above for additional information related to those instruments that the Company accounts for as a derivative liability.

Earnout Shares

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The warrants issued in connection with the Initial Public Offering (the "Public Warrants") and the Private Placement Warrants are Earnout Shares were recognized as derivative liabilities in accordance with ASC 815. Accordingly, we recognize the warrant instruments as liabilities at fair value on the Closing Date and adjust are subsequently remeasured at each reporting date with changes in fair value recorded in the instruments Company's Consolidated Statements of Operations.

Earnout Shares issuable to employees and directors of the Company ("Employee Option Holders") at the Closing Date are considered a separate unit of account, and the value of these shares was recognized as a one-time stock compensation expense for the grant date fair value using the Monte Carlo simulation valuation model.

Refer to *Note 15 - Share-based compensation* and *Note 16 - Earnout shares* of the Notes to the Consolidated Financial Statements contained in this report for additional information, including definitions.

PIPE Investment

The Company accounts for the Notes at amortized cost and amortizes the debt discount to interest expense using the effective interest method over the expected term of the Notes. Refer to *Note 3 - Summary of significant accounting policies* and *Note 14 - Convertible note payable* of the Notes to the Consolidated Financial Statements contained in this report for additional information.

Unconsolidated Variable Interest Entities

Management analyzes the Company's investments and transactions under the variable interest model to determine if they are variable interest entities ("VIEs"), and, if so determine whether the Company is the primary beneficiary and consolidation is appropriate. Management reviews its involvement with a VIE and reconsiders that conclusion if there are any changes to the Company's involvement that arise. To make this determination, management considers factors such as whether the Company could direct finance, determine or limit the scope of the entity, sell or transfer property, direct development or direct other operating decisions. Management consolidates the entity if the Company is the primary beneficiary or if a standalone primary beneficiary does not exist and the Company and its related parties collectively meet the definition of a primary beneficiary. If the investment does not qualify as a VIE under the variable interest model, management then evaluates the entity under the voting interest model to assess if consolidation is appropriate.

The Company has entered into a shared services agreement with a related party that operates in the land development business in which the Company will provide accounting, IT and HR, and other administrative support services and receive property maintenance services and due diligence and negotiation assistance with purchasing third party finished lots. Management concluded that it has a variable interest in this entity through the service agreement that provides

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the Company with the obligation to absorb losses and the right to receive benefits based on fees that are below market rates. Additionally, the Company enters into lot option purchase agreements with the same related party to procure land or lots for the construction of homes and has determined that while this related party qualifies as a VIE, it does not however qualify for consolidation as the Company is not the primary beneficiary of the VIE nor does it have the power to direct the VIE's significant activities. Refer to *Note 3 - Summary of significant accounting policies* of the Notes to the Consolidated Financial Statements contained in this report for additional information.

Business Acquisitions and Valuation of Contingent Consideration

The Company accounts for business acquisitions using the acquisition method. Under ASC 805 a business combination occurs when an entity obtains control of a "business." The Company determines whether or not the gross assets acquired meet the definition of a business. If they meet this criteria, the Company accounts for the transaction as a business acquisition. If they do not meet this criteria the transaction is accounted for as an asset acquisition. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issuance of debt or equity securities. Any contingent consideration is measured at fair value at the date of acquisition and is based on expected cash flow of the acquisition target discounted over time using an observable market discount rate. The Company generally utilizes outside valuation experts to determine the amount of contingent consideration. Contingent consideration is remeasured at fair value at each reporting period until they are exercised. Their re-measurement to date and subsequent changes in the fair value of the contingent consideration are recognized in Other income (expense) in the Consolidated Statements of Operations.

Goodwill

Goodwill represents the excess of the purchase price paid over the fair value of the net assets acquired and liabilities assumed in business acquisitions. In accordance with ASC 350, the Company analyzes goodwill for impairment on an annual basis (or more often if indicators of impairment exist). The Company performs a qualitative assessment to determine whether the existence of events or circumstances leads to a determination that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. When performing a qualitative assessment, the Company evaluates qualitative factors to determine if it is more-likely-than-not that the fair value of the reporting unit is less than its carrying amount. If the qualitative assessment indicates that it is more-likely-than-not that the fair value of the reporting unit is less than its carrying amount, then a quantitative assessment is performed to determine the reporting unit's fair value. If the reporting unit's carrying value exceeds its fair value, then an impairment loss is recognized for the amount of the excess of the carrying amount over the reporting unit's fair value.

The evaluation of goodwill for possible impairment includes estimating fair value using one or a combination of valuation techniques, such as discounted cash flows. These valuations require the Company to make estimates and assumptions regarding future operating results,

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cash flows, changes in our statements capital expenditures, selling prices, profitability, and the cost of operations. capital. Although the Company believes its assumptions and estimates are reasonable, deviations from the assumptions and estimates could produce a materially different result. As of December 31, 2023, there were no triggering events or impairments recorded.

Recently Issued/Adopted Accounting Standards

Refer to the sections titled *"Recently Adopted Accounting Pronouncements"* and *"Recent Accounting Pronouncements Not Yet Adopted"* in Note 3 of the Notes to the Consolidated Financial Statements contained in this report, for more information.

Off-Balance Sheet Arrangements

Land-Light Acquisition Strategy

The Company operates a land-light and capital efficient lot acquisition strategy primarily through lot purchase agreements. These contracts generally allow the Company to forfeit its right to purchase the lots for any reason, and its sole legal obligation and economic loss as a result of such forfeitures is limited to the amount of the deposits paid pursuant to such agreements. The Company does not have any financial guarantees or completion obligations, and does not guarantee lot purchases on a specific performance basis under these agreements.

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 right to acquire, in addition to lots that UHG may acquire from third party lot option contracts. The entire risk of loss pertaining to the aggregate purchase price of contractual commitments resulting from non-performance under finished lot purchase agreements is limited to approximately $33.0 million in Lot purchase agreement deposits as of December 31, 2023.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk

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

UHG is subject to market risk on its debt instruments primarily due to fluctuations in interest rates. UHG utilizes both fixed-rate and variable-rate debt. For fixed-rate debt, changes in interest rates generally affect the fair value of the debt instrument but not earnings or cash flows. Conversely, for variable-rate debt, changes in interest rates generally do not impact the fair value of the debt instrument, but may affect the Company's future earnings and cash flows. UHG has not entered into, nor does it intend to enter into in the future, derivative financial instruments for trading or speculative purposes or to hedge against interest rate fluctuations

The interest rate on the borrowings under the Syndicated Line is based upon adjusted daily simple SOFR plus an applicable margin ranging between 275 basis points and 350 basis

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points, based upon UHG's leverage ratio. Therefore, UHG is exposed to market risks related to fluctuations in interest rates on its outstanding debt under the Syndicated Line. As of December 31, 2023, UHG had $77.2 million outstanding under the Syndicated Line, which carried a weighted average interest rate of 8.13%. A 100 basis point increase in overall interest rates would negatively affect the Company's net income by approximately $0.8 million.

The fair value of the Public Warrants issued in connection with outstanding Notes is subject to market risk and other factors due to the convertible features. The Notes are convertible at the holder's option into UHG Class A Common Shares at any time after March 30, 2024 through March 30, 2028, at a per share price ("Initial Public Offering have been measured at fair value using a Monte Carlo simulation model, and Conversion Price") equal to 80% of volume-weighted average trading sale price ("VWAP") per UHG Class A Common Share during the Private Placement Warrants have been measured at fair value using a modified Black-Scholes model. As of December 31, 2022 and 2021, 30 consecutive trading days prior to the value first anniversary of the Public Warrants was measured based Closing Date. The Initial Conversion Price has a floor of $5.00 per share and a cap of $10.00 per share. Once the conversion price is established on the listed market price of such warrants since being separately listed and traded. The determination of March 30, 2024, the fair value of the warrant liability may be subject to change Notes will generally increase as more current information becomes available and accordingly the actual results could differ significantly. Derivative warrant liabilities are classified as non-current liabilities as their liquidation is not reasonably expected to require the use of current assets or require the creation of current liabilities.

Class A Common Stock Subject to Possible Redemption

We account for our Class A common stock subject to possible redemption in accordance with price increases and will generally decrease as the guidance in ASC 480. Class A common stock subject to mandatory redemption (if any) price declines in value. The Notes are classified as liability instruments carried at amortized cost and are measured at the fair value. Conditionally redeemable Class A common stock (including shares of Class A common stock that feature redemption rights that are

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either within value is presented for disclosure purposes only. The interest and market value changes affect the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within our control) are classified as temporary equity. At all other times, Class A common stock are classified as stockholders' equity. Our Class A common stock

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feature certain redemption rights that are considered to be outside of our control and subject to occurrence of uncertain future events. Accordingly, at December 31, 2022 and 2021, 34,500,000 shares of Class A common stock subject to possible redemption at the redemption amount were presented at redemption value as temporary equity, outside of the stockholders' equity section of our consolidated balance sheets.

We recognize changes in redemption value immediately as they occur and adjust the carrying fair value of the Class A common stock subject Notes, but do not impact UHG's financial position, cash flows, or results of operations due to possible redemption to equal the redemption value at the end of each reporting period. Immediately, upon the closing fixed nature of the Initial Public Offering, the Company recognized the accretion from initial book value to redemption amount, which resulted in charges against additional paid-in capital (to the extent available) and accumulated deficit.

Offering Costs Associated with the Initial Public Offering

Offering costs consisted of legal, accounting, underwriting fees and other costs incurred through the Initial Public Offering that were directly related to the Initial Public Offering. Offering costs are allocated to the separable financial instruments issued in the Initial Public Offering based on a relative fair value basis, compared to total proceeds received. Offering costs associated with warrant liabilities are expensed as incurred, presented as non-operating expenses in the statements of operations. Offering costs associated with the Class A common stock were charged against the carrying value of the Class A common stock upon the completion of the Initial Public Offering. We classify deferred underwriting commissions as non-current liabilities as their liquidation is not reasonably expected to require the use of current assets or require the creation of current liabilities.

Net Income Per Share of Common Stock

We comply with accounting and disclosure requirements of FASB ASC Topic 260, "Earnings Per Share." We have two classes of shares, which are referred to as Class A common stock and Class B common stock. Income and losses are shared pro rata between the two classes of shares. Net income per common share is calculated by dividing the net income by the weighted average shares of common stock outstanding for the respective period.

The calculation of diluted net income per common stock does not consider the effect of the warrants issued in connection with the Initial Public Offering and the Private Placement to purchase an aggregate of 14,558,333 shares of common stock in the calculation of diluted income per share, because their exercise is contingent upon future events. Accretion associated with the redeemable Class A common stock is excluded from earnings per share as the redemption value approximates fair value.

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Recent Accounting Pronouncements

We do not believe that any recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on our financial statements.

Off-Balance Sheet Arrangements

As of December 31, 2022, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

JOBS Act

The Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") contains provisions that, among other things, relax certain reporting requirements for qualifying public companies. We qualify as an "emerging growth company" and under the JOBS Act are allowed to comply with new or revised accounting pronouncements based on the effective date for private (not publicly traded) companies. We are electing to delay the adoption of new or revised accounting standards, and as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As a result, the financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

Additionally, we are in the process of evaluating the benefits of relying on the other reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an "emerging growth company," we choose to rely on such
debt obligation.

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exemptions we may not be required to, among other things, (i) provide an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and

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Consumer Protection Act, (iii) comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis) and (iv) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the CEO's compensation to median employee compensation. These exemptions will apply for a period of five years following the completion of our Initial Public Offering or until we are no longer an "emerging growth company," whichever is earlier.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

Item 8. Financial Statements and Supplementary Data

Reference is made to Pages F-1 through F-16 comprising a portion of this Report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act, such as this report, is recorded, processed, summarized, and reported within the time period specified in the SEC's rules and forms. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure. Our management evaluated, with the participation of our current chief executive officer and chief financial officer (our "Certifying Officers"), the effectiveness of our disclosure controls and procedures as of December 31, 2022, pursuant to Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, our Certifying Officers concluded that, as of December 31, 2022, our disclosure controls and procedures were not effective, because of a material weakness in our internal control over financial reporting. A material weakness is a

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deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. Specifically, the Company's management has concluded that our control around the interpretation and accounting for certain complex features of the Class A common stock and warrants issued by the Company was not effectively designed or maintained. This material weakness resulted in the restatement of the Company's balance sheet as of January 28, 2021, and its interim financial statements for the quarters ended March 31, 2021 and June 30, 2021.

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Management's Report on Internal Controls over Financial Reporting

As required by SEC rules and regulations implementing Section 404 of the Sarbanes-Oxley Act, our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our consolidated financial

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statements for external reporting purposes in accordance with U.S. GAAP. Our internal control over financial reporting includes those policies and procedures that:

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(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our company,

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors, and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect errors or misstatements in our consolidated financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate. Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2022. In making these assessments, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework (2013). Based on our assessments and those criteria, management determined that our internal controls over financial reporting were not effective as of December 31, 2022.

This Annual Report on Form 10-K does not include an attestation report of internal controls from our independent registered public accounting firm due to our status as an emerging growth company under the JOBS Act.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the fiscal quarter ended December 31, 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting except for the below:

Our management has concluded that our internal control resulted in the misclassification of Class A common stock as permanent equity instead of temporary equity and changes to the Company's net income (loss) per share calculations that have been restated within our Form 10-Q for the quarterly period ended September 30, 2021 filed with the SEC on November 22, 2021.

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The Chief Executive Officer and Chief Financial Officer performed additional accounting and financial analyses and other post-closing procedures including consulting with subject matter experts related to the accounting for certain complex features of the Class A common stock and warrants. The Company's management has expended, and will continue to expend, a substantial amount of effort and resources for the remediation and improvement of our internal control over financial reporting. While we have processes to properly identify and evaluate the appropriate accounting technical pronouncements and other literature for all significant or unusual transactions, we have expanded and will continue to improve these processes to ensure that the nuances of such transactions are effectively evaluated in the context of the increasingly complex accounting standards.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

UNITED HOMES GROUP, INC.

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

Officers, Directors and Director Nominees

Our officers, directors and director nominees are as follows:

Name	Age	Position
David T. Hamamoto	62	Chairman and Co-Chief Executive Officer

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Michael Bayles	39	Director and Co-Chief Executive Officer
Keith Feldman	46	Chief Financial Officer
Judith A. Hannaway	70	Director
Jonathan A. Langer	52	Director
Charles W. Schoenherr	62	Director

David T. Hamamoto our Chairman and Chief Executive Officer since inception, is the Founder of Diamond Head Partners, LLC which he established in 2017. He is also a director and chairman of the nominating and corporate governance committee of Lordstown and previously served as the Chairman and Chief Executive Officer of DiamondPeak. Previously, he served as Executive Vice Chairman of Colony NorthStar (now Colony Capital (NYSE: CLNY)), a real estate and investment management firm, from January 2017 through January 2018. The NorthStar companies, which he founded, were sold to Colony Capital in January 2017. Prior to the sale, Mr. Hamamoto was Executive Chairman of NorthStar Asset Management Group ("NSAM") since 2015, having previously served as its Chairman and Chief Executive Officer from 2014 until 2015. Mr. Hamamoto was the Chairman of the board of directors of NorthStar Realty Finance Corp. (NYSE: NRF) ("NRF"), a real estate investment trust, from 2007 to January 2017 and served as one of its directors from 2003 to January 2017. Mr. Hamamoto previously served as NRF's Chief Executive Officer from 2004 until 2015 and President from 2004 until 2011. Mr. Hamamoto was Chairman of the board of directors of NorthStar Realty Europe Corp. from 2015 to January 2017. In 1997, Mr. Hamamoto co-founded NorthStar Capital Investment Corp., the predecessor to NorthStar Realty Finance, for which he served as Co-Chief Executive Officer until 2004. Prior to NorthStar, Mr. Hamamoto was a partner and co-head of the Real Estate Principal Investment Area at Goldman, Sachs & Co. During Mr. Hamamoto's tenure at Goldman, Sachs & Co., he initiated the firm's effort to build a real estate principal investment business under the auspices of the Whitehall Funds. Between April and July 2018, several class actions (and two derivative lawsuits) were filed in connection with the Colony-NorthStar merger and the merged company's performance thereafter; three in federal court in California, three in state court in California, and two in state court in Maryland. Mr. Hamamoto is named as an individual defendant in each of these lawsuits. The lawsuits generally share a factual nexus, and allege securities law violations and other claims against all

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defendants, including Mr. Hamamoto. Presently, only one federal and one (consolidated) state case are pending. Mr. Hamamoto disputes all such allegations and is defending vigorously against the lawsuits. In 2021, several class actions and derivative lawsuits were filed in connection with the DiamondPeak-Lordstown Motors merger and claims relating to Lordstown vehicle pre-orders and production timeline; seven in federal court in Ohio, four in federal court in Delaware and four in chancery court in Delaware. Mr. Hamamoto is named as an individual defendant in certain of these lawsuits. The lawsuits generally share a factual nexus, and allege securities law violations and other claims against all defendants, including Mr. Hamamoto. Mr. Hamamoto disputes all such allegations and is defending vigorously against the lawsuits. Mr. Hamamoto received a B.S. from Stanford University and an M.B.A. from the Wharton School of Business at the University of Pennsylvania. He is well qualified to serve as a director due to his extensive real estate, investment and operational experience.

Michael Bayles. Mr. Bayles, one of our directors and Co-Chief Executive Officer, currently serves as Chief Executive Officer and a director of EVO Transportation & Energy Services, Inc. Mr. Bayles previously served as a director and chief restructuring officer from October 2020 to March 2021 and restructuring advisor from May 2020 to October 2020. Mr. Bayles served as a vice president of investments of Slam Corp., a special purpose acquisition company, from March 2021 through September 2022. Mr. Bayles previously served as an analyst at Antara Capital LP from May 2018 until May 2020, and as a credit analyst at GLG Partners from May 2016 to December 2017. Prior to GLG Partners, Mr. Bayles was a vice president at Avenue Capital Group from September 2008 to April 2016.

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Mr. Bayles started his career as an investment banking analyst at J.P. Morgan and then a restructuring analyst at Lazard. Mr. Bayles has a bachelor's degree in economics from the Wharton School of the University of Pennsylvania.

Keith Feldman. Mr. Feldman, one of our directors and Chief Financial Officer since inception, currently serves as a director and the chairman of the audit

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committee of Lordstown and previously served as the Chief Financial Officer and Treasurer of NorthStar Realty Europe Corp. (NYSE: NRE), a NYSE listed REIT focused on European commercial real estate properties from May 2017, through the acquisition by AXA Investment Managers-Real Assets, in September 2019. Mr. Feldman served as a managing director of Colony Capital, Inc., from January 2017 to October 2019 and served as a managing director of NorthStar Asset Management Group Inc., a predecessor company of Colony Capital, Inc. from July 2014 to January 2017, as a managing director of NorthStar Realty Finance Corp. from January 2014 to July 2014 and as a director of NorthStar Realty Finance Corp. from January 2012 to December 2013. In each of these roles, Mr. Feldman's responsibilities included capital markets, corporate finance, and investor relations. Earlier in his career, Mr. Feldman held various financial positions at NorthStar Realty Finance Corp., Goldman Sachs, J.P. Morgan Chase and KPMG LLP. Mr. Feldman received a Bachelor of Science in accounting from Binghamton University. In 2021, several class actions and derivative lawsuits were filed in connection with the DiamondPeak-Lordstown Motors merger and claims relating to Lordstown vehicle pre-orders and production timeline; seven in federal court in Ohio, four in federal court in Delaware and two in chancery court in Delaware. Mr. Feldman is named as an individual defendant in each of these lawsuits. The lawsuits generally share a factual nexus, and allege securities law violations and other claims against all defendants, including Mr. Feldman. Mr. Feldman disputes all such allegations and is defending vigorously against the lawsuits. Mr. Feldman is a CFA charterholder and a CPA. He is well qualified to serve as a director due to his experience with the operations and management, financial reporting and auditing of public companies in addition to operational expertise.

Judith A. Hannaway. Ms. Hannaway is one of our directors and currently acts as a consultant to various financial institutions. Ms. Hannaway previously served as a director of DiamondPeak. Prior to this, until 2004, Ms. Hannaway was employed by Scudder Investments, a wholly-owned subsidiary of Deutsche Bank Asset Management, as a Managing Director. Ms. Hannaway joined Scudder Investments in 1994 and was responsible for Special Product Development including closed-end funds, offshore funds and REIT funds. Prior to joining Scudder Investments, Ms. Hannaway was employed by Kidder Peabody as a Senior Vice President in Alternative Investment Product Development. She joined Kidder Peabody in 1980 as a Real-Estate Product Manager. Ms. Hannaway has served as an independent director of Fortress Transportation & Infrastructure LLC since 2018, and previously served as the lead independent director of NorthStar Realty Europe Corp. (NYSE: NRE) from 2015 to 2019, NorthStar Realty Finance Corp. (NYSE: NRF) from 2004 to

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2017 and NorthStar Asset Management Group Inc. (NYSE: NSAM) from 2014 to 2017. Additionally Ms. Hannaway served as chairperson of the independent committee of NRE, negotiating and overseeing its sale and assimilation into AXA in 2019. Ms. Hannaway holds a Bachelor of Arts from Newton College of the Sacred Heart and a Master of Business Administration from Simmons College Graduate Program in Management. She is well qualified to serve as a director due to her extensive investment, financial and public company experience.

Jonathan A. Langer. Jonathan A. Langer is one of our directors and currently serves as a Managing Member of Fireside Investments, LLC, a private investment firm that Mr. Langer founded in 2012. Mr. Langer is a member of the Board of Directors of KKR Real Estate Finance Trust Inc. (NYSE: KREF), which he joined in May 2017. Mr. Langer is also currently a member of the Board of Directors of International Market Centers, Inc., which he joined in September of 2017. Mr. Langer previously served as Chief Executive Officer and President of NorthStar Realty Finance Corp. (NYSE: NRF) from August 2015 to March 2017, when NorthStar Realty Finance Corp. merged with Colony Capital, Inc. and NorthStar Asset Management Group Inc. He also previously served as Executive Vice President of NorthStar Asset Management Group from August 2015 to March 2017, a position he maintained as a co-employee with NorthStar Realty Finance Corp. Mr. Langer was an Operating Partner and Consultant at Bain Capital from March 2010 to March 2012, where he worked in its private equity area. From 1994 to 2010, Mr. Langer was employed at Goldman, Sachs & Co., where he worked as a Partner in its Real Estate Principal Investment Area (REPIA). His responsibilities included overseeing REPIA's North American real estate and global lodging investment efforts. Mr. Langer previously served on the boards of Icon Parking, Westin Hotels and Resorts, Kerzner International Resorts, Inc., Hilton Hotels & Resorts, Strategic Hotels & Resorts, Inc. and Morgans Hotel Group. Mr. Langer received a B.S. in Economics from the Wharton School at the University of Pennsylvania. Mr. Langer is qualified to serve as a director due to his expertise in and knowledge of real estate investment and finance industries and his extensive experience in management and director roles in public and private companies.

Charles W. Schoenherr. Mr. Schoenherr is one of our directors and currently serves as Managing Director of Waypoint Residential, LLC, which invests in multifamily properties in the Sunbelt. He has served in this capacity since January 2011 and is responsible for sourcing acquisition opportunities and raising capital. Mr. Schoenherr previously served on the Board of Directors of Colony Capital from

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January 2017 through June 2020. Prior to serving on Colony Capital's board, Mr. Schoenherr served on the Board

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of Directors of NorthStar Realty Finance Corp., NorthStar Realty Europe Corp. and NorthStar Real Estate Income II, Inc., positions he had held from June 2014, October 2015 and December 2012, respectively. Mr. Schoenherr also previously served on the Board of Directors of NorthStar Real Estate Income Trust, Inc. from January 2010 to October 2015. From June 2009 until January 2011, Mr. Schoenherr served as President of Scout Real Estate Capital, LLC, a full service real estate firm that focuses on acquiring, developing and operating hospitality assets, where he was responsible for managing the company's properties and originating new acquisition and asset management opportunities. Between September 1997 and October 2008, Mr. Schoenherr served as Senior Vice President and Managing Director of Lehman Brothers' Global Real Estate Group, where he was responsible for originating debt, mezzanine and equity transactions on all major property types throughout the United States. During his career he has also held senior management positions with GE Capital Corporation, GE Investments, Inc. and KPMG LLP, where he also practiced as a certified public accountant. Mr. Schoenherr currently serves on the Board of Trustees of Iona College and is on its Real Estate and Investment Committees. Mr. Schoenherr holds a Bachelor of Business Administration in Accounting from Iona College and a Master of Business Administration in Finance from the University of Connecticut. Mr. Schoenherr's expertise in and knowledge of real estate investment and finance industries, including extensive experience originating debt, mezzanine and equity transactions, qualify him to serve as a director.

Number and Terms of Office of Officers and Directors

We currently have five directors. Our board of directors has been divided into three classes with only one class of directors being elected in each year and each class (except for those directors appointed prior to our first annual meeting of stockholders) serving a three-year term. The term of office of the first class of directors, consisting of Ms. Hannaway and Mr. Langer, will expire at our first annual

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meeting of stockholders. The term of office of the second class of directors, consisting of Mr. Schoenherr, will expire at the second annual meeting of stockholders. The term of office of the third class of directors, consisting of Mr. Hamamoto and Mr. Bayles, will expire at the third annual meeting of stockholders. In accordance with Nasdaq corporate governance requirements, we are not required to hold an annual general meeting until one year after our first fiscal year-end following our listing on Nasdaq. We may not hold an annual meeting of stockholders until after we consummate our initial business combination.

Our officers are appointed by the board of directors and serve at the discretion of the board of directors, rather than for specific terms of office. Our board of directors is authorized to appoint persons to the offices set forth in our bylaws as it deems appropriate. Our bylaws provide that our officers may consist of one or more Chairmen of the Board, one or more Chief Executive Officers, a President, a Chief Financial Officer, Vice Presidents, Secretary, Treasurer and such other offices as may be determined by the board of directors.

Director Independence

Nasdaq listing standards require that a majority of our board of directors be independent within one year of our initial public offering and that our initial business combination be approved by a majority of our independent directors. Although there is an exception for “controlled companies” such as us, we do not intend to rely on such exemption. A majority of our board of directors are “independent directors” as defined in the Nasdaq listing standards and applicable SEC rules. Our audit committee will be entirely composed of independent directors meeting Nasdaq's additional requirements applicable to members of the audit committee. Our independent directors will have regularly scheduled meetings at which only independent directors are present.

Committees of the Board of Directors

Our board of directors has two standing committees: an audit committee and a compensation committee. Subject to phase-in rules and a limited exception, the rules of Nasdaq and Rule 10A-3 of the Exchange Act require that the audit committee of a listed company be comprised solely of independent directors, and the rules of Nasdaq require that the compensation committee of a listed company be comprised solely of independent directors.

Audit Committee

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We have established an audit committee of the board of directors. Mr. Schoenherr, Ms. Hannaway and Mr. Langer serve as members of our audit committee. Under the Nasdaq listing standards and applicable SEC rules, we are required to have at least three members of the audit committee, all of whom must be independent, subject to certain phase-in provisions. Mr. Schoenherr, Ms. Hannaway and Mr. Langer meet the independent director standard under Nasdaq listing standards and under Rule 10-A-3(b)(1) of the Exchange Act.

Each member of the audit committee is financially literate and our board of directors has determined that Mr. Schoenherr qualifies as an "audit committee financial expert" as defined in applicable SEC rules.

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We have adopted an audit committee charter, which details the principal functions of the audit committee, including:

- the appointment, compensation, retention, replacement, and oversight of the work of the independent auditors and any other independent registered public accounting firm engaged by us;
- pre-approving all audit and permitted non-audit services to be provided by the independent auditors or any other registered public accounting firm engaged by us, and establishing pre-approval policies and procedures;
- reviewing and discussing with the independent auditors all relationships the auditors have with us in order to evaluate their continued independence;
- setting clear hiring policies for employees or former employees of the independent auditors;
- setting clear policies for audit partner rotation in compliance with applicable laws and regulations;

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- obtaining and reviewing a report, at least annually, from the independent auditors describing (i) the independent auditor's internal quality-control procedures and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm and any steps taken to deal with such issues;

- reviewing and approving any related party transaction required to be disclosed pursuant to Item 404 of Regulation S-K promulgated by the SEC prior to us entering into such transaction; and

- reviewing with management, the independent auditors, and our legal advisors, as appropriate, any legal, regulatory or compliance matters, including any correspondence with regulators or government agencies and any employee complaints or published reports that raise material issues regarding our financial statements or accounting policies and any significant changes in accounting standards or rules promulgated by the Financial Accounting Standards Board, the SEC or other regulatory authorities.

Compensation Committee

We have established a compensation committee of the board of directors. Mr. Langer and Mr. Schoenherr serve as members of our compensation committee. Under the Nasdaq listing standards and applicable SEC rules, we are required to have at least two members of the compensation committee, each of whom must be independent, subject to certain phase-in provisions. Mr. Langer and Mr. Schoenherr meet the independent director standard under Nasdaq listing standards applicable to members of the compensation committee.

We adopted a compensation committee charter, which details the principal functions of the compensation committee, including:

- reviewing and approving on an annual basis the corporate goals and objectives relevant to our Chief Executive Officer's compensation, evaluating our Chief Executive Officer's performance in light of such goals and objectives and determining and approving the remuneration (if any) of our Chief Executive Officer based on such evaluation;

- reviewing and approving on an annual basis the compensation of all of our other officers;

- reviewing on an annual basis our executive compensation policies and plans;

- implementing and administering our incentive compensation equity-based remuneration plans;

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- assisting management in complying with our proxy statement and annual report disclosure requirements;

- approving all special perquisites, special cash payments and other special compensation and benefit arrangements for our officers and employees;

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- if required, producing a report on executive compensation to be included in our annual proxy statement; and

- reviewing, evaluating and recommending changes, if appropriate, to the remuneration for directors.

Notwithstanding the foregoing, as indicated above, other than the payment to our sponsor of $10,000 per month, until July 28, 2023, for office space, utilities and secretarial and administrative support and reimbursement of expenses, no compensation of any kind, including finders, consulting or other similar fees, will be paid to any of our existing stockholders, officers, directors or any of their respective affiliates, prior to, or for any services they render in order to complete the consummation of a business combination. Accordingly, it is likely that prior to the consummation of an initial business combination, the compensation committee will only be responsible for the review and recommendation of any compensation arrangements to be entered into in connection with such initial business combination.

The charter also provides that the compensation committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser and will be directly responsible for the appointment, compensation and

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oversight of the work of any such adviser. However, before engaging or receiving advice from a compensation consultant, external legal counsel or any other adviser, the compensation committee will consider the independence of each such adviser, including the factors required by Nasdaq and the SEC.

Director Nominations

We do not have a standing nominating committee. In accordance with Rule 5605(e)(2) of the Nasdaq Rules, a majority of the independent directors may recommend a director nominee for selection by the board of directors. The board of directors believes that the independent directors can satisfactorily carry out the responsibility of properly selecting or approving director nominees without the formation of a standing nominating committee. As there is no standing nominating committee, we do not have a nominating committee charter in place.

The board of directors will also consider director candidates recommended for nomination by our stockholders during such times as they are seeking proposed nominees to stand for election at the next annual meeting of stockholders (or, if applicable, a special meeting of stockholders). Our stockholders that wish to nominate a director for election to our board of directors should follow the procedures set forth in our bylaws.

We have not formally established any specific, minimum qualifications that must be met or skills that are necessary for directors to possess. In general, in identifying and evaluating nominees for director, our board of directors considers educational background, diversity of professional experience, knowledge of our business, integrity, professional reputation, independence, wisdom, and the ability to represent the best interests of our stockholders.

Compensation Committee Interlocks and Insider Participation

None of our officers currently serves, and in the past year have not served, as a member of the compensation committee of any entity that has one or more officers serving on our board of directors.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires our executive officers, directors and persons who beneficially own more than 10% of a registered class of our equity securities to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of our common stock and other

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equity securities. These executive officers, directors, and greater than 10% beneficial owners are required by SEC regulation to furnish us with copies of all Section 16(a) forms filed by such reporting persons. Based solely on our review of such forms furnished to us and written representations from certain reporting persons, we believe that all reports applicable to our executive officers, directors and greater than 10% beneficial owners were filed in a timely manner in accordance with Section 16(a) of the Exchange Act.

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Conflicts of Interest

We may, at our option, pursue an Affiliated Joint Acquisition opportunity with any such entity. Such entity may co-invest with us in the target business at the time of our initial business combination, or we could raise additional proceeds to complete the acquisition by making a specified future issuance to any such entity.

Each of our officers and directors presently has, and any of them in the future may have additional, fiduciary or contractual obligations to other entities pursuant to which such officer or director is or will be required to present business combination opportunities to such entity. Accordingly, in the future, if any of our officers or directors becomes aware of a business combination opportunity which is suitable for an entity to which he or she has then-current fiduciary or contractual obligations, he or she will honor his or her fiduciary or contractual obligations to present such opportunity to such entity. We do not believe, however, that any fiduciary duties or contractual obligations of our officers arising in the future would materially undermine our ability to complete our business combination. In addition, we may, at our option, pursue an Affiliated Joint Acquisition opportunity with an entity to which an officer or director has a fiduciary or contractual obligation. Our certificate of incorporation provides that we renounce our interest in any corporate opportunity offered to any director or officer unless such opportunity is expressly offered to such person solely in his or her capacity as a director or officer of our company and such opportunity is one we are legally and contractually permitted to undertake and would otherwise be reasonable for us to pursue.

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Our officers and directors have agreed not to become an officer or director of any other special purpose acquisition company with a class of securities registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, until we have entered into a definitive agreement regarding our initial business combination or we have failed to complete our initial business combination by July 28, 2023.

Potential investors should also be aware of the following other potential conflicts of interest:

- None of our officers or directors is required to commit his or her full time to our affairs and, accordingly, may have conflicts of interest in allocating his or her time among various business activities.

- In the course of their other business activities, our officers and directors may become aware of investment and business opportunities which may be appropriate for presentation to us as well as the other entities with which they are affiliated. Our management may have conflicts of interest in determining to which entity a particular business opportunity should be presented.

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- Our initial stockholders have agreed to waive their redemption rights with respect to any founder shares and any public shares held by them in connection with the consummation of our initial business combination. Additionally, our initial stockholders have agreed to waive their redemption rights with respect to any founder shares held by them if we fail to consummate our initial business combination by July 28, 2023. If we do not complete our initial business combination within such applicable time period, the proceeds of the sale of the private placement warrants held in the trust account will be used to fund the redemption of our public shares, and the private placement warrants will expire worthless. With certain limited exceptions, the founder shares are not transferable, assignable by our sponsor or our anchor investors until the earlier of: (A) one year after the completion of our initial business combination or (B) subsequent to our initial business combination, (x) if the last reported sale price of our Class A common stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after our initial business combination, or (y) the date on which we complete a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of our stockholders having the right to exchange their shares of common stock for cash, securities or other property. With certain limited exceptions, the private placement warrants, the warrants that may be issued upon conversion of working capital loans and the Class A common stock underlying such warrants, are not transferable, assignable or salable by our sponsor, the anchor investors or their permitted transferees until 30 days after the completion of our initial business combination. Since our sponsor and officers and directors may directly or indirectly own common stock and warrants, our officers and directors may have a conflict of interest in determining whether a particular target business is an appropriate business with which to complete our initial business combination.

- Our officers and directors may have a conflict of interest with respect to evaluating a particular business combination if the retention or resignation of any such officers and directors was included by a target business as a condition to any agreement with respect to our initial business combination.

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- Our sponsor, officers or directors may have a conflict of interest with respect to evaluating a business combination and financing arrangements as we may obtain loans from our sponsor or an affiliate of our sponsor or any of our officers or directors to finance transaction costs in connection with an intended initial business combination. Up to $1,500,000 of such loans may be convertible into warrants at a price of $1.50 per warrant at the option of the lender. Such warrants would be identical to the private placement warrants, including as to exercise price, exercisability and exercise period.

- The conflicts described above may not be resolved in our favor.

- In general, officers and directors of a corporation incorporated under the laws of the State of Delaware are required to present business opportunities to a corporation if:

    - the corporation could financially undertake the opportunity;

    - the opportunity is within the corporation's line of business; and

    - it would not be fair to our company and its stockholders for the opportunity not to be brought to the attention of the corporation.

Accordingly, as a result of multiple business affiliations, our officers and directors may have similar legal obligations relating to presenting business opportunities meeting the above-listed criteria to multiple entities. Furthermore, our certificate of incorporation provides that we renounce our interest in any corporate opportunity offered to any director or officer unless such opportunity is expressly offered to such person solely in his or her capacity as a director or officer of our company and such opportunity is one we are legally and contractually permitted to undertake and would otherwise be reasonable for us to pursue, and to the extent the director or officer is permitted to refer that opportunity to us without violating another legal obligation.

We are not prohibited from pursuing an initial business combination with a company that is affiliated with our sponsor, officers or directors, subject to certain approvals and consents. In the event we seek to complete our initial business combination with such a company, we, or a committee of independent directors, would obtain an opinion from an independent investment banking firm, or from an independent accounting firm, that such an initial business combination is fair to our company from a financial point of view.

In the event that we submit our initial business combination to our public stockholders for a vote, our initial stockholders have agreed to vote any founder shares held by them and any public shares purchased during or after the offering in favor of our initial business combination and our officers and directors have also

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agreed to vote any public shares purchased during or after the offering in favor of our initial business combination.

Limitation on Liability and Indemnification of Officers and Directors

Our certificate of incorporation provides that our officers and directors will be indemnified by us to the fullest extent authorized by Delaware law, as it now exists or may in the future be amended. In addition, our certificate of incorporation provides that our directors will not be personally liable for monetary damages to us or our stockholders for breaches of their fiduciary duty as directors, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL.

We have entered into agreements with our officers and directors to provide contractual indemnification in addition to the indemnification provided for in our certificate of incorporation. Our bylaws permit us to secure insurance on behalf of any officer, director or employee for any liability arising out of his or her actions, regardless of whether Delaware law would permit such indemnification. We have purchased a policy of directors' and officers' liability insurance that insures our officers and directors against the cost of defense, settlement or payment of a judgment in some circumstances and insures us against our obligations to indemnify our officers and directors.

These provisions may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against officers and directors, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against officers and directors pursuant to these indemnification provisions.

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We believe that these provisions, the directors' and officers' liability insurance and the indemnity agreements are necessary to attract and retain talented and

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experienced officers and directors.

Availability of Documents

We have filed a copy of our form of Code of Ethics, our audit committee charter, our nominating committee charter and compensation committee charter as exhibits to the registration statement filed in connection with our initial public offering. You may to review these documents by accessing our public filings at the SEC's web site at www.sec.gov. In addition, a copy of the Code of Ethics will be provided without charge upon request from us. We intend to disclose any amendments to or waivers of certain provisions of our Code of Ethics in a Current Report on Form 8-K.

Item 11. Executive Compensation

None of our officers or directors has received any cash compensation for services rendered to us. Commencing on January 25, 2021, we have agreed to pay our sponsor a total of $10,000 per month for office space, utilities and secretarial and administrative support. No compensation of any kind, including finder's and consulting fees, has been or will be paid to our sponsor, officers and directors, or any of their respective affiliates, for services rendered prior to or in connection with the completion of our initial business combination. However, these individuals are reimbursed for any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations. Our audit committee reviews on a quarterly basis all payments that were made to our sponsor, officers or directors, or our or their affiliates.

After the completion of our initial business combination, directors or members of our management team who remain with us may be paid consulting or management fees from the combined company. All of these fees will be fully disclosed to stockholders, to the extent then known, in the tender offer materials or proxy solicitation materials furnished to our stockholders in connection with a proposed business combination. We have not established any limit on the amount of such fees that may be paid by the combined company to our directors or members of management. It is unlikely the amount of such compensation will be known at the time of the proposed business combination, because the directors of the post-combination business will be responsible for determining officer and director compensation. Any compensation to be paid to our officers will be determined, or recommended to the board of directors for determination, either by a compensation

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committee constituted solely by independent directors or by a majority of the independent directors on our board of directors.

Following a business combination, to the extent we deem it necessary, we may seek to recruit additional managers to supplement the incumbent management team of the target business. We cannot assure you that we will have the ability to recruit additional managers, or that additional managers will have the requisite skills, knowledge or experience necessary to enhance the incumbent management.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The table below (i) sets forth information regarding the beneficial ownership of our common stock, which is comprised of a total of 13,066,032 shares, consisting of (a) 4,441,032 shares of our Class A common stock and (b) 8,625,000 shares of our Class B common stock, issued and outstanding as of March 22, 2023, and (ii) is based on information obtained from the persons named below, with respect to the beneficial ownership of shares of our common stock, by:

- each person known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock;
- each of our executive officers and directors that beneficially owns shares of our common stock; and
- all our executive officers and directors as a group.

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In the table below, percentage ownership is based on 13,066,032 shares of our common stock, consisting of (i) 4,441,032 shares of our Class A common stock and (ii) 8,625,000 shares of our Class B common stock, issued and outstanding as of March 22, 2023.

Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all shares of common stock

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beneficially owned by them. The following table does not reflect record or beneficial ownership of the private placement warrants as these warrants are not exercisable within 60 days of the date of this Report.

	Class A Common Stock		Class B Common Stock	
Name and Address of Beneficial Owners(1)	Number of Shares Beneficially Owned(2)	% of Class	Number of Shares Beneficially Owned	% of Class
DHP SPAC-II Sponsor LLC(2)(3)	—	—	8,625,000	100 %
David T. Hamamoto(2)(3)	1,250,000	28.1 %	8,625,000	100 %
Michael Bayles	—	—	—	—
Keith Feldman	—	—	—	—
Jonathan A. Langer	—	—	—	—
Judith A. Hannaway	—	—	—	—
Charles Schoenherr	—	—	—	—
All executive officers and directors as a group (six individuals)(3)	1,250,000	28.1 %	8,625,000	100 %
Alan Levine(4)	1,000,000	22.5 %	—	—
Antara Capital(5)	1,250,000	28.1 %	—	—

(1) Unless otherwise noted, the business address of each of the following entities or individuals is c/o DiamondHead Holdings Corp., 250 Park Ave., 7th Floor, New York, New York 10177.

(2) Our sponsor is the record holder of the shares reported herein and is an affiliate of David T. Hamamoto, our Chairman and Co-Chief Executive Officer. David T. Hamamoto has voting and investment discretion with respect to the common stock held by our sponsor and may thus be deemed to have beneficial ownership of the common stock held directly by our sponsor. A fund managed by Antara Capital and certain of our officers and director nominees are members of our sponsor. Accordingly, each of the foregoing entities and individuals may be deemed to share beneficial ownership of the securities held of record by the sponsor. Other than David T. Hamamoto, each such entity or person disclaims any beneficial ownership of the reported shares other than to the extent of any pecuniary interest they may have therein, directly or indirectly.

(3) Includes up to 1,250,625 founder shares held by our sponsor that it has agreed to transfer to the anchor investors upon consummation of our initial business

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combination. As of the date of this annual report, each of the anchor investors have sold or redeemed all of their public shares; as a result, and in accordance with the terms of the subscription agreements each anchor investor entered into with us, the anchor investors will be allocated from the sponsor up to approximately 161,000 founder shares. See “Certain Relationships and Related Party Transactions” for additional information.

(4) The business address of Alan Levine is 90 N Royal Tower Drive, Irmo, South Carolina 29063.

(5) Represents 1,250,000 shares of Class A common stock purchased by Antara Capital pursuant to the financing commitment letter. The business address of Antara Capital is 55 Hudson Yards, 47th Floor, Suite C, New York, NY 10001. See “Certain Relationships and Related Party Transactions” for additional information.

Changes in Control.

Not applicable.

Item 13. Certain Relationships and Related Transactions, and Director Independence

In October 2020, our sponsor acquired 8,625,000 founder shares for an aggregate purchase price of $25,000. Additionally, upon consummation of our initial business combination, our sponsor agreed to transfer up to an aggregate of 1,250,625 founder shares to the anchor investors for the same price originally paid for such shares. As of the date of this annual report, each of the anchor investors have sold or redeemed all of their public shares; as a result, and in accordance with the terms of the subscription agreements each anchor investor entered into with us, the anchor investors will be allocated from the sponsor up to approximately 161,000 founder shares for a

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purchase price of $0.003 per share and at an aggregate approximate purchase price of $483 upon the Closing. Prior to the initial investment in the company of $25,000 by our sponsor, the company had no assets, tangible or intangible. The founder shares

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(including the Class A common stock issuable upon exercise thereof) may not, subject to certain limited exceptions, be transferred, assigned or sold by the holder.

Our sponsor and our anchor investors have purchased an aggregate of 5,933,333 private placement warrants for a purchase price of $1.50 per whole warrant, or $8,900,000 in the aggregate, in a private placement that occurred simultaneously with the closing of our initial public offering. Each private placement warrant entitles the holder to purchase one share of our Class A common stock at $11.50 per share. The private placement warrants (including the warrants that may be issued upon conversion of working capital loans and the Class A common stock issuable upon exercise of such warrants) may not, subject to certain limited exceptions, be transferred, assigned or sold by the holder.

If any of our officers or directors becomes aware of a business combination opportunity that falls within the line of business of any entity to which he or she has then-current fiduciary or contractual obligations, he or she will honor his or her fiduciary or contractual obligations to present such opportunity to such entity. We may, at our option, pursue an Affiliated Joint Acquisition opportunity with an entity to which an officer or director has a fiduciary or contractual obligation. Any such entity may co-invest with us in the target business at the time of our initial business combination, or we could raise additional proceeds to complete the acquisition by making a specified future issuance to any such entity.

No compensation of any kind, including finder's and consulting fees, will be paid to our sponsor, officers and directors, or any of their respective affiliates, for services rendered prior to or in connection with the completion of an initial business combination. However, these individuals will be reimbursed for any out-of- pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations. Our audit committee will review on a quarterly basis all payments that were made to our sponsor, officers, directors or our or their affiliates and will determine which expenses and the amount of expenses that will be reimbursed. There is no cap or ceiling on the reimbursement of out-of-pocket expenses incurred by such persons in connection with activities on our behalf.

Our anchor investors purchased an aggregate of 5,370,000 units in our initial public offering. Further, each of the anchor investors have agreed that if they, together with their affiliates, beneficially hold less than 9.9% of the shares sold in our initial public offering upon consummation of our initial business combination, they will forfeit certain founder shares back to the sponsor. There can be no assurance that what

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amount of equity our anchor investors will retain, if any, upon the consummation of our initial business combination. In the event that the anchor investors purchase additional units and vote them in favor of our initial business combination, a smaller portion of affirmative votes from other public shareholders would be required to approve our initial business combination. As a result of the founder shares and private placement warrants that our anchor investors may hold, they may have different interests with respect to a vote on an initial business combination than other public stockholders. In addition, we have agreed to pay our sponsor a total of $10,000 per month for office space, utilities and secretarial and administrative support. Upon completion of our initial business combination or our liquidation, we will cease paying these monthly fees.

Our sponsor agreed to loan us up to $300,000 to be used for a portion of the expenses of our initial public offering. This loan was non-interest bearing, unsecured and was due at the earlier of March 31, 2021 or the closing of our initial public offering. The loan was repaid on February 1, 2021.

In addition, in order to finance transaction costs in connection with an intended initial business combination, our sponsor or an affiliate of our sponsor or certain of our officers and directors may, but are not obligated to, loan us funds as may be required. If we complete an initial business combination, we would repay such loaned amounts. In the event that the initial business combination does not close, we may use a portion of the working capital held outside the trust account to repay such loaned amounts but no proceeds from our trust account would be used for such repayment. Up to $1,500,000 of such loans may be convertible into warrants at a price of $1.50 per warrant at the option of the lender. The warrants would be identical to the private placement warrants, including as to exercise price, exercisability and exercise period. The terms of such loans by our officers and directors, if any, have not been determined and no written agreements exist with respect to such loans. We do not expect to seek loans from parties other than our sponsor or an affiliate of our sponsor as we do not believe third parties will be willing to loan such funds and provide a waiver against any and all rights to seek access to funds in our trust account.

After our initial business combination, members of our management team who remain with us may be paid consulting, management or other fees from the combined company with any and all amounts being fully disclosed to our stockholders, to the extent then known,

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in the tender offer or proxy solicitation materials, as applicable, furnished to our stockholders. It is unlikely the amount of such compensation will be known at the time of distribution of such tender offer materials or at the time of a stockholder meeting held to consider our initial business combination, as applicable, as it will be up to the directors of the post-combination business to determine executive and director compensation.

We entered into a registration rights agreement on January 25, 2021 with respect to the private placement warrants, the warrants issuable upon conversion of working capital loans (if any) and the shares of Class A common stock issuable upon exercise of the foregoing and upon conversion of the founder shares.

Related Party Policy

We have not yet adopted a formal policy for the review, approval or ratification of related party transactions. Accordingly, the transactions discussed above were not reviewed, approved or ratified in accordance with any such policy.

We have adopted a code of ethics requiring us to avoid, wherever possible, all conflicts of interests, except under guidelines or resolutions approved by our board of directors (or the appropriate committee of our board) or as disclosed in our public filings with the SEC. Under our code of ethics, conflict of interest situations will include any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) involving the company. A form of the code of ethics that we have adopted is filed as an exhibit to the registration statement filed in connection with our initial public offering.

In addition, our audit committee, pursuant to a written charter that we adopted upon the consummation of our initial public offering, is responsible for reviewing and approving related party transactions to the extent that we enter into such transactions. An affirmative vote of a majority of the members of the audit committee present at a meeting at which a quorum is present will be required in order to approve a related party transaction. A majority of the members of the entire audit committee

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will constitute a quorum. Without a meeting, the unanimous written consent of all of the members of the audit committee will be required to approve a related party transaction. A form of the audit committee charter that we have adopted upon consummation of our initial public offering is filed as an exhibit to the registration statement filed in connection with our initial public offering. We also require each of our directors and executive officers to complete a directors' and officers' questionnaire that elicits information about related party transactions.

These procedures are intended to determine whether any such related party transaction impairs the independence of a director or presents a conflict of interest on the part of a director, employee or officer.

To further minimize conflicts of interest, we have agreed not to consummate an initial business combination with an entity that is affiliated with any of our sponsor, officers or directors unless we, or a committee of independent directors, have obtained an opinion from an independent investment banking firm or an independent accounting firm that our initial business combination is fair to our company from a financial point of view. Furthermore, no finder's fees, reimbursements or cash payments will be made to our sponsor, officers or directors, or our or their affiliates, for services rendered to us prior to or in connection with the completion of our initial business combination. However, the following payments will be made to our sponsor, officers or directors, or our or their affiliates, none of which will be made from the proceeds of our initial public offering held in the trust account prior to the completion of our initial business combination:

- Payment to our sponsor of $10,000 per month, until July 28, 2023, for office space, utilities and secretarial and administrative support;

- Reimbursement for any out-of-pocket expenses related to identifying, investigating and completing an initial business combination; and

- Repayment of loans which may be made by our sponsor or an affiliate of our sponsor or certain of our officers and directors to finance transaction costs in connection with an intended initial business combination, the terms of which have not been determined nor have any written agreements been executed with respect thereto. Up to $1,500,000 of such loans may be convertible into warrants, at a price of $1.50 per warrant at the option of the lender.

Our audit committee will review on a quarterly basis all payments that were made to our sponsor, officers or directors, or our or their affiliates.

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Item 14. Principal Accounting Fees and Services

The following is a summary of fees paid to Marcum LLP, for services rendered.

Audit Fees. Audit fees consist of fees for professional services rendered for the audit of our year-end financial statements, reviews of our quarterly financial statements and services that are normally provided by our independent registered public accounting firm in connection with statutory and regulatory filings. The aggregate fees billed by Marcum LLP for audit fees, inclusive of required filings with the SEC for the years ended December 31, 2022 and 2021 totaled $198,275 and $74,745, respectively.

Audit-Related Fees. Audit-related fees consist of fees billed for assurance and related services that are reasonably related to performance of the audit of our year-end financial statements and are not reported under “Audit Fees.” These services include attest services that are not required by statute or regulation and consultation concerning financial accounting and reporting standards. We did not pay Marcum LLP any audit-related fees during the years ended December 31, 2022 and 2021.

Tax Fees. Tax fees consist of fees billed for professional services relating to tax compliance, tax planning and tax advice. We paid Marcum LLP $17,510 and $0 during the years ended December 31, 2022 and 2021, respectively.

All Other Fees. All other fees consist of fees billed for all other services. We did not pay Marcum LLP any other fees during the years ended December 31, 2022 and 2021.

Pre-Approval Policy

Our audit committee was formed upon the consummation of our initial public offering. As a result, the audit committee did not pre-approve all of the foregoing services, although any services rendered prior to the formation of our audit committee were approved by our board of directors. Since the formation of our audit committee, and on a going-forward basis, the audit committee has and will pre-approve all auditing services and permitted non-audit services to be performed for us by our auditors, including the fees and terms thereof (subject to the de minimis exceptions

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for non-audit services described in the Exchange Act which are approved by the audit committee prior to the completion of the audit).

Part IV

Item 15. Exhibits and Financial Statement Schedules

The following documents are filed as part of this report:

(1) Financial Statements

(2) Financial Statements Schedule

All financial statement schedules are omitted because they are not applicable or the amounts are immaterial and not required, or the required information is presented in the financial statements and notes thereto in Item 15 of Part IV below.

(3) Exhibits

We hereby file as part of this report the exhibits listed in the attached Exhibit Index. Copies of such material can be obtained on the SEC website at www.sec.gov.

Item 16. Form 10-K Summary

Registrants may voluntarily include a summary of information required by Form 10-K under this Item 16. The Registrant has elected not to include such summary information.

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Exhibit Number	Description

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1.1	Underwriting Agreement, dated January 25, 2021, by and between the Company and Goldman Sachs & Co. LLC. as representatives of the several underwriters (Incorporated by reference to Exhibit 1.1 to the Registrant's Current Report on Form 8-K filed on January 28, 2021).
2.1	Business Combination Agreement, dated as of September 10, 2022, by and among DiamondHead Holdings Corp., Hestia Merger Sub, Inc. and Great Southern Homes, Inc. (Incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the SEC on September 12, 2022)
3.1	Amended Certificate of Incorporation (Incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on January 25, 2023).
3.2	Bylaws. (Incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-3 (Registration No. 333-251961) filed on January 8, 2021).
4.1	Warrant Agreement, dated January 25, 2021, by and between the Company and American Stock & Trust Company, LLC, as warrant agent (Incorporated by reference to Exhibit 1.1 to the Registrant's Current Report on Form 8-K filed on January 28, 2021).
4.2	Description of Securities.*
10.1	Letter Agreement, dated January 25, 2021 by and among the Company, its officers, directors and the Sponsor. (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on January 28, 2021).
10.2	Investment Management Trust Agreement, dated January 25, 2021, by and between the Company and American Stock Transfer & Trust Company, as trustee. (Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on January 28, 2021).
10.3	Registration Rights Agreement, dated January 25, 2021, by and among the Company, the Sponsor and the other holders party thereto (Incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on January 28, 2021).
10.4	Private Placement Warrants Purchase Agreement, dated January 25, 2021, by and between the Company and the Sponsor (Incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on January 28, 2021).
10.5	Form of Indemnity Agreement between the Company and each of the officers and directors of the Company (Incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K filed on January 28, 2021).
10.6	Administrative Support Agreement, dated January 25, 2021, by and between the Company and the Sponsor (Incorporated by reference to Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed on January 28, 2021).

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10.7	Sponsor Support Agreement, dated of September 10, 2022, by and among DHP SPAC-II Sponsor LLC, the Registrant, Great Southern Homes, Inc. and certain other parties thereto. (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on September 12, 2022)
10.8	Financing Commitment Letter, dated of September 10, 2022, by and among the Registrant, DHP SPAC-II Sponsor LLC, David T. Hamamoto and Antara Capital Total Return SPAC Master Fund LP. (Incorporated by reference to Exhibit 10.14 to the Registrant's Registration Statement on Form S-4 filed with the SEC on October 11, 2022)
10.9	Joinder to the Letter Agreement, dated August 2, 2022, by and among the Company and Michael Bayles. (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on August 3, 2022)
10.10	Joinder to the Registration Rights Agreement, dated August 2, 2022, by and among the Company and Michael Bayles. (Incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on August 3, 2022).
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a).**
31.2	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a).**
31.3	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a).**
32.1	Certification pursuant to 18 U.S.C. 1350**
32.2	Certification pursuant to 18 U.S.C. 1350**
32.3	Certification pursuant to 18 U.S.C. 1350**
101.INS*	Inline XBRL Instance Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith.

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** These certifications are furnished to the SEC pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

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Independent Registered Public Accounting Firm

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and The Board of Directors of
DiamondHead Holdings Corp.

and Shareholders

United Homes Group, Inc.
Chapin, South Carolina

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of DiamondHead Holdings Corp. (theUnited Homes Group, Inc (the "Company") as of December 31, 2023 and December 31, 2022 and 2021, , the related consolidated statements of operations, stockholders' deficit equity, and cash flows for each of the two years in the two-year period ended December 31, 2022 December 31, 2023, and the related notes (collectively referred to as the "financial "consolidated financial statements"). In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 December 31, 2023 and 2021, December 31, 2022, and the

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results of its operations and its cash flows for each of the two years in the two-year period ended December 31, 2022 December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2 to the financial statements, the Company's business plan is dependent on the completion of a business combination and the Company's cash and working capital as of December 31, 2022 are not sufficient to complete its planned activities for a reasonable period of time, which is considered to be one year from the issuance date of the financial statements. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits.

We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by

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management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum FORVIS, LLP

Marcum LLP

We have served as the Company's auditor since 2020.

New York, NY

2021.

Tysons, VA

March 28, 2023

15, 2024

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UNITED HOMES GROUP, INC.
DIAMONDHEAD HOLDINGS CORP.

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

	December 31, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	$ 56,671,471	$ 12,238,835
Accounts receivable, net	1,661,206	1,976,334
Inventories:		
Homes under construction and finished homes	147,582,130	163,997,487

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Developed lots and land under development	35,227,572	16,205,448
Due from related party	88,000	1,437,235
Related party note receivable	610,189	—
Lot purchase agreement deposits	33,015,812	3,804,436
Investment in Joint Venture	1,430,177	186,086
Deferred tax asset	2,405,417	—
Property and equipment, net	1,073,961	1,385,698
Operating right-of-use assets	5,411,192	1,001,277
Prepaid expenses and other assets	7,763,565	6,112,044
Goodwill	5,706,636	—
Total Assets	**$298,647,328**	**$208,344,880**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	$ 38,680,764	$ 22,077,240
Homebuilding debt and other affiliate debt	80,451,429	120,797,006
Operating lease liabilities	5,565,320	1,001,277
Other accrued expenses and liabilities	8,353,824	5,465,321
Income tax payable	1,128,804	—
Derivative liabilities	127,610,943	—
Convertible note payable	68,038,780	—
Total Liabilities	**$329,829,864**	**$149,340,844**
Commitments and contingencies (Note 13)		
Preferred Stock, $0.0001 par value; 40,000,000 shares authorized; none issued or outstanding.	—	—
Class A common stock, $0.0001 par value; 350,000,000 shares authorized; 11,382,282 and 373,471 shares issued and outstanding on December 31, 2023, and 2022, respectively. (1)	1,138	37
Class B common stock, $0.0001 par value; 60,000,000 shares authorized; 36,973,876 shares issued and outstanding on December 31, 2023, and 2022, respectively. (1)	3,697	3,697
Additional paid-in capital (1)	2,794,493	1,422,630
Retained Earnings (1)	(33,981,864)	57,577,672
Total Stockholders' equity (1)	**(31,182,536)**	**59,004,036**
Total Liabilities and Stockholders' equity	**$298,647,328**	**$208,344,880**

	December 31, 2022	December 31, 2021
Assets:		

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Current assets:		
Cash	**$ 36,682**	**$ 252,601**
Prepaid expenses	**20,016**	**240,075**
Total current assets	**56,698**	**492,676**
Investments held in Trust Account	**349,152,086**	**345,020,717**
Total Assets	**$ 349,208,784**	**$ 345,513,393**
Liabilities, Class A Common Stock Subject to Possible Redemption and Stockholders' Deficit:		
Current liabilities:		
Accounts payable	**$ 100,302**	**$ 54,391**
Accrued expenses	**3,660,287**	**120,000**
Income tax payable	**481,430**	**—**
Franchise tax payable	**—**	**114,645**
Notes payable - related party	**204,110**	**—**
Total current liabilities	**4,446,129**	**289,036**
Deferred underwriting commissions	**—**	**12,075,000**
Derivative warrant liabilities	**1,531,000**	**8,794,330**
Total liabilities	**5,977,129**	**21,158,366**
Commitments and Contingencies (Note 6)		
Class A common stock subject to possible redemption, $0.0001 par value; 34,500,000 shares at $10.10 and $10.00 per share redemption value at December 31, 2022 and December 31, 2021, respectively	**348,586,031**	**345,000,000**
Stockholders' Deficit:		
Preferred stock, $0.0001 par value; 10,000,000 shares authorized; none issued or outstanding		
Class A common stock, $0.0001 par value; 300,000,000 shares authorized; no non-redeemable shares issued or outstanding at December 31, 2022 and December 31, 2021 (excluding 34,500,000 shares subject to possible redemption)	**—**	**—**

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Class B common stock, $0.0001 par value; 10,000,000 shares authorized; 8,625,000 shares issued and outstanding at December 31, 2022 and December 31, 2021	**863**	**863**
Additional paid-in capital	**—**	**—**
Accumulated deficit	**(5,355,239)**	**(20,645,836)**
Total stockholders' deficit	**(5,354,376)**	**(20,644,973)**
Total Liabilities, Class A Common Stock Subject to Possible Redemption and Stockholders' Deficit	**$ 349,208,784**	**$ 345,513,393**

(1)

Retroactively restated as of December 31, 2022 for the Reverse Recapitalization as a result of the Business Combination as described in Notes 1 and 2.

The accompanying notes Notes to the Consolidated Financial Statements are an integral part of these consolidated financial statements.

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UNITED HOMES GROUP, INC.
DIAMONDHEAD HOLDINGS CORP.

CONSOLIDATED STATEMENTS OF OPERATIONS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	Year Ended December 31,	
	2023	**2022**
Revenue, net of sales discounts	$421,474,101	$477,045,949
Cost of sales	341,748,481	358,238,703
Gross profit	**79,725,620**	**118,807,246**

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Selling, general and administrative expense	65,094,444	49,685,730
Net income from operations	**$ 14,631,176**	**$ 69,121,516**
Other (expense) income, net	(3,762,613)	230,692
Equity in net earnings from investment in joint venture	1,244,091	137,086
Change in fair value of derivative liabilities	115,904,646	—
Income before taxes	128,017,300	69,489,294
Income tax expense	2,957,016	—
Net income	**$125,060,284**	**$ 69,489,294**
Basic and diluted earnings per share		
Basic	$ 2.74	$ 1.86
Diluted	$ 2.35	$ 1.81
Basic and diluted weighted-average number of shares (1)		
Basic	45,639,431	37,347,347
Diluted	55,768,890	38,452,827

(1)

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
General and administrative expenses	**$ 4,324,075**	**$ 1,030,906**
Franchise tax expense	**200,000**	**200,000**
Loss from operations	**(4,524,075)**	**(1,230,906)**
Change in fair value of derivative warrant liabilities	**7,263,330**	**4,367,500**
Financing costs - derivative warrant liabilities	**—**	**(449,070)**
Income from investments held in Trust Account	**5,049,912**	**20,717**
Gain from settlement of deferred underwriting commissions on public warrants	**271,688**	**—**
Interest expense - related party	**(4,110)**	**—**
Net income before income tax expense	**8,056,745**	**2,708,241**
Income tax expense	**983,430**	**—**
Net income	**$ 7,073,315**	**$ 2,708,241**

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Weighted average shares outstanding of Class A common stock	**34,500,000**	**31,947,945**
Basic and diluted net income per share, Class A common stock	**$ 0.16**	**$ 0.07**
Basic weighted average shares outstanding of Class B common stock	**8,625,000**	**8,541,781**
Diluted weighted average shares outstanding of Class B common stock	**8,625,000**	**8,625,000**
Basic and diluted net income per share, Class B common stock	**$ 0.16**	**$ 0.07**

Retroactively restated for the year ended December 31, 2022 for the Reverse Recapitalization as a result of the Business Combination as described in Notes 1 and 2.

The accompanying notes Notes to the Consolidated Financial Statements are an integral part of these consolidated financial statements.

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UNITED HOMES GROUP, INC.
DIAMONDHEAD HOLDINGS CORP.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

For(1)
YEARS ENDED DECEMBER 31, 2023 AND 2022

	Common Stock								
	Class A		Class B		Additional paid-in capital	Retained earnings	Shareholders' and other affiliates' net investment	Net Due To and Due From Shareholders and Other Affiliates	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
Balance as of									

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Balance as of December 31, 2021 as originally reported	**—**	**$ —**	**—**	**$ —**	**$ —**	**$ —**	**$ 83,586,722**	**$ (17,028,310)**	**$ 66,558,412**
Retroactive application of recapitalization	373,471	37	36,973,876	3,697	—	66,554,678	(83,586,722)	17,028,310	—
Adjusted balance as of December 31, 2021	**373,471**	**37**	**36,973,876**	**3,697**	**—**	**66,554,678**	**—**	**—**	**66,558,412**
Distributions and net transfer to shareholders and other affiliates	—	—	—	—	—	(78,466,300)	—	—	(78,466,300)
Stock-based compensation expense	—	—	—	—	1,422,630	—	—	—	1,422,630
Net income	—	—	—	—	—	69,489,294	—	—	69,489,294
Balance, December 31, 2022	**373,471**	**37**	**36,973,876**	**3,697**	**1,422,630**	**57,577,672**	**—**	**—**	**59,004,036**
Distributions and net transfer to shareholders and other affiliates	—	—	—	—	—	(4,193,093)	—	—	(4,193,093)
Stock compensation	—	—	—	—	2,571,106	—	—	—	2,571,106
Forfeiture of private placement warrants	—	—	—	—	890,001	—	—	—	890,001
Issuance of common stock upon the reverse recapitalization, net of transaction costs	8,492,528	850	—	—	17,589,024	—	—	—	17,589,874

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Issuance of common stock related to PIPE Investment	1,333,962	133	—	—	9,501,782	—	—	—	9,501,915
Issuance of common stock related to lock-up agreement	421,099	42	—	—	4,194	—	—	—	4,236
Recognition of derivative liability related to earnout	—	—	—	—	(242,211,404)	—	—	—	(242,211,404)
Recognition of derivative liability related equity incentive plan	—	—	—	—	(1,279,139)	—	—	—	(1,279,139)
Earnout stock-based compensation expense for UHG employee options	—	—	—	—	4,448,077	—	—	—	4,448,077
Transaction costs related to reverse recapitalization	—	—	—	—	(2,932,426)	—	—	—	(2,932,426)
Reclassification of negative APIC related to the reverse recapitalization	—	—	—	—	212,426,727	(212,426,727)	—	—	—
Exercise of stock options under the 2023 Plan	13,202	1	—	—	133,978	—	—	—	133,979
Forfeiture of stock options under the 2023 Plan	—	—	—	—	487,739	—	—	—	487,739
Exercise of stock warrants	748,020	75	—	—	(75)	—	—	—	—
Transaction costs related to equity issuance	—	—	—	—	(257,721)	—	—	—	(257,721)
Net income									

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Net income	—	—	—	—	—	125,060,284	—	—	125,060,284
Balance, December 31, 2023	**11,382,282**	**$ 1,138**	**36,973,876**	**$ 3,697**	**$ 2,794,493**	**$(33,981,864)**	**$ —**	**$ —**	**$ (31,182,536)**

(1) The shares of the Years Ended December 31, 2022 and 2021

	Common Stock				Additional		Total
	Class A		Class B		Paid-In	Accumulated	Stockholders' Equity
	Shares	Amount	Shares	Amount	Capital	Deficit	(Deficit)
Balance - December 31, 2020	**—**	**$ —**	**8,625,000**	**$ 863**	**$ 24,137**	**$ (1,892)**	**$ 23,108**
Excess of cash received over fair value of private placement warrants	—	—	—	—	3,500,670	—	3,500,670
Accretion of Class A common stock to redemption amount	—	—	—	—	(3,524,807)	(23,352,185)	(26,876,992)
Net income	—	—	—	—	—	2,708,241	2,708,241
Balance - December 31, 2021	**—**	**$ —**	**8,625,000**	**$ 863**	**$ —**	**$(20,645,836)**	**$ (20,644,973)**
Extinguishment of deferred underwriting commissions on public shares	—	—	—	—	11,803,313	—	11,803,313
Reclassification from additional paid-in capital to retained earnings	—	—	—	—	(11,803,313)	11,803,313	—

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Remeasurement of Class A common stock subject to redemption	—	—	—	—	—	(3,586,031)	(3,586,031)
Net income	—	—	—	—	—	7,073,315	7,073,315
Balance - December 31, 2022	**—**	**$ —**	**8,625,000**	**$ 863**	**$ —**	**(5,355,239)**	**$ (5,354,376)**

The accompanying notes Notes to the Consolidated Financial Statements are an integral part of these consolidated financial statements.

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UNITED HOMES GROUP, INC.
DIAMONDHEAD HOLDINGS CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December	
	2022	**2021**
Cash Flows from Operating Activities:		
Net income	**$ 7,073,315**	**$ 2,708,241**
Adjustments to reconcile net income to net cash used in operating activities:		
Change in fair value of derivative warrant liabilities	**(7,263,330)**	**(4,367,500)**

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Financing costs - derivative warrant liabilities	—	449,070
Income from investments held in Trust Account	(5,049,912)	(20,717)
Gain from settlement of deferred underwriting commissions on public warrants	(271,688)	—
Changes in operating assets and liabilities:		
Prepaid expenses	220,059	(240,075)
Accounts payable	45,912	53,667
Accrued expenses	3,610,287	(86,250)
Franchise tax payable	(114,645)	113,477
Income tax payable	481,430	—
Accrued interest	4,110	—
Net cash used in operating activities	(1,264,462)	(1,390,087)
Cash Flows from Investing Activities		
Cash deposited in Trust Account	—	(345,000,000)
Interest released from Trust Account for payment of income taxes	918,543	—
Net cash provided by (used in) investing activities	918,543	(345,000,000)
Cash Flows from Financing Activities:		
Proceeds from note payable to related party	200,000	—
Repayment of note payable	—	(130,000)
Proceeds received from initial public offering, gross	—	345,000,000
Proceeds received from private placement	—	8,900,000
Offering costs paid	(70,000)	(7,143,422)
Net cash provided by financing activities	130,000	346,626,578
Net (decrease) increase in cash	(215,919)	236,491
Cash - beginning of the period	252,601	16,110
Cash - end of the period	$ 36,682	$ 252,601
Supplemental disclosure of noncash financing activities:		
Remeasurement of Class A common stock subject to possible redemption	$ 3,586,031	$ —
Offering costs included in accrued expenses	$ —	$ 70,000
Deferred underwriting commissions	$ —	$ 12,075,000

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Supplemental disclosure of cash flow activities:		
Income taxes paid	**$ 502,000**	**$ —**

YEARS ENDED DECEMBER 31, 2023 AND 2022

	Year Ended December 31,	
	2023	***2022***
Cash flows from operating activities:		
Net income	*$125,060,284*	*$ 69,489,294*
Adjustments to reconcile net income to net cash flows from operating activities:		
Bad debt expense	*192,248*	*—*
Investment earnings in joint venture	*(1,244,091)*	*(137,086)*
Depreciation and amortization	*236,103*	*355,566*
Loss on sale of property and equipment	*329,533*	*6,966*
Amortization of deferred financing costs	*981,675*	*404,146*
Amortization of discount on convertible notes	*1,324,504*	*—*
Amortization of discount on private investor debt	*47,608*	*—*
Non cash interest income	*(38,455)*	*—*
Stock compensation expense	*7,019,183*	*1,422,630*
Amortization of operating lease right-of-use assets	*1,097,281*	*525,434*
Change in fair value of contingent earnout liability	*(126,644,642)*	*—*
Change in fair value of warrant liabilities	*10,988,922*	*—*
Change in fair value of equity incentive plan	*(248,926)*	*—*
Change in fair value of contingent consideration	*181,000*	*—*
Net change in operating assets and liabilities:		
Accounts receivable	*153,819*	*109,684*
Related party receivable	*1,349,235*	*(1,437,235)*
Inventories	*22,247,292*	*(26,673,147)*
Lot purchase agreement deposits	*(25,380,030)*	*(858,435)*
Prepaid expenses and other assets	*(143,791)*	*(2,408,936)*
Deferred tax asset	*(2,617,918)*	*—*
Accounts payable	*11,674,490*	*(6,663,814)*
Operating lease liabilities	*(943,153)*	*(525,434)*
Income tax payable	*426,933*	*—*
Other accrued expenses and liabilities	*2,175,776*	*1,007,089*
Net cash flows provided by operating activities	***28,224,880***	***34,616,722***
Cash flows from investing activities:		

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Purchases of property and equipment	*(162,328)*	*(171,685)*
Proceeds from the sale of property and equipment	*66,100*	*13,808*
Proceeds from promissory note issued for sale of property and equipment	*93,286*	*—*
Payments on business acquisitions, net of cash acquired	*(24,298,043)*	*—*
Capital contribution in joint venture	*—*	*(49,000)*
Net cash flows used in investing activities	***(24,300,985)***	***(206,877)***
Cash flows from financing activities:		
Proceeds from homebuilding debt	*72,500,000*	*179,336,312*
Repayments of homebuilding debt	*(105,055,992)*	*(170,810,631)*
Proceeds from other affiliate debt	*136,773*	*10,851,187*
Repayments on equipment financing	*—*	*(142,536)*
Repayments of other affiliate debt	*—*	*(918,453)*

Repayments on private investor loans	*(105,000)*	*—*
Payment of deferred financing costs	*(3,240,984)*	*—*
Distributions and net transfer to shareholders and other affiliates	*(17,896,302)*	*(54,175,689)*
Changes in net due to and due from shareholders and other affiliates	*—*	*(37,816,087)*
Proceeds from convertible note, net of transaction costs	*71,500,000*	*—*
Proceeds from PIPE investment and lock up	*4,720,427*	*—*
Proceeds from Business Combination, net of SPAC transaction costs	*30,336,068*	*—*
Payment of equity issuance costs	*(257,721)*	*—*
Payment of transaction costs	*(12,134,293)*	*—*
Proceeds from exercise of employee stock options	*5,765*	*—*
Net cash flows provided by (used in) financing activities	***40,508,741***	***(73,675,897)***
Net change in cash and cash equivalents	*44,432,636*	*(39,266,052)*
Cash and cash equivalents, beginning of year	*12,238,835*	*51,504,887*
Cash and cash equivalents, end of year	***$ 56,671,471***	***$12,238,835***
Supplemental cash flow information:		
Cash paid for interest	*$ 15,682,821*	*$ 5,000,196*
Cash paid for income taxes	*$ 5,148,000*	*$ —*

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Non-cash investing and financing activities:		
Additions of right-of-use lease assets and liabilities	*5,300,103*	*1,585,096*
Acquisition of developed lots from related parties in settlement of due from Other Affiliates	*—*	*13,504,316*
Conversion of other affiliates debt to homebuilding debt	*—*	*1,414,681*
Transfer of co-obligor debt to land development affiliate	*—*	*21,160*
Promissory note issued for sale of property and equipment	*665,020*	*—*
Settlement of co-obligor debt to affiliates	*8,340,545*	*—*
Release of guarantor from GSH to shareholder	*2,841,034*	*—*
Noncash distribution to owners of Other Affiliates	*12,671,122*	*—*
Earnest money receivable from Other Affiliates	*2,521,626*	*—*
Recognition of previously capitalized deferred transaction costs	*2,932,426*	*—*
Modification to existing lease	*(40,968)*	*—*
Recognition of derivative liability related to earnout	*242,211,404*	*—*
Recognition of derivative liability related to equity incentive plan	*1,279,139*	*—*
Recognition of warrant liability upon Business Combination	*1,531,000*	*—*
Forfeiture of private placement warrants upon Business Combination	*(890,001)*	*—*
Recognition of contingent consideration upon business acquisition	*1,707,000*	*—*
Recognition of contingent liability upon business acquisition	*300,000*	*—*
Issuance of common stock upon the reverse recapitalization	*39,933,707*	*—*
Recognition of deferred tax asset upon Business Combination	*1,589,600*	*—*
Recognition of income tax payable upon Business Combination	*701,871*	*—*
Recognition of assumed assets and liabilities upon Business Combination, net	*3,588,110*	*—*
Noncash exercise of stock warrants	*75*	*—*
Noncash exercise of employee stock options	*128,214*	*—*
Forfeiture of employee stock options	*(487,739)*	*—*
Total non-cash investing and financing activities	***$326,823,288***	***$16,525,253***

The accompanying notes Notes to the Consolidated Financial Statements are an integral part of these consolidated financial statements.

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DIAMONDHEAD HOLDINGS CORP.

UNITED HOMES GROUP, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 1 - Description Nature of Organization operations and basis of presentation

The Company and Nature of Business Operations

DiamondHead Holdings Corp. (the "Company"

United Homes Group, Inc. ("UHG" or "DHHC" the "Company"), a Delaware corporation, is a homebuilding business which operates with a land-light strategy. The Company is a former blank check company incorporated in on October 7, 2020 under the name DiamondHead Holdings Corp. ("DHHC") as a Delaware on October 7, 2020. The Company was corporation formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses (the "Business Combination"). businesses.

UHG constructs single-family residential homes and has active operations in South Carolina, North Carolina, and Georgia offering a range of residential products including entry-level attached and detached homes, first-time move-up attached and detached homes and second move-up detached homes. The constructed homes appeal to a wide range of buyer profiles, from first-time to lifestyle buyers. The Company's primary objective is to provide customers with homes of exceptional quality and value while maximizing its return on investment. The Company is not limited to a particular industry or sector for purposes of consummating a Business Combination. The Company is an "emerging growth company," as defined has grown by expanding its market share in Section 2(a) of the Securities Act of 1933, as amended (the "Securities Act"), as modified existing markets and by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies.

As of December 31, 2022, the Company had not commenced any operations. All activity from the Company's inception to December 31, 2022 relates expanding into markets contiguous to the Company's formation and the Initial Public Offering (the "Initial Public Offering") and since the closing of the Initial Public Offering (as described below), the search for a prospective initial Business Combination. The Company will not generate any operating revenues until after the completion of its initial current active markets.

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Business Combination at the earliest. The Company generates non-operating income in the form of interest income on investments held in trust from the proceeds of its Initial Public Offering and Private Placement described below, and from changes in the fair value of its derivative warrant liability.

On September 10, 2022, the Company DHHC entered into a Business Combination Agreement (the "Business Combination Agreement") with Hestia Merger Sub, Inc., a South Carolina corporation and wholly-owned wholly owned subsidiary of DHHC ("Merger Sub"), and Great Southern Homes, Inc., a South Carolina corporation ("GSH"), pursuant to which the Company expects to effect a business combination with GSH through the merger of Merger Sub with and into GSH (the "Merger"), with GSH surviving the Merger as a wholly-owned subsidiary of the Company. .

Upon the consummation of the transactions contemplated by the Business Combination Agreement (the "Transactions" transaction on March 30, 2023 ("Closing Date"), the Company expects to be renamed United Homes Group, Inc. The obligations of the Company, Merger Sub and GSH to consummate the Merger are subject to the satisfaction or waiver of certain closing conditions, which are further described in the Business Combination Agreement.

The Company's sponsor is DHP SPAC-II Sponsor LLC, a Delaware limited liability company (the "Sponsor"). The registration statement for the Company's Initial Public Offering was declared effective on January 25, 2021. On January 28, 2021, the Company consummated its Initial Public Offering of 34,500,000 units (the "Units" and, with respect to the Class A common stock included in the Units being offered, the "Public Shares"), including 4,500,000 additional Units to cover over-allotments (the "Over-Allotment Units"), at $10.00 per Unit, generating gross proceeds of $345.0 million, and incurring offering costs of approximately $19.6 million, of which approximately $12.1 million in deferred underwriting commissions (Note 6).

On August 10, 2022, the underwriter from the Initial Public Offering resigned from its role in any Business Combination and waived its entitlement to the deferred underwriting commissions in the amount of $12.1 million.

Simultaneously with the closing of the Initial Public Offering, the Company consummated the private placement ("Private Placement") of 5,933,333 warrants (each, a "Private Placement Warrant" and collectively, the "Private Placement Warrants") at a price of $1.50 per Private Placement Warrant to our Sponsor and to certain qualified institutional buyers or institutional accredited investors, including certain funds and accounts managed by subsidiaries of BlackRock, Inc. and Millennium Management LLC (each, an "Anchor Investor"), generating proceeds of $8.9 million (Note 4).

Upon the closing of the Initial Public Offering and the Private Placement, $345.0 million ($10.00 per Unit) of the net proceeds of the Initial Public Offering and certain of the proceeds of

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the Private Placement were placed in a trust account ("Trust Account"), located in the United States and invested only in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), with a maturity of 185 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of Rule 2a-7 of the Investment Company Act, as determined by the Company, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the Trust Account, as described below.

The Company's management has broad discretion with respect to the specific application of the net proceeds of the Initial Public Offering and the sale of Private Placement Warrants, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. There is no assurance that the Company will be able to complete a Business Combination successfully. The Company must complete a Business Combination with one or more target businesses that together have

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an aggregate fair market value of at least 80% of the assets held in the Trust Account (excluding the deferred underwriting commissions and taxes payable on interest earned on the Trust Account) at the time of the agreement to enter into a Business Combination. The Company will only complete a Business Combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act.

The Company will provide its holders of the outstanding Public Shares (the "Public Stockholders") with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a stockholder meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek stockholder approval of a Business Combination or conduct a tender offer will be made by the Company,

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solely in its discretion. The Public Stockholders will be entitled to redeem their Public Shares for a pro rata portion of the amount then in the Trust Account (initially anticipated to be $10.00 per Public Share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations). There will be no redemption rights upon the completion of a Business Combination with respect to the Company's warrants. The Public Shares subject to redemption have been recorded at redemption value and classified as temporary equity upon the completion of the Initial Public Offering in accordance with the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 480, "Distinguishing Liabilities from Equity" ("ASC 480"). The Company will proceed with a Business Combination if the Company has net tangible assets of at least $5,000,001 upon such consummation of a Business Combination and, if the Company seeks stockholder approval, a majority of the shares voted are voted in favor of the Business Combination. If a stockholder vote is not required by law and the Company does not decide to hold a stockholder vote for business or other legal reasons, the Company will, pursuant to its Certificate of Incorporation (the "Certificate of Incorporation"), conduct the redemptions pursuant to the tender offer rules of the U.S. Securities and Exchange Commission ("SEC") and file tender offer documents with the SEC prior to completing a Business Combination. If, however, stockholder approval of the transactions is required by law, or the Company decides to obtain stockholder approval for business or legal reasons, the Company will offer to redeem shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. If the Company seeks stockholder approval in connection with a Business Combination, the Company's Sponsor, officers and directors agreed to vote their Founder Shares (as defined in Note 5) and any Public Shares purchased during or after the Initial Public Offering in favor of approving a Business Combination. Additionally, each Public Stockholder may elect to redeem their Public Shares irrespective of whether they vote for or against the proposed transaction.

If the Company seeks stockholder approval of a Business Combination and it does not conduct redemptions pursuant to the tender offer rules, the Certificate of Incorporation provides that a Public Stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a "group" (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), will be restricted from redeeming its shares with respect to more than an aggregate of 15% or more of the Public Shares, without the prior consent of the Company.

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The Sponsor agreed (a) to waive its redemption rights with respect to any Founder Shares and Public Shares held by it in connection with the completion of a Business Combination and (b) not to propose an amendment to the Certificate of Incorporation that would affect the substance or timing of the Company's obligation to redeem 100% of its Public Shares if the Company does not complete a Business Combination, unless the Company provides the Public Stockholders with the opportunity to redeem their Public Shares in conjunction with any such amendment.

The Company will have 30 months from the closing of the Initial Public Offering, or July 28, 2023, to complete a Business Combination (the "Combination Period"). the Company filed If the Company is unable to complete a Business Combination within the Combination Period, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account including interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations (less up to $100,000 of interest to pay dissolution expenses), divided by the number of then outstanding Public Shares, which redemption will completely extinguish Public Stockholders' rights as stockholders (including the right to receive further liquidating distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company's remaining stockholders and the Company's board of directors, dissolve and liquidate, subject in each case to the Company's obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. There will be no redemption rights or liquidating distributions with respect to the Company's warrants, which will expire worthless if the Company fails to complete a Business Combination within the Combination Period.

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DIAMONDHEAD HOLDINGS CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Sponsor agreed to waive its liquidation rights with respect to the Founder Shares if the Company fails to complete a Business Combination within the Combination

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Period. However, if the Sponsor or any of its affiliates acquire Public Shares after the Initial Public Offering, such Public Shares will be entitled to liquidating distributions from the Trust Account if the Company fails to complete a Business Combination within the Combination Period. The underwriter agreed to waive its right to its deferred underwriting commission (see Note 6) held in the Trust Account in the event the Company does not complete a Business Combination within the Combination Period, and, in such event, such amounts will be included with the other funds held in the Trust Account that will be available to fund the redemption of the Public Shares. In the event of such distribution, it is possible that the per share value of the assets remaining available for distribution will be less than the Initial Public Offering price per Unit ($10.00).

In order to protect the amounts held in the Trust Account, the Sponsor agreed to be liable to the Company if and to the extent any claims by a third party for services rendered or products sold to the Company, or a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account to below (i) $10.00 per Public Share or (ii) such lesser amount per Public Share held in the Trust Account as of the date of the liquidation of the Trust Account due to reductions in the value of the trust assets. This liability will not apply with respect to any claims (i) by a third party who executed a waiver of any and all rights to seek access to the trust account or (ii) under our indemnity of the underwriter of this offering against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the “Securities Act”). Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third-party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers, prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account. Marcum LLP, the Company’s independent registered public accounting firm, will not execute agreements with the Company waiving claims to the monies held in the Trust Account.

Proposed Business Combination

On September 10, 2022, the Company entered into the GSH Business Combination Agreement with Merger Sub and GSH, pursuant to which the Company expects to effect a business combination with GSH through the merger of Merger Sub merged with and into GSH (the “Merger”), with GSH surviving the Merger merger as a wholly-

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owned wholly owned subsidiary of the Company. Upon Company ("Business Combination"). As a result of the Business Combination, GSH is now a wholly owned subsidiary of DHHC, which has changed its name to United Homes Group, Inc.

GSH's business historically consisted of both homebuilding operations and land development operations. In anticipation of the Business Combination, GSH 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. For accounting treatment of the Business Combination, see *Note 2 - Merger and reverse recapitalization*. Unless otherwise indicated or the context otherwise requires, references in this annual report on Form 10-K to "Legacy UHG" refer to the homebuilding operations of GSH prior to the consummation of the GSH Business Combination, Combination.

Basis of Presentation

The Consolidated Financial Statements included in this report reflect (i) the Company expects historical operating results of Legacy UHG prior to be renamed United Homes Group, Inc. the Business Combination; (ii) the combined results of UHG and DHHC following the Business Combination; (iii) the assets and liabilities of UHG and DHHC, and Legacy UHG at their historical cost prior to and following the Business Combination; and (iv) the Company's equity structure for all periods presented.

The obligations accompanying Consolidated Balance Sheet as of December 31, 2022, the Consolidated Statement of Operations, Statement of Changes in Stockholders' Equity, and Statement of Cash Flows for the year ended December 31, 2022 ("Legacy UHG financial statements") have been prepared from Legacy UHG's historical financial records and reflect the historical financial position, results of operations and cash flows of the Company, Merger Sub and GSH to consummate Legacy UHG for the Merger are subject to the satisfaction or waiver of certain closing conditions, which are further described periods presented on a carve-out basis in the GSH Business Combination Agreement.

The Company cannot assure that the plans to complete the GSH Business Combination will be successful. Further, the Company may need to pursue third party financing, among other things, to satisfy the closing condition that at Closing, the amount of Closing DHHC Cash be equal to or exceed $125,000,000 (the "Minimum Cash Condition"). However, there can be no assurance that any third-party financing will be entered into in connection accordance with the GSH Business Combination, and there can be no assurance that the Minimum Cash Condition will be satisfied. If the Minimum Cash Condition is not satisfied, amended or waived by GSH pursuant to

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the terms of the GSH Business Combination Agreement, then the GSH Business Combination would not be consummated.

Trust Account Redemptions and Extension of Combination Period

On January 25, 2023, the Company held a special meeting of stockholders at which such stockholders voted to extend the time the Company has to consummate an initial Business Combination from January 28, 2023 to July 28, 2023. In connection with such vote, the holders of an aggregate of 30,058,968 Public Shares exercised their right to redeem their shares for an aggregate of approximately $304 million in cash held in the Trust Account.

Note 2- Basis of Presentation andSummary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements are presented in conformity with generally accepted accounting principles generally accepted in the United States of America ("GAAP"). The Consolidated Statement of Changes in Stockholders' Equity is adjusted for the retroactive application of the reverse recapitalization using the Exchange Ratio. The Legacy UHG financial statements present historical information and results attributable to the homebuilding operations of GSH. The Legacy UHG financial statements exclude GSH's operations related to land development operations as Legacy UHG historically did not operate as a standalone company. The carve-out methodology was used since Legacy UHG's inception until the Closing Date. Thus, after March 30, 2023, no carve-out amounts were included in UHG's Consolidated Financial Statements.

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Periods prior to the Business Combination

Prior to the Business Combination until the Closing Date, Legacy UHG has historically transacted with affiliates that were owned by the shareholders of GSH. Legacy UHG has categorized the various affiliates based on the nature of the

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transactions with Legacy UHG and their primary operations. The categories are as follows:

Land Development Affiliates - Land development affiliates' primary operations consist of acquiring and developing raw parcels of land for vertical home construction. Upon completion, the land development affiliates transfer the developed lots to Legacy UHG in a non-cash transaction.

Other Operating Affiliates - Other operating affiliates' operations consist of acquiring and developing land, purchasing constructed houses for rental properties, leasing activities, and purchasing model homes to be maintained during the sell down period of a community.

Collectively, these are referred to as "Other Affiliates" in these financial statements and represented as related parties (see *Note 10 - Related party transactions*).

All assets, liabilities, revenues, and expenses directly associated with the activity of Legacy UHG are included in these financial statements. Cash and cash equivalents is included in these financial statements, as Legacy UHG provided the cash management/treasury function for the Other Affiliates until January 1, 2023. In addition, a portion of Legacy UHG's corporate expenses including share-based compensation were allocated to Legacy UHG based on direct usage when identifiable or, when not directly identifiable, on the basis of proportional cost of sales or employee headcount, as applicable. The corporate expense allocations include the cost of corporate functions and resources provided by or administered by GSH including, predominately, costs associated with executive management, finance, accounting, legal, human resources, and costs associated with operating GSH's office buildings. The corporate expense allocation requires significant judgment and management believes the basis on which the corporate expenses have been allocated reasonably reflects the utilization of services provided to Legacy UHG during the periods presented. Balance Sheet accounts were reviewed to determine what was attributable to Legacy UHG. There were no Balance Sheet accounts that required allocation procedures for assets and liabilities.

In addition, all significant transactions between Legacy UHG and GSH have been included in these financial statements. The aggregated net effect of transactions between Legacy UHG and GSH are settled within Retained earnings/ (accumulated deficit) on the Consolidated Balance Sheets as they were not expected to be settled in cash. These amounts were reflected in the Consolidated Statements of Cash Flows within Distributions and net transfer to shareholders and other affiliates and, when transactions were historically not settled in cash, in Non-cash financing activities.

GSH's third-party long-term debt and related interest expense have all been allocated to Legacy UHG. Legacy UHG was considered the primary legal obligor of such debt as it was the sole cash generating entity and responsible for repayment of

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the debt. Certain portions of that long-term debt and the related interest consist of construction revolving lines of credit and are reflected as Homebuilding debt. The remaining portions of long-term debt and the related interest have been used to finance operations that were not related to Legacy UHG, primarily land development activities, and were presented as Other Affiliate debt.

The results reported in these financial statements would not be indicative of Legacy UHG's future performance, primarily because prior to the Business Combination, the lots developed by affiliates were not transferred to the homebuilding operations of GSH at a market rate. As such, these results do not necessarily reflect what the financial position, results of operations and cash flows would have been had it operated as an independent company during the periods presented.

Note 2 - Merger and reverse recapitalization

On the Closing Date, the following transactions were completed:

- Merger Sub merged with and into GSH, with GSH surviving the merger as a wholly owned subsidiary of the Company;

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- All 1,000 shares of Class A common stock of GSH ("GSH Class A Common Shares") issued and outstanding prior to the Closing Date were exchanged for 373,471 shares of Class A common stock of UHG ("UHG Class A Common Shares");

- All 99,000 shares of Class B common stock of GSH ("GSH Class B Common Shares") issued and outstanding prior to the Closing Date were exchanged for 36,973,876 shares of Class B common stock of UHG ("UHG Class B Common Shares");

- All 2,403 outstanding options of GSH to acquire GSH Class A Common Shares were assumed by the Company and converted into options to acquire an aggregate of 897,585 UHG Class A Common Shares (the "Rollover Options");

- All 5,000 outstanding warrants to purchase GSH Class A Common Shares were assumed by the Company and converted into warrants to purchase 1,867,368 UHG Class A Common Shares (the "Assumed Warrants");

- 8,625,000 outstanding shares of DHHC Class B common stock held by DHP SPAC II Sponsor LLC (the "Sponsor") converted into 4,160,924 UHG Class A Common Shares, all of which are subject to resale or transfer restrictions;

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- The Company issued an aggregate of 1,755,061 UHG Class A Common Shares to the PIPE Investors, Lock-Up Investors and the Convertible Note Investors, pursuant to the terms of the PIPE Subscription Agreements, Share Lock-up Agreements and the PIPE Investment, (together the "PIPE Financings"), as described below.

As of the Closing Date and following the completion of the Business Combination, UHG had the following outstanding securities:

- 10,621,060 UHG Class A Common Shares;
- 36,973,876 UHG Class B Common Shares;
- 2,966,663 warrants to purchase 2,966,663 UHG Class A Common Shares, each exercisable at a price of $11.50 per share, issued in connection with the DHHC initial public offering and held by the Sponsor and BlackRock Inc. and Millennium Management LLC (the "Anchor Investors");
- 8,625,000 warrants to purchase 8,625,000 UHG Class A Common Shares, each exercisable at a price of $11.50 per share, issued in connection with the DHHC initial public offering;
- 1,867,368 Assumed Warrants to purchase 1,867,368 UHG Class A Common Shares, each exercisable at a price of $4.05 per share; and
- 897,585 Rollover Options to purchase 897,585 UHG Class A Common Shares, each exercisable at a price of $2.81 per share.

Earnout

In connection with the Business Combination, holders of GSH common shares, certain holders of stock options, and holders of GSH warrants (together, "GSH Equity Holders"), options held by employees and directors ("Employee Option Holders") and the Sponsor (together, the "Earnout Holders") are entitled to receive consideration in the form of common shares ("Earnout Shares") upon achievement of certain earnout conditions. The Company reserved 21,886,379 Earnout Shares of which 20,000,000 may be awarded to GSH Equity Holders and Employee Option Holders and 1,886,379 additional earnout shares may be awarded to the Sponsor. Refer to *Note 16 - Earnout shares.*

In connection with the Closing, and under the terms of the Sponsor Support Agreement entered into in connection with the execution of the Business Combination Agreement, 1,886,379 shares of the 8,625,000 shares of DHHC Class B common stock held by the Sponsor were converted to Earnout Shares and became subject to vesting conditions based on the achievement of certain market-based share price thresholds. Refer to *Note 16 - Earnout shares* for additional information regarding the terms and conditions of the Earnout Triggering Events. Of the remaining 6,738,621 shares of

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DHHC Class B common stock, 2,577,697 shares were forfeited and 4,160,924 shares were converted into UHG Class A Common Shares.

Convertible Note

In connection with the closing of the Business Combination, DHHC entered into a Convertible Note Purchase Agreement (the "Note Purchase Agreement"), by and among itself, GSH, and a group of investors (the "Convertible Note Investors"). Pursuant to and at the closing of the transactions contemplated by the Note Purchase Agreement, the Convertible Note Investors agreed to purchase $80.0 million in original principal amount of Convertible Promissory Notes (the "Notes," or "Note PIPE Financing") and, pursuant to the rules terms of share subscription agreements entered into between each Convertible Note Investor and regulations UHG, an additional 744,588 UHG Class A Common Shares (the "PIPE Shares") in a private placement PIPE investment (the "PIPE Investment"). Refer to *Note 14 - Convertible note payable* for additional information on the accounting treatment for the Notes, including issuance costs.

Subscription Agreement

In connection with the execution of the SEC.

Business Combination Agreement, UHG entered into separate subscription agreements (each a "Subscription Agreement," or "Subscription Agreement PIPE Financing," and together with the "Note PIPE Financing," the "PIPE Financings") with a number of investors (each a "PIPE Investor"), pursuant to which the PIPE Investors agreed to purchase, and UHG agreed to sell to the PIPE Investors, an aggregate of 471,500 shares of common stock for a purchase price of $10.00 per share and 117,874 shares for a purchase price of $0.01 per share for an aggregate purchase price of $4.7 million, in a private placement offering. The PIPE Financings closed simultaneously with the consummation of the Business Combination.

Lock-Up Agreement

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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the Business Combination Agreement, DHHC entered into separate Share Issuance and Lock-Up Agreements (each a "Lock-up Agreement") with a number of investors (each a "Lock-up Investor"), pursuant to which UHG agreed to issue each Lock-up Investor 0.25 UHG Class A Common Shares (up to 421,099 UHG Class A Common Shares in the aggregate) for a purchase price of $0.01 per share, for each UHG Class A Common Share held by such Lock-up Investor at the Closing. Following the closing of the Business Combination, UHG notified each Lock-Up Investor that UHG waived the lock-up restriction contained in the Lock-Up Agreements.

The accompanying consolidated number of shares of UHG common stock issued immediately following the consummation of the Business Combination was as follows:

	Shares	Ownership %
DHHC public shareholders – UHG Class A Common Shares[1]	4,331,604	9.1 %
DHHC sponsor shareholders – UHG Class A Common Shares	4,160,924	8.7 %
GSH existing shareholders – UHG Class B Common Shares	36,973,876	77.7 %
GSH existing shareholders – UHG Class A Common Shares	373,471	0.8 %
Convertible Note Investors – UHG Class A Common Shares	744,588	1.6 %
PIPE Investors - UHG Class A Common Shares	589,374	1.2 %
Lock-up Investors - UHG Class A Common Shares	421,099	0.9 %
Total Closing Shares	**47,594,936**	**100 %**

1 Represents remaining DHHC Class A shares following share redemptions prior to the Business Combination.

Treatment of Merger

The Business Combination is accounted for as a reverse recapitalization under GAAP. This determination is primarily based on Legacy UHG retaining the largest portion of the voting rights, the post-transaction management team is primarily comprised of the pre-transaction management team of GSH and the relative size of GSH's operations is larger than DHHC's. Under this method of accounting, DHHC is treated as the "acquired" company for financial reporting purposes. Accordingly, for accounting purposes, the Consolidated Financial Statements of UHG represent a continuation of the financial statements of Legacy UHG with the Business Combination being treated as the equivalent of Legacy UHG

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issuing stock for the net assets of DHHC, accompanied by a recapitalization. The net assets of DHHC are stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination are presented as those of Legacy UHG. All periods prior to the Business Combination have been retrospectively adjusted using the Exchange Ratio of 373.47:1 for the equivalent number of shares outstanding immediately after

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the Business Combination to effect the reverse recapitalization. Accordingly, certain amounts have been reclassified and retroactively adjusted to reflect the reverse recapitalization pursuant to the Business Combination for all periods presented within the Consolidated Balance Sheets and Consolidated Statements of Changes in Stockholders' Equity.

In connection with the Business Combination, the Company include received approximately $128.6 million of gross proceeds including the contribution of $43.9 million of cash held in DHHC's trust account from its wholly owned subsidiary initial public offering, $4.7 million of cash in connection with the planned merger. There were no inter-company activities during Subscription Agreement PIPE Financing, and $80.0 million in connection with the years ended on December 31, 2022 and 2021.

Liquidity and Going Concern

Notes PIPE Financing. As part of December 31, 2022, the PIPE Financings, the Company had approximately $37,000 in cash entered into the Note Purchase Agreement for an original principal amount of $80.0 million. The Company incurred debt issuance costs of $5.0 million of original issuance discount and a working capital deficit an additional $3.5 million of approximately $3.9 million (not taking into account tax obligations of approximately $481,000 transaction costs that may be paid using investment income earned in Trust Account).

The Company's liquidity needs have been satisfied through a contribution of $25,000 from Sponsor to cover for certain offering costs in exchange for the issuance of the Founder Shares, a loan of up to $300,000 from the Sponsor pursuant were allocated to the Promissory Note (see Note 5), and the Notes, resulting in net cash proceeds from the consummation of the Private Placement not held in the Trust Account. $71.5 million.

The Promissory Note was repaid on February 1, 2021. In addition, in order to finance Company incurred $25.7 million of transaction costs in connection with a the Business Combination, the Sponsor or an affiliate consisting of the Sponsor, or certain advisory, banking, legal, and other professional fees, of the Company's officers which $13.6 million were incurred by DHHC and directors may, but are not obligated to, provide the Company Working Capital Loans up to $1,500,000 (see Note 5). As of December 31, 2022 $12.1 million were incurred by Legacy UHG. All costs were capitalized and 2021, there were no amounts outstanding under any Working Capital Loan.

In October 2022, the Company issued unsecured promissory notes to two affiliates of the Sponsor for an aggregate principal amount of up to $400,000. As of December 31, 2022, there was an outstanding balance of $204,110 under these promissory notes including $4,110 of accrued but unpaid interest through December 31, 2022.

In connection with management's assessment of going concern considerations in accordance with FASB ASC Topic 205-40, "Presentation of Consolidated Financial Statements-

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Going Concern," management has determined that the existing liquidity condition, mandatory liquidation and subsequent dissolution raise substantial doubt about its ability to continue recorded as a going concern. No adjustments have been made reduction to the carrying amounts additional paid-in capital.

Note 3 - Summary of assets or liabilities should the Company be required to liquidate on or after July 28, 2023.

significant accounting policies

Emerging Growth Company

- The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act, of 2002, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that an emerging growth a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's consolidated financial statements Consolidated Financial Statements with another public company that which is neither an emerging growth company nor not an emerging growth company that has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Risks and Uncertainties Principles of consolidation –

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Various social and political circumstances in The Consolidated Financial Statements include the United States and around the world (including wars and other forms accounts of conflict, including rising trade tensions between the United States and China, and other uncertainties regarding actual and potential shifts in the United States and foreign, trade, economic and other policies with other countries, terrorist acts, security operations and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and global health epidemics), may also contribute to increased market volatility and economic uncertainties or deterioration in the United States and worldwide. Specifically, the rising conflict between Russia and Ukraine, and resulting market volatility could adversely affect the Company's ability to complete a business combination. In

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response to the conflict between Russia and Ukraine, the United States and other countries have imposed sanctions or other restrictive actions against Russia. Any of the above factors, including sanctions, export controls, tariffs, trade wars and other governmental actions, could have a material adverse effect on the Company's ability to complete a business combination and the value of the Company's securities.

On August 16, 2022, the Inflation Reduction Act of 2022 (the "IR Act") was signed into federal law. The IR Act provides for, among other things, a new U.S. federal 1% excise tax on certain repurchases of stock by publicly traded U.S. domestic corporations and certain U.S. domestic subsidiaries of publicly - traded foreign corporations occurring on or after January 1, 2023. The excise tax is imposed on the repurchasing corporation itself, not its shareholders from which shares are repurchased. The amount of the excise tax is generally 1% of the fair market value of the shares repurchased at the time of the repurchase. However, for purposes of calculating the excise tax, repurchasing corporations are permitted to net the fair market value of certain new stock issuances against the fair market value of stock repurchases during the same taxable year. In addition, certain exceptions apply to the excise tax. The U.S. Department of the Treasury (the "Treasury") has been given authority to provide regulations and other guidance to carry out and prevent the abuse or avoidance of the excise tax. Any share redemption or other share repurchase that occurs after December 31, 2022, in connection with a Business Combination,

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extension vote or otherwise, may be subject to the excise tax. Whether and to what extent the Company would be subject to the excise tax in connection with a Business Combination, extension vote or otherwise will depend on a number of factors, including (i) the fair market value of the redemptions and repurchases in connection with the Business Combination, extension or otherwise, (ii) the structure of a Business Combination, (iii) the nature and amount of any "PIPE" or other equity issuances in connection with a Business Combination (or otherwise issued not in connection with a Business Combination but issued within the same taxable year of a Business Combination) and (iv) the content of regulations and other guidance from the Treasury. In addition, because the excise tax would be payable by the Company and not by its wholly owned subsidiaries. Intercompany transactions and balances have been eliminated upon consolidation. The Company's fiscal year end is December 31 and, unless otherwise stated, all years and dates refer to the redeeming holder, the mechanics of any required payment of the excise tax have not been determined. The foregoing could cause a reduction in the cash available on hand to complete a Business Combination and in the Company's ability to complete a Business Combination.

Management continues to evaluate the impact of these types of risks and has concluded that while it is reasonably possible that these risks and uncertainties could have a negative effect on the Company's financial position, results of its operations and/or search for a target company, the specific impact is not readily determinable as of the date of these financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

fiscal year.

Use of Estimates –

The preparation of consolidated financial statements the accompanying Consolidated Financial Statements in conformity with GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Making periods. Management continually evaluates the estimates requires management used to exercise significant judgment. It is at least reasonably possible prepare the Consolidated Financial Statements and updates those estimates as necessary. In general, UHG's estimates are based on historical experience, on information from third party professionals, and other various assumptions that are believed to be reasonable under the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the consolidated financial statements, which management considered in formulating its estimate, could change in the near term due to

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one or more future confirming events. Accordingly, the actual facts and circumstances. Actual results could differ significantly materially from those estimates.

estimates made by management.

Cash and Cash Equivalents –

The Company considers cash and cash equivalents to be cash and all short-term highly liquid investments that are readily convertible into cash with an original maturity of three months or less. Cash and cash

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equivalents also include cash proceeds from home closings that are in-transit or held by the Company's third-party escrow agents for the Company's benefit. The home closing proceeds are generally received in less when purchased than five days and are considered to be cash equivalents. deposits in transit. As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company had no deposits in transit.

The Company places its cash and cash equivalents held outside on deposit with various financial institutions in the Trust Account.

United States. The Federal Deposit Insurance Corporation insures up to $250,000 for substantially all depository accounts at each financial institution. The Company's cash accounts at various times during the year are in excess of the insured amount.

Accounts Receivable – Accounts receivable are stated at cost less an allowance for potential credit losses. Management's determination of the allowance for potential credit losses is based on an evaluation of the accounts receivable, historical experience, current economic conditions, and other risks inherent in the accounts receivable portfolio. As of December 31, 2023 and 2022, the Company recorded an allowance for potential credit losses of $109,080 and $0, respectively.

Inventories and Cost of Sales – The carrying value of inventory is stated at cost unless events and circumstances indicate the carrying value may not be recoverable. Inventory consists of land under development, developed lots, homes under construction, and finished homes.

- Land under development - On a limited basis, the Company acquires raw parcels of land already zoned for its intended use to develop into finished lots, and includes land acquisition costs, direct improvement costs, capitalized interest where applicable, and real estate taxes. In 2023, the Company acquired $8,846,666 of land under development as a result of the Rosewood acquisition,

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which is included in Developed lots and land under development on the Consolidated Balance Sheets. The Company had no land under development as of December 31, 2022. See *Note 5 - Business acquisitions,* for additional information.

– Developed lots - This inventory consists of land that has been developed for or acquired by the Company and where vertical construction is imminent. Developed lot costs are typically allocated to individual residential lots on a per lot basis based on specific costs incurred for the acquisition of the lot. For the years ended December 31, 2023 and 2022, the amount of developed lots included in inventory was $26,380,906 and $16,205,448, respectively. Developed lots purchased at fair value from third parties and related parties was $22,046,804 and $10,052,179 as of December 31, 2023 and December 31, 2022, respectively, which is included in Developed lots and land under development on the Consolidated Balance Sheets.

– Homes under construction - At the time construction of the home begins, developed lots are transferred to homes under construction within inventory. This inventory represents costs associated with active homebuilding activities which include, predominately, labor, materials, and overhead costs related to home construction, capitalized interest, real estate taxes and land option fees. For the years ended December 31, 2023 and 2022, the amount of inventory related to homes under construction included in Homes under construction and finished homes was $125,623,133 and $141,863,561, respectively.

– Finished homes - This inventory represents completed but unsold homes at the end of the reporting period. Costs incurred in connection with completed homes including associated selling, general, and administrative costs are expensed as incurred. For the years ended December 31, 2023 and 2022, the amount of inventory related to finished homes included in Homes under construction and finished homes was $21,958,997 and $22,133,926, respectively.

Upon settlement, costs associated with units sold are expensed to Cost of sales based on a specific identification basis. Costs of sales consists of specific construction costs of each home, estimated warranty costs, allocated developed lots, and closing costs applicable to the home. In addition, the Company receives rebates with certain suppliers for the use of their product. The Company records the receipt of the rebate as a reduction in Cost of sales based on a specific identification basis. At the time of closing, the Company performs an analysis to accrue for costs that were incurred as part of the construction of the home but unpaid at the time of closing. The costs are recorded in Cost of sales in the Consolidated Statements of Operations.

Lot Purchase Agreement Deposits – The Company enters into lot purchase agreements with third parties and related parties (“land developers”) to acquire lots for the construction of homes. The agreements require the Company to pay a cash deposit in consideration for the right to purchase the lots at a future point in time at preestablished terms. The

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Investments Held in Trust Account

The Company's portfolio of investments is comprised of U.S. government securities, within Company transfers the meaning set forth in Section 2(a)(16) deposit to inventory upon receipt of the Investment Company Act, with title of the lot. See *Note 11 - Lot purchase agreement deposits* for further details.

Property and Equipment – Property and equipment is stated at cost, less accumulated depreciation. Depreciation is allocated on a maturity straight-line basis over the estimated useful lives of 185 days the related assets. The estimated useful life of each asset group is summarized below:

Asset Group	Estimated Useful Lives
Furniture and Fixtures	5 to 7 years
Buildings	40 years
Leasehold Improvements	Lesser of 40 years or the lease term
Machinery and Equipment	5 to 7 years
Office Equipment	5 to 7 years
Vehicles	5 years

Normal repairs and maintenance costs are expensed as incurred, whereas significant improvements which materially increase the value or less, extend the useful life of an asset are capitalized and depreciated over the remaining estimated useful life of the related assets.

Upon sale or investments in money market funds that invest in U.S. government securities retirement of depreciable assets, the related cost and generally have a readily determinable accumulated depreciation or amortization are removed from the accounts. Any gain or loss on the sale or retirement of the depreciable asset is recognized as Other income (expense) on the Consolidated Statements of Operations.

Intangible Assets - Intangible assets are recorded within Prepaid expenses and other assets on the Consolidated Balance Sheets, and consists of the estimated fair value or a combination thereof. When of tradenames and architectural designs acquired in connection with acquisitions. The identified intangible assets are amortized over their respective estimated useful lives, which was determined to be seven years for the Company's investments held tradename and architectural designs. Amortization expense associated with intangible assets is recorded to Selling, general and administrative expense in the Trust Account Consolidated Statement of Operations.

Long-Lived Assets – The Company evaluates the carrying value of its long-lived assets, which consist of Inventory, Property and equipment, and Intangible assets for impairment whenever events or circumstances indicate an impairment might exist.

Inventory impairment exists if the carrying amount of the asset is not recoverable from the sale prices expected from future home sales. The Company reviews the performance and outlook of its inventories for indicators of potential impairment on a community level. Any calculated impairments are comprised recorded immediately in Cost of U.S. government securities, sales.

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Recoverability for Property and equipment and Intangible assets is measured by the investments expected undiscounted future cash flows related to the assets compared to the carrying amounts of the assets. If the expected undiscounted future cash flows are classified less than the carrying amount of the assets, the excess of the net book value over the estimated fair value is charged to current earnings. Fair value is based upon discounted cash flows of the assets at a rate deemed reasonable for the type of asset and prevailing market conditions and appraisal.

There were no triggering events or impairments recorded for all years presented.

Goodwill - Goodwill represents the excess of purchase price over the fair value of the assets acquired and the liabilities assumed in a business combination. See *Note 5 - Business acquisitions*, for details on recent acquisitions. In accordance with ASC Topic 350, *Intangibles-Goodwill and Other*, the Company evaluates goodwill for potential impairment on at least an annual basis, as trading securities. When of October 1 of each year. The Company has the Company's investments held option to perform a qualitative or quantitative assessment to determine whether the fair value of a reporting unit exceeds its carrying value. Qualitative factors may include, but are not limited to economic conditions, industry and market considerations, cost factors, overall financial performance of the reporting units and other entity and reporting unit specific events. If the qualitative assessment indicates that it is more-likely-than-not that the fair value of the reporting unit is less than its carrying amount, then a quantitative assessment is performed to determine the reporting unit's fair value. If the reporting unit's carrying value exceeds its fair value, then an impairment loss is recognized for the amount of the excess of the carrying amount over the reporting unit's fair value.

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Business Acquisitions - The Company accounts for business acquisitions using the acquisition method. Under ASC 805 a business acquisition occurs when an entity obtains control of a "business." The Company determines whether or not the gross assets acquired meet the definition of a business. If they meet this criteria, the Company accounts for the transaction as a business acquisition. If they do not meet this criteria the transaction is accounted for as an asset acquisition. The consideration transferred in the Trust Account are comprised of money market funds, the investments are recognized acquisition is generally measured at fair value. Trading securities and investments value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in money market funds profit or loss immediately. Transaction costs are presented on expensed as incurred, except if related to the consolidated balance sheets issuance of debt or equity securities. Any contingent consideration is measured at fair value at the end date of acquisition and is based on expected cash flow of the acquisition target discounted over time using an observable market discount rate. The Company generally utilizes outside valuation experts to determine the amount of contingent consideration. Contingent consideration is remeasured at fair value at each reporting period. Gains date and losses resulting from subsequent changes in the change in fair value of these securities the contingent consideration are included recognized in income from investments held in Trust Account Selling, general and administrative expense in the accompanying consolidated statements Consolidated Statements of operations. The estimated fair values Operations.

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Unconsolidated Variable Interest Entities - Pursuant to ASC 810 and subtopics related to the consolidation of variable interest entities ("VIEs"), management analyzes the Company's investments held in and transactions under the Trust Account variable interest model to determine if they are determined using quoted market prices.

Concentration of Credit Risk

Financial instruments that potentially subject VIEs and, if so, whether the Company is the primary beneficiary. Management determines whether the Company is the primary beneficiary of a VIE at the time it becomes involved with a VIE and reconsiders that conclusion if changes to concentrations the Company's involvement arise. To make this determination, management considers factors such as whether the Company could direct finance, determine or limit the scope of credit risk consist the entity, sell or transfer property, direct development or direct other operating decisions. The primary beneficiary is defined as the entity having both of cash accounts in the following characteristics: 1) the power to direct the activities that most significantly impact the VIE's performance, and 2) the obligation to absorb losses and rights to receive the returns from the VIE that would be potentially significant to the VIE. Management consolidates the entity if the Company is the primary beneficiary or if a financial institution, which, at times, may exceed standalone primary beneficiary does not exist and the Federal Depository Insurance Coverage Company and its related parties collectively meet the definition of $250,000 and investments held in a primary beneficiary. If the Trust Account. investment does not qualify as a VIE under the variable interest model, management then evaluates the entity under the voting interest model to assess if consolidation is appropriate.

The Company has entered into a shared services agreement with a related party that operates in the land development business in which the Company will provide accounting, IT, HR, and other administrative support services and receive property maintenance services and due diligence and negotiation assistance with purchasing third party finished lots. Management has analyzed and concluded that it has a variable interest in this entity through the services agreement that provides the Company with the obligation to absorb losses and the right to receive benefits based on fees that are below market rates.

Additionally, the Company enters into lot option purchase agreements with the same related party and other related parties to procure land or lots for the construction of homes. Under these contracts, the Company funds a stated deposit in consideration for the right, but not experienced losses on the obligation, to purchase land or lots at a future point in time. Under the terms of the option purchase contracts, the option deposits are not refundable. Management determined it holds a variable interest through its potential to absorb some of the related parties' first dollar risk of loss by placing a non-refundable deposit.

Management determined that these accounts and management believes related parties are VIEs, however, the Company is not exposed the primary beneficiary of the VIEs as it does not have the power to direct the VIEs' significant risks activities related to land development. Accordingly, the Company does not consolidate these VIEs.

As of December 31, 2023 the Company recognized $88,000 of assets related to the services agreement included within Due from related party on such accounts.

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Fair Value the Consolidated Balance Sheets, and $28,363,053 of Financial Instruments assets related to lot purchase agreements included within Lot purchase agreement deposits on the Consolidated Balance Sheets. There were no amounts associated with these agreements as of December 31, 2022. The Company determined these amounts to be the maximum exposure to loss due to involvement with the VIEs as the Company does not provide any financial guarantees or support to these related parties.

Deferred Loan Costs –

Loan costs that qualify as debt issuance costs associated with the Company's Homebuilding debt are capitalized and amortized over the term of the line of credit on a straight-line basis in accordance with ASC 835, *Interest*. These debt issuance costs are included within inventory for Homes under construction and finished homes. See *Note 9 - Homebuilding debt and other affiliate debt* for further details.

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Earnings per Share – Basic earnings per share ("EPS") is computed by dividing income available to common shareholders by the weighted average number of UHG common shares outstanding for the period. Diluted EPS is computed by dividing income available to common shareholders by the weighted average number of UHG common shares outstanding for the period plus the assumed exercise of all dilutive UHG securities using the treasury stock method for stock grants and warrants and the if-converted method for the convertible note. See *Note 20 - Earnings per Share* for further details.

Investment in Joint Venture – UHG entered into a joint venture agreement with an unrelated third party and acquired a 49% equity stake in Homeowners Mortgage, LLC ("Joint Venture"). The Joint Venture operates with the purpose of assisting homebuyers through the homebuying experience. The Company made an initial capital contribution of $49,000 at the formation of the Joint Venture on February 4, 2022. The Company has no obligations to make future capital contributions as governed by the Joint Venture's operating agreement. If any future contributions are made, they generally will be based on a pro rata basis, based on the Company's respective equity interest in the Joint Venture.

The Company accounts for its investment in the Joint Venture under the equity method of accounting, as it determined that the Company has the ability to exercise significant influence over the venture, but does not have control. Under the equity method, the investment in the unconsolidated joint venture is recorded initially at cost, as Investment in Joint Venture, and subsequently adjusted for equity in earnings, cash contributions, less distributions and impairments. The Joint Venture commenced operations in June 2022. Equity in earnings from the investment in the Joint Venture for the years ended December 31, 2023 and 2022 was $1,244,091 and $137,086, increasing the investment in Joint Venture as of December 31, 2023 and 2022 to $1,430,177, and $186,086, respectively. There were no additional capital contributions and distributions for the years ended December 31, 2023 and 2022, aside from the initial contribution of $49,000 on February 4,

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2022. Additionally, there were no impairment losses related to the Company's investment in the Joint Venture recognized during the year ended December 31, 2023.

Share-Based Compensation – The Company recognizes share-based compensation expense within Selling, general and administrative expense in the Consolidated Statements of Operations for certain share-based payment arrangements, which include stock options, restricted share units ("RSUs"), and stock warrants.

Stock option and RSU awards are expensed on a straight-line basis over the requisite service period of the entire award from the date of grant through the period of the last separately vesting portion of the grant. UHG accounts for forfeitures when they occur. Stock warrant awards do not contain a service condition and are expensed on the grant date. The fair value of share-based awards, granted or modified, is determined on the grant date (or modification or acquisition dates, if applicable) at fair value, using the Black-Scholes option pricing model. This model requires the input of highly subjective assumptions, including the option's expected term and stock price volatility. See *Note 15 - Share-based compensation.*

Deferred transaction costs - The Company records deferred transaction costs, which consist of legal, accounting and other fees related to the preparation of the Business Combination (see *Note 1 -Nature of operations and basis of presentation*). The deferred transaction costs were offset against proceeds from the transaction upon the effectiveness of the Business Combination. As of December 31, 2023 and 2022, $0 and $2,491,459 of deferred transaction costs were capitalized and recorded in Prepaid expenses and other assets on the Consolidated Balance Sheets. Transaction costs that are not eligible to be capitalized are expensed as incurred and included within Selling, general, and administrative expense in the Consolidated Statements of Operations.

Leases – The Company determines if an arrangement is, or contains, a lease at inception. Leases are recognized when the contract provides the Company the right to use an identified asset for a period of time in exchange for consideration. Operating leases are included in Operating right-of-use ("ROU") assets and Operating lease liabilities in the Consolidated Balance Sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of the lease payments over the lease term. As most of the Company's leases do not provide an explicit borrowing rate, management uses the Company's incremental borrowing rate based on information available at the commencement date, in determining the present value of the lease payments. In determining an incremental borrowing rate, the Company considers the lease term, credit risk of the lessee and the lease, the size of the lease payments, the current economic environment affecting the lessee and the lease, and the collateralized nature of the lease. The ROU assets also include any lease payments made, reduced by any lease incentives. Lease terms

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may include options to extend or terminate the lease when it is reasonably certain the Company will exercise that option. Lease expense for operating leases is recognized on a straight-line basis over the lease term and is included in Selling, general and administrative expense on the Consolidated Statement of Operations. The

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Company elected the practical expedient to combine lease and non-lease components when accounting for ROU assets and lease liabilities of all asset classes.

Variable lease costs represent additional expenses incurred by the Company that are not included in the lease payment. Variable lease costs include maintenance charges, taxes, insurance, and other similar costs, and are recorded within Selling, general and administrative expense on the Consolidated Statement of Operations for the year ended December 31, 2023. The Company has elected not to recognize leases with an initial term of 12 months or less (“short-term leases”) on the Consolidated Balance Sheets. The Company recognizes lease expense for short-term leases on a straight-line basis over the lease term and variable lease payments in the period in which the obligation is incurred.

In December 2022, Legacy UHG entered into sale-leaseback transactions with related parties. Unless otherwise noted, UHG accounts for sale-leaseback transactions at their contractually stated terms. As the leases do not provide an explicit borrowing rate, management used the Company’s incremental borrowing rate based on information available as of the lease commencement date. Refer to *Note 10 - Related party transactions* for additional detail on these transactions.

Revenue Recognition - The Company’s revenues consist primarily of home sales in the United States. Home sale transactions are made under fixed price contracts. The Company generally determines the selling price per home based on the expected cost plus a margin. Home sale transactions typically have one single performance obligation to deliver a completed home to the homebuyer which is generally satisfied when the closing conditions are met. The Company’s contracts primarily have a contract duration of one year or less. The Company elected the practical expedient that allows the Company to not assess a contract for a significant financing component if the period between a customer’s payment and the transfer of goods or services is one year or less. For the years ended December 31, 2023 and 2022, no significant financing components were present in the Company’s contracts.

Performance obligations are generally satisfied at a point in time, when the control of the home is transferred to the customer. Control is considered to be transferred to the customer at the time of closing when the title and possession of the home are received by the homebuyer. The Company generally requires initial cash deposits from the homebuyer at the time the sales contract is executed which is held by an unrelated third-party escrow agent. The remaining consideration to which the Company is entitled to is received at the time of closing through an escrow agent, typically within five days or less of the closing date. For the years ended December 31, 2023 and 2022, revenue recognized at a point in time from speculative home closings totaled $409,606,466 and $456,792,005, respectively.

In some contracts, the Company is contracted to construct a home or homes on underlying land the customer controls. For these specific contracts, the performance obligation is satisfied over time, as the Company’s performance creates or enhances an asset that the customer controls. The Company recognizes revenue for these contracts using the input method based on costs incurred as compared to total estimated project costs. The Company has determined that the cost-based input method provides a faithful depiction of the transfer of goods or services to the customer. For the years ended December 31, 2023 and 2022, revenue recognized over time from construction activities on land owned by customers totaled $11,867,635 and $20,253,944, respectively.

For homes with revenue recognized over time, a large portion of the Company’s contracts with these customers and the related performance obligations have an original expected duration of one year or less. As

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a result, the Company elected the practical expedient and does not disclose the value of unsatisfied performance obligations for these contracts.

The Company periodically bills these customers over the term of the project and performs a quarterly analysis between billings and revenue recognized. The Company records a contract asset when work performed by the Company is greater than the amount billed. Conversely, the Company records deferred revenue when the amount billed is greater than the work performed. As of December 31, 2023 and 2022, the Company recorded a contract asset of $88,562 and $611,343, respectively, which is included in Prepaid expense and other assets on the Consolidated Balance Sheets. As of December 31, 2023 and 2022, the Company recorded deferred revenue of $0 and $305,701, respectively, which is included in Other accrued expenses and liabilities on the Consolidated Balance Sheets. Substantially all deferred revenue is recognized in revenue within twelve months of being received from customers.

The Company frequently performs reviews of all contracts to estimate profitability in the future. If the estimate of contract profitability indicates an anticipated loss on a contract, the Company recognizes the total estimated loss at the time

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it is fully determinable. For the years ended December 31, 2023 and 2022, the Company did not recognize a loss on any contracts.

Concurrent with the recognition of revenues in the Consolidated Statements of Operations, sales incentives in the form of price concessions on the selling price of a home are recorded as a reduction of revenues. Revenues include forfeited deposits, which occur when home sale contracts that include a nonrefundable deposit are cancelled. Revenues from forfeited deposits were considered insignificant for all years presented.

The Company determined that costs to obtain a contract include sales commission paid to agents and brokers for selling services to attract home buyers into sales agreements. The contract term is typically the closing date when the title and consideration are exchanged. The Company adopted the practical expedient associated with ASC 606 to recognize the incremental costs of obtaining a contract as an expense when incurred, i.e., when the amortization period of the asset that the Company otherwise would have recognized is one year or less.

In December 2022, Legacy UHG entered into sale-leaseback transactions with related parties. The Company recognized revenue of $5,188,716 on the Consolidated Statement of Operations for the year ended December 31, 2022. Refer to *Note 10 - Related party transactions* for additional detail on these transactions.

Advertising – The Company expenses advertising and marketing costs as incurred and is included within Selling, general, and administrative expense in the Consolidated Statements of Operations. For the years ended December 31, 2023 and 2022, the Company incurred $2,132,057 and $2,709,488, respectively, in advertising and marketing costs.

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Warranties – The Company establishes warranty liability reserves to provide for estimated future expenses as a result of construction or product defects identified throughout the coverage period. The Company estimates the costs that may be incurred under the limited warranties and records a liability in the expected amount of such costs at the time revenues associated with sales are recognized. The Company records the estimated warranty accrual within Other accrued expenses and liabilities on the Consolidated Balance Sheets and adjustments to the reserves are included in Cost of sales on the Consolidated Statements of Operations. The Company analyzes historical claims experience combined with the number of homes delivered to estimate the amount to accrue per home for warranty costs. This estimation process takes into consideration such factors as the likely current cost of corrective action, manufacturers' and subcontractors' participation in sharing the cost of corrective action, and consultations with engineers. The warranty accrual is periodically evaluated for adequacy and any accrual adjustments are made on a per unit basis if deemed necessary.

Income Taxes – Income taxes are accounted for using the asset and liability method of accounting. Under this method, deferred tax assets and liabilities which qualify as financial instruments under are recognized for the FASB ASC Topic 820, "Fair Value Measurements," equal or approximate expected future tax consequences on differences between the carrying amounts represented of assets and liabilities and their respective tax basis, using tax rates in effect for the year in which the differences are expected to reverse. The effect on deferred assets and liabilities of a change in tax rates is recognized in income in the consolidated balance sheets.

Fair Value Measurements

Fair value period when the change is defined enacted. Deferred tax assets are reduced by a valuation allowance when it is "more-likely-than not" that some portion or all of the deferred tax assets will not be realized. When evaluating the realizability of deferred tax assets, all evidence, both positive and negative, is evaluated.

The Company recognizes interest and penalties related to the underpayment of income taxes, including those resulting from the late filing of tax returns within the provision for income taxes in the Consolidated Statements of Operations. The Company analyzes its tax filing positions in the U.S. federal, state, and local tax jurisdictions where the Company is required to file income tax returns, as well as for all open tax years in these jurisdictions. If, based on this analysis, the price Company determines that would be received uncertainties in tax positions exist, a liability is established.

Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining tax expense and in evaluating tax positions, including evaluating uncertainties under GAAP. The Company reviews its tax positions quarterly and adjusts its tax balances as new legislation is enacted or new information becomes available.

Prior to the Business Combination, Legacy UHG was included in the tax filing of the shareholders of GSH, which was taxed individually under the provision of Subchapter S and Subchapter K of the Internal Revenue Code. Individual shareholders were liable for sale income taxes on their respective shares of an asset or paid GSH's taxable income. In connection with its change in status to a taxable entity, the Company has recorded, for transfer the year ended December 31, 2023, discrete items of $982,981 in order to establish

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various deferred tax balances, primarily attributable to timing differences in revenue recognition. Similarly, the Company has recorded, for the year ended December 31, 2023, discrete items of $102,472 to

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establish various deferred tax balances as a result of a liability, change in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers consist of:

- Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

In some circumstances, the inputs used to measure fair value might be categorized within different levels tax status of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety acquired entity in the fair value hierarchy based on the lowest level input that is significant Rosewood transaction. See *Note 5 - Business acquisitions*, for further details regarding this acquisition.

No income tax nor income tax liability has been allocated to the fair value measurement.

Company as of and for the year ended December 31, 2022, nor is there any recorded liability for uncertain tax positions.

Derivative Warrant Liabilities liabilities –

The Company does not use derivative instruments to hedge its exposures to cash flow, market, or foreign currency risks. Management The Company evaluates all of the Company's its financial instruments, including issued warrants, to purchase its Class A common stock, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 480, *Distinguishing Liabilities from Equity,* and FASB ASC Topic

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DIAMONDHEAD HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

815, "Derivatives*Derivatives and Hedging" ("Hedging* ("ASC 815"). The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

The 8,625,000 warrants issued in connection with the DHHC's Initial Public Offering (the "Public Warrants") and , the 2,966,663 Private Placement Warrants (as defined below), 21,495,794 Earnout Shares and certain stock options (as discussed in *Note 15 - Share-based compensation*) are recognized as derivative liabilities in accordance with ASC 815. Accordingly, the Company recognizes the warrant instruments, earnout shares and stock options as liabilities at fair value and adjusts the instruments to fair value at each reporting period until they are exercised. Their re-measurement to exercised or issued, respectively. The Public Warrant quoted market price was used as the fair value is recognized in the Company's consolidated statements of operations. The fair value of for the Public Warrants issued in as of December 31, 2023. The Private Placement Warrants and the Earnout shares were valued using a Monte Carlo analysis. See the *Earnout* and *Warrant Liabilities* sections below for further detail on each instrument and their classification. Stock options were valued using Black-Scholes valuation model. See *Note 15 - Share-based compensation* for further detail.

Earnout - In connection with the Initial Public Offering Business Combination, Earnout Holders are entitled to receive consideration in the form of Earnout Shares upon the Company achieving certain Triggering Events, as described in *Note 16 - Earnout shares.* The contingent obligations to issue Earnout Shares to the Earnout Holders, excluding Employee Option Holders, are recognized as derivative liabilities in accordance with ASC 815. The liabilities were initially measured recognized at fair value on the Closing Date and are subsequently remeasured at each reporting date with changes in fair value recorded in the Consolidated Statements of Operations.

Earnout Shares issuable to Employee Option Holders are considered a separate unit of account from the Earnout Shares issuable to GSH Equity Holders, and the Sponsors, and are accounted for as equity classified stock compensation. The Earnout Shares issuable to Employee Option Holders are fully vested upon issuance, thus there is no requisite service period, and the value of these shares is recognized as a one-time stock compensation expense for the grant date fair value.

The estimated fair values of the Earnout Shares were determined by using a Monte Carlo simulation valuation model using a distribution of potential outcomes on a daily basis over the Earnout Period as defined in *Note 16 - Earnout shares*. The preliminary estimated fair values of the Earnout Shares were determined using the most reliable information available, including the current trading price of the UHG Class A Common

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Shares, expected volatility, risk-free rate, expected term and the Private Placement Warrants have been measured at dividend rate.

The earnout liability is categorized as a Level 3 fair value using a modified Black-Scholes model. As of and December 31, 2022 and 2021, measurement because the Company estimated projections during the Earnout Period utilizing unobservable inputs. See *Note 6 - Fair value of the Public Warrants is measured based measurement* for further detail on the listed market price of such warrants since being separately listed and traded. The determination of UHG's accounting policy related to the fair value of the warrant liabilities may be subject to change as more current information becomes available financial instruments.

Warrant Liabilities-The Company assumed 8,625,000 publicly-traded warrants ("Public Warrants") from DHHC's initial public offering and accordingly the actual results could differ significantly. Derivative warrant liabilities are classified as non-current liabilities as their liquidation is not reasonably expected to require the use of current assets or require the creation of current liabilities.

Offering Costs Associated 2,966,663 private placement warrants originally issued by DHHC ("Private Placement Warrants" and, together with the Initial Public Offering

Offering costs consisted of legal, accounting, underwriting fees and other costs incurred through Warrants, the Initial Public Offering that were directly related to the Initial Public Offering. Offering costs are allocated to the separable financial instruments issued in the Initial Public Offering based on a relative fair value basis, compared to total proceeds received. Offering costs associated with warrant liabilities are expensed as incurred, presented as non-operating expenses in the consolidated statements of operations. Offering costs associated with the Class A common stock were charged against the carrying value "Common Stock Warrants" or "Warrants"). Upon consummation of the Class A common stock upon the completion of the Initial Public Offering. The Company classifies deferred underwriting commissions as non-current liabilities as their liquidation is not reasonably expected to require the use of current assets or require the creation of current liabilities.

Class A Business Combination, each Common Stock Subject to Possible Redemption

The Company accounts for its Class A common stock subject to possible redemption in accordance with the guidance in ASC 480. Class A common stock subject to mandatory redemption (if any) is classified as liability instruments and are measured at fair value. Conditionally redeemable Class A common stock (including Class A common stock that features redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) are classified as temporary equity. At all other times, Class A common stock is classified as stockholders' equity. The Company's Class A common stock feature certain redemption rights that are considered to be outside of the Company's control and subject to the occurrence of uncertain future events. Accordingly, as of December 31, 2022 and 2021, 34,500,000 shares of Class A common stock subject to possible redemption are presented at redemption value as temporary equity, outside of the stockholders' equity section of the Company's consolidated balance sheets.

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The Company recognizes changes in redemption value immediately as they occur and adjusts the carrying value of the Class A common stock subject to possible redemption to equal the redemption value at the end of each reporting period. This method would view the end of the reporting period as if it were also the redemption date for the security. Immediately upon the closing of the Initial Public Offering, the Company recognized the accretion from initial book value to redemption amount, which resulted in charges against additional paid-in capital (to the extent available) and accumulated deficit. Subsequently, the Company recognizes changes in redemption value in the accompanying consolidated statements of changes in stockholders' deficit.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes under FASB ASC Topic 740, “Income Taxes” (“ASC 740”). Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the consolidated financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

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ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. There were no unrecognized tax benefits as of December 31, 2022 and 2021. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company is subject to income tax examinations by major taxing authorities since inception.

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Net Income (Loss) Per Share of Common Stock

The Company complies with accounting and disclosure requirements of FASB ASC Topic 260, "Earnings Per Share." The Company has two classes of shares, which are referred to as Class A common stock and Class B common stock. Income and losses are shared pro rata between the two classes of shares. Net (loss) income per common stock is calculated by dividing the net (loss) income by the weighted average shares of common stock outstanding for the respective period.

The calculation of diluted net income (loss) per common stock does not consider the effect of the warrants Warrant issued in connection with the Initial Public Offering and the Private Placement to purchase an aggregate of 14,558,333 shares of common stock in the calculation of diluted income (loss) per share, because their exercise is contingent upon future events. Accretion associated with the redeemable Class A common stock is excluded from earnings per share as the redemption value approximates fair value.

The following table reflects presents a reconciliation of the numerator and denominator used to compute basic and diluted net income (loss) per share for each class of common stock.

	For the Year Ended December 31, 2022		For the Year Ended December 31, 2021	
	Class A	Class B	Class A	Class B
Basic and diluted net income per common stock:				
Numerator:				
Allocation of net income - Basic	$ 5,658,652	$1,414,663	$ 2,136,906	$ 571,335
Allocation of net income - Diluted	$ 5,658,652	$1,414,663	$ 2,132,523	$ 575,718
Denominator:				
Basic weighted average common stock outstanding	34,500,000	8,625,000	31,947,945	8,541,781
Diluted weighted average common stock outstanding	34,500,000	8,625,000	31,947,945	8,625,000
Basic and diluted net income per common stock	$ 0.16	$ 0.16	$ 0.07	$ 0.07

Recent Accounting Pronouncements

Management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the Company's consolidated financial statements.

Note 3 - Initial Public Offering

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On January 28, 2021, the Company consummated its Initial Public Offering of 34,500,000 Units, including 4,500,000 Over-Allotment Units, at $10.00 per Unit, generating gross proceeds of $345.0 million, and incurring offering costs of approximately $19.6 million, of which approximately $12.1 million is included in deferred underwriting commissions.

On August 10, 2022, the underwriter from the Initial Public Offering resigned from its role in any Business Combination and waived its entitlement to the deferred underwriting commissions in the amount of $12.1 million.

Each Unit consists of one share of Class A common stock and one-fourth of one redeemable warrant ("Public Warrant"). Each whole Public Warrant will entitle entitled the holder to purchase one share of UHG Class A common stock Common Share at a price of $11.50 per share, subject to adjustment (see Note 7).

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Note 4 — Private Placement

Simultaneously with the closing of the Initial Public Offering, the Company consummated the Private Placement of 5,933,333 Private Placement Warrants at a price of $1.50 per Private Placement Warrant to the Sponsor and the Anchor Investors, generating proceeds of $8.9 million.

Each Private Placement Warrant will be exercisable to purchase one share of Class A common stock at a an exercise price of $11.50 per share. A portion of the proceeds from the Private Placement The Common Stock Warrants was added to the proceeds from the Initial Public Offering held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, the proceeds of the sale of the Private Placement Warrants will be used to fund the redemption of the Public Shares (subject to the requirements of applicable law), and the Private Placement Warrants will expire worthless. There will be no redemption rights or liquidating distributions from the Trust Account with respect to the Placement Warrants.

Note 5 - Related Party Transactions

Founder Shares

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On October 21, 2020, the Sponsor paid $25,000 on behalf of the Company to cover certain offering costs in exchange for issuance of 8,625,000 shares of the Company's Class B common stock (the "Founder Shares"). Additionally, upon consummation of the Business Combination, the Sponsor has agreed to transfer an aggregate of 1,250,625 Founder Shares to the Anchor Investors for the same price originally paid for such shares. The Founder Shares will automatically convert into Class A common stock upon consummation of a Business Combination on a one-for-one basis, subject to certain adjustments, as described in Note 8.

The Founder Shares included an aggregate of up 1,125,000 shares subject to forfeiture to the extent that the underwriter's option to purchase additional units was not exercised in full, so that the Sponsor would own, on an as-converted basis, 20% of the Company's issued and outstanding shares after the Initial Public Offering. On January 28, 2021, the underwriters fully exercised the over-allotment option; thus, these 1,125,000 Founder Shares were no longer subject to forfeiture.

The Sponsor and the Anchor Investors agreed, subject to limited exceptions, not to transfer, assign or sell any of its Founder Shares until the earlier to occur of: (A) one year after the completion of a Business Combination or (B) subsequent to a Business Combination, (x) if the last reported sale price of the Class A common stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after a Business Combination, or (y) the date on which the Company completes a liquidation, merger, capital stock exchange or other similar transaction that results in all of the Company's stockholders having the right to exchange their shares of common stock for cash, securities or other property.

Promissory Note — Related Party

On October 21, 2020, the Sponsor agreed to loan the Company an aggregate of up to $300,000 to cover expenses related to the Initial Public Offering (the "Promissory Note"). The Promissory Note was non-interest bearing and due upon the completion of the Initial Public Offering. As of December 31, 2020, the Company borrowed $130,000 under the Promissory Note. On February 1, 2021, the Company repaid the Promissory Note in full. Subsequent to repayment, the facility is no longer available to the Company.

On October 18, 2022, the Company issued unsecured promissory notes to two affiliates of the Sponsor for an aggregate principal amount of up to $400,000. The promissory notes bear interest on the outstanding principal balance at 10% per annum, are not convertible and are repayable in full upon the earlier of: (i) April 28, 2023 or (ii) the date on which the Company closes the Proposed Business Combination. As of December 31, 2022, there was an aggregate outstanding balance of $204,110 under the promissory notes including $4,110 of accrued but unpaid interest through December 31, 2022.

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Related Party Loans

In addition, in order to finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of the Company's officers and directors may, but are not obligated to, loan the Company funds as may be required ("Working Capital Loans"). If the Company completes a Business Combination, the Company would repay the Working Capital Loans out of the proceeds of the Trust Account released to the Company. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination does not close, the Company may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans, but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. Except for the foregoing, the terms of such Working Capital Loans, if any, have not been determined and no written agreements exist with respect to such loans. The Working Capital Loans would either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, up to $1.5 million of such Working Capital Loans may be convertible into warrants of the post-Business Combination entity at a price of $1.50 per warrant. The warrants would be identical to the Private Placement Warrants. As of December 31, 2022 and 2021, the Company had no borrowings under the Working Capital Loans.

Administrative Support Agreement

The Company agreed, commencing on the effective date of the Initial Public Offering through the earlier of the Company's consummation of a Business Combination and its liquidation, to pay the Sponsor a total of $10,000 per month for office space, utilities, secretarial and administrative support. The Sponsor has not received any reimbursement of these fees through December 31, 2022.

Sponsor Support Agreement

In connection with the execution of the Business Combination Agreement, the Sponsor entered into a sponsor support agreement (the "Sponsor Support Agreement") with the Company and GSH, pursuant to which the Sponsor agreed to, among other things, (i) vote at any meeting of the shareholders of the Company all of its Class B common stock, (the "Sponsor Shares") and any securities acquired after the execution of the Sponsor Support Agreement, in favor of each Transaction Proposal (as defined in the Business Combination Agreement), (ii) be bound by certain other covenants and agreements related to the Transactions and (iii) be bound by certain transfer and redemption restrictions with respect to such Sponsor Shares, in each case, on the terms and subject to the conditions set forth in the Sponsor Support Agreement.

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The Sponsor has also agreed, subject to certain exceptions, not to transfer approximately 2.1 million Sponsor Earn Out Shares (as defined in the Sponsor Support Agreement) until such shares are released under the Sponsor Support Agreement. Pursuant to the Sponsor Support Agreement, Sponsor Earnout Shares will be released in three tranches upon the occurrence of the following milestones during the period commencing on the 90th day following the date (the "Closing Date") on which the closing of the Merger (the "Closing") occurs and ending on the fifth anniversary of the Closing Date: (i) a one-time issuance of 7,500,000 Earnout Shares on the first date on which the volume weighted average price of DHHC Shares over any 20 trading days within the preceding 30 consecutive trading day period (as adjusted, the "VWAP Price") is greater than or equal to $12.50 ("Triggering Event I"); (ii) a one-time issuance of 7,500,000 Earn Out Shares on the first date on which the VWAP Price is greater than or equal to $15.00 ("Triggering Event II"); and (iii) a one-time issuance of 5,000,000 Earn Out Shares on the first date on which the VWAP Price is greater than or equal to $17.50 ("Triggering Event III", together with Triggering Event I and Triggering Event II, the "Earn-Out Milestones"). Any such Sponsor Earnout Shares not vested prior to the fifth anniversary of the Closing Date will be deemed to be forfeited.

The Sponsor has also agreed that in the event that Closing DHHC Cash (as defined in the Business Combination Agreement) is less than $100,000,000, up to 1.0 million Sponsor Shares will be designated as Sponsor Earnout Shares, subject to the same release conditions set forth in the preceding paragraph. In addition, members of the Sponsor have made a commitment to purchase and not redeem an aggregate of 2.5 million Public Shares.

The Sponsor has also agreed, pursuant to the terms of the Sponsor Support Agreement, to forfeit approximately 1.8 million Sponsor Shares and approximately 50% of its Private Placement Warrants.

Financing Commitment Letter

In connection with the execution of the Business Combination Agreement, we entered into a financing commitment letter (the "Financing Commitment Letter") with the Sponsor, David T. Hamamoto, our Co-Chief Executive Officer and Chairman and an affiliate of our

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Sponsor, and Antara Capital, an affiliate of our Sponsor, pursuant to which David T. Hamamoto and Antara Capital (collectively, the “Investors”) will commit to, or cause their respective affiliates to, purchase and not redeem at least in the aggregate 2.5 million DHHC Class A Common Shares. Specifically, the Investors have agreed, among other things, severally, and not jointly, subject to certain terms and conditions, (i) to purchase (in open market transactions or otherwise), or to cause one or more of its controlled affiliates to purchase, and beneficially own no less than 1,250,000 DHHC Class A Common Shares, no later than the date that is five (5) business days prior to the special meeting of our stockholders to consider matters relating to the proposed Merger and (ii) following such purchases, not to sell, contract to sell, redeem or otherwise transfer or dispose of, directly or indirectly, the acquired shares or the economic ownership of the acquired shares at any time prior to the consummation of the Transactions. The acquired shares will not be subject to any restrictions on transfer or disposition.

In the event an Investor fails to make the committed purchase, the defaulting investor will automatically forfeit 1,250,000 DHHC Class B Common Shares it is entitled to receive in connection with the Closing for the benefit of the non-defaulting Investor or its designated controlled affiliates.

Note 6 - Commitments and Contingencies

Registration Rights

The holders of the Founder Shares, Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans (and any shares of Class A common stock issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of working capital loans and upon conversion of the Founder Shares) were entitled to registration rights pursuant to a registration rights agreement signed upon the effective date of Initial Public Offering, requiring the Company to register such securities for resale (in the case of the Founder Shares, only after conversion to Class A common stock). The holders of the majority of these securities were entitled to make up to three demands, excluding short form demands, that the Company register such securities. In addition, the holders have certain “piggy-back” registration rights with respect to registration statements filed subsequent to the completion of a Business Combination and rights to require the Company to register for resale such securities pursuant to Rule 415 under the Securities Act. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Amended and Restated Registration Rights Agreement

The Business Combination Agreement contemplates that, upon completion of the Merger, the Company (which expects to be named United Homes Group, Inc. at that time), the Sponsor, certain securityholders of the Company and certain former stockholders of GSH will enter into an Amended and Restated Registration Rights Agreement (the “A&R Registration Rights Agreement”). Pursuant to the A&R Registration Rights Agreement, among other things, UHG agrees to file a shelf registration statement with respect to the

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registrable securities under the A&R Registration Rights Agreement within 45 days of the Closing. Up to two times in any 12-month period, certain legacy DHHC securityholders and legacy GSH stockholders may request to sell all or any portion of their registrable securities in an underwritten offering that is registered pursuant to the shelf registration statement, so long as the total offering price is reasonably expected to exceed $10,000,000. The combined company will also provide customary “demand” and “piggyback” registration rights. The A&R Registration Rights Agreement will provide that UHG will pay certain expenses relating to such registrations and indemnify the securityholders against certain liabilities.

Further, each securityholder party to the A&R Registration Rights Agreements agrees not to transfer any of their registrable securities subject to lock-up transfer restrictions (as described in the A&R Registration Rights Agreement) until the end of the applicable Lock-Up Period (as defined in the A&R Registration Rights Agreement) subject to certain customary exceptions described therein.

Underwriting Agreement

The Company granted the underwriter a 45-day option from the date of Initial Public Offering to purchase up to 4,500,000 additional Units at the Initial Public Offering price less the underwriting discounts and commissions. On January 28, 2021, the underwriters fully exercised the over-allotment option.

The underwriter was entitled to a cash underwriting discount of $0.20 per Unit, or $6.9 million in the aggregate, paid upon the closing of the Initial Public Offering. In addition, the underwriter was entitled to a deferred fee of $0.35 per Unit, or approximately $12.1 million in the aggregate.

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Effective exercisable as of August 10, 2022, the underwriter from the Initial Public Offering resigned and withdrew from its role in any Business Combination and waived its entitlement to the deferred underwriting commissions in the amount of approximately $12.1 million April 29, 2023. The Company recognized approximately $11.8 million of the commissions waiver as a reduction to additional paid-in capital in the consolidated statements of changes in stockholders’ deficit for the year ended December 31, 2022, as this portion represents an extinguishment of deferred underwriting commissions on Public Shares which was originally recognized directly in accumulated deficit. The remaining balance of approximately $272,000 is recognized as a gain from settlement of deferred underwriting commissions on public warrants in the

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consolidated statements of operations, which represents the original amount expensed in the Company's initial public offering.

Contingent Fee Arrangement

The Company has entered into certain engagement letters with Zelman Partners LLC ("Zelman") for financial advice and assistance in connection with its search for a prospective initial business combination. Pursuant to the engagement letters, the Company agreed to pay Zelman a transaction fee in cash of $4,500,000 plus, in the Company's sole discretion, an additional transaction fee of between $0 to $1,000,000 (collectively, the "Transaction Fees"). The Transaction Fees were contingent upon the closing of a Business Combination and therefore not included as liabilities on the consolidated balance sheets.

Additionally, if the Company or any of its affiliates enters into an agreement with respect to the acquisition of all or a portion of a target company in the homebuilding industry (the "Agreement") and (i) such Agreement is terminated prior to consummation of such acquisition or the acquisition is otherwise not consummated and (ii) the Company receives a payment or other consideration (the "Payment") at any time related to such termination or non-consummation, the Company agrees to pay to Zelman a transaction fee of the lesser of (i) the Transaction Fee that would have been payable had the sale been consummated and (ii) 25% of such Payment in cash if and when such Payment is made to the Company.

Note 7 - Derivative Warrant Liabilities

As of December 31, 2022 and 2021, the Company had 8,625,000 Public Warrants and 5,933,333 Private Placement Warrants outstanding.

Public Warrants may only be exercised for a whole number of shares. No fractional warrants will be issued upon separation of the Units and only whole warrants will trade. The Public Warrants will become exercisable on the later of (a) 30 days after the completion of a Business Combination or (b) 12 months from the closing of the Initial Public Offering. The Public Warrants will expire five years after the completion of a Business Combination or earlier upon redemption or liquidation.

The Company will not be obligated to deliver any shares of Class A common stock pursuant to the exercise of a warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act with respect to the shares of Class A common stock underlying the warrants is then effective and a prospectus relating thereto is current, subject to the Company satisfying its obligations with respect to registration. No warrant will be exercisable and the Company will not be obligated to issue any shares of Class A common stock upon exercise of a warrant unless Class A common stock issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants.

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The Company agreed that as soon as practicable, but in no event later than 15 business days, after the closing of a Business Combination, the Company will use its best efforts to file, and within 60 business days following a Business Combination to have declared effective, a registration statement for the registration, under the Securities Act, of the shares of Class A common stock issuable upon exercise of the warrants. The Company will use its reasonable best efforts to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the warrants in accordance with the provisions of the warrant agreement. Notwithstanding the above, if the Class A common stock is at the time of any exercise of a warrant not listed on a national securities exchange such that it satisfies the definition of a "covered security" under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of Public Warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company so elects, the Company will not be required to file or maintain in effect a registration statement, but will be required to use its best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

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Redemptions of Warrants When the Price Per Share of Class A Common Stock Equals or Exceeds $18.00 — Once the warrants become exercisable, the Company may redeem the Public Warrants:

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption to each warrant holder; and

if, and only if, closing price of the Company's Class A common stock equals or exceeds $18.00 per share (as adjusted for stock splits, stock capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending three business days before the Company sends the notice of redemption to each warrant holder.

If and when the warrants become redeemable by the Company, the Company 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.

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Redemption of Warrants When the Price per Share of Class A Common Stock Equals or Exceeds $10.00 — Once the warrants become exercisable, the Company may redeem the outstanding warrants:

- in whole and not in part;
- at $0.10 per warrant upon a minimum of 30 days' prior written notice of redemption provided that holders will be able to exercise their warrants, but only on a cashless basis, prior to redemption and receive that number of shares to be determined by reference to the table below, based on the redemption date and the "fair market value" of our Class A common stock except as otherwise described below;
- if, and only if, the closing price of our Class A common stock equals or exceeds $10.00 per share (as adjusted for stock splits, stock dividends, reorganizations, reclassifications, recapitalizations and the like) for any 20 trading days within the 30-trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrant holders; and
- if the closing price of the Class A common stock for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrant holders is less than $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, reclassifications, recapitalizations and the like), the Private Placement Warrants must also be concurrently called for redemption on the same terms as the outstanding Public Warrants, as described above.

If the Company calls the Public Warrants for redemption for cash, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis", as described in the warrant agreement. The exercise price and number of shares of Class A common stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, or recapitalization, reorganization, merger or consolidation. However, the warrants will not be adjusted for issuance of Class A common stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the warrants. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of warrants will not receive any of such funds with respect to their warrants, nor will they receive any distribution from the Company's assets held outside of the Trust Account with the respect to such warrants. Accordingly, the warrants may expire worthless.

In addition, if the Company issues additional shares of common stock or equity-linked securities for capital raising purposes in connection with the closing of a Business Combination at a Newly Issued Price of less than $9.20 per share of common stock (with such issue price or effective issue price to be determined in good faith by the Company's board of directors, and in the case of any such issuance to our initial stockholders or their respective affiliates, without taking into account any Founder Shares held by them, as applicable, prior to such issuance), the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the Newly Issued Price.

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The Private Placement Warrants will be are identical to the Public Warrants, underlying the Units being sold in the Initial Public Offering, except that the Private Placement Warrants and the Class A common stock issuable upon the exercise of the Private Placement Warrants will were not be transferable, assignable or salable until 30 days after the completion of a the Business Combination, subject to certain limited exceptions. Additionally, During the year ended December 31, 2023, no Common Stock Warrants were exercised. The Public Warrants are publicly traded and are exercisable for cash unless certain conditions occur which would permit a cashless exercise. The Private Placement Warrants will be are exercisable on a cashless basis and be are non-redeemable so long as they are held by the initial purchasers or their permitted transferees, (except as set forth under "Redemption of Warrants when the Price per Share of Class A Common Stock Equals or Exceeds $10.00"). subject to certain exceptions. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will be are redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

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The Company evaluated the Public Warrants and Private Placement Warrants and concluded that both meet the definition of a derivative and will be accounted for in accordance with ASC Topic 815-40, as the Public Warrants and Private Placement Warrants are not considered indexed to UHG's stock.

PIPE Investment **-** In connection with the closing of the Business Combination, GSH entered into the Note 8 - Purchase Agreement, dated March 21, 2023, and effective March 30, 2023, with DHHC and the Convertible Note Investors. As part of the PIPE Investment, the Convertible Note Investors agreed to purchase $80.0 million in original principal amount of Notes at a 6.25% original issue discount and were issued an additional 744,588 UHG Class A Common Stock Subject Shares. The aggregate proceeds received from the Convertible Note Investors was $75.0 million. Additionally, in connection with the Business Combination, (i) the PIPE Investors purchased from the Company an aggregate of (A) 471,500 UHG Class A Common Shares at a purchase price of $10.00 per share, and (B) 117,874 UHG Class A Common Shares at a purchase price of $0.01 per share for gross proceeds to Possible Redemption

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the Company of approximately $4.7 million, pursuant to the PIPE Subscription Agreements, and (ii) the Lock-Up Investors purchased from the Company an aggregate of 421,099 UHG Class A Common Shares at a purchase price of $0.01 per share pursuant to the Share Lock-Up Agreements. Following the closing of the Business Combination, UHG notified each Lock-Up Investor that UHG waived the lock-up restriction contained in the Share Lock-Up Agreements.

The Company accounts for the Notes and PIPE Shares as two freestanding financial instruments. The Company accounts for the Notes at amortized cost and amortizes the debt discount to interest expense using the effective interest method over the expected term of the Notes pursuant to ASC 835, *Interest*. The Company accounts for the PIPE Shares as equity, as they are not in the scope of ASC 480. The Company applied the relative fair value method to allocate the $75.0 million in aggregate proceeds received among the freestanding instruments issued. Specifically, $70.2 million was allocated to the Notes, and $4.8 million was allocated to the PIPE Shares. The amount allocated to the PIPE Shares is presented as an increase in additional paid-in capital.

The Notes are considered a hybrid financial instrument consisting of a debt “host” and embedded features. The Company evaluated the Notes at issuance for embedded derivative features and the potential need for bifurcation under ASC 815, and determined that the Notes contained embedded derivatives, including conversion features and redemption rights. Although the Company determined that a group of these embedded features which are contingent on certain events occurring, as further discussed in *Note 14 - Convertible note payable*, would need to be bifurcated, the contingencies themselves are either entirely within the Company’s control or based on an event for which management considers the probability of occurring as extremely remote. Therefore, the group of embedded features which are contingent on certain events and required to be bifurcated would likely have minimal or no value and therefore deemed to not be material to the Consolidated Financial Statements.

The Company engaged an independent valuation firm to assist with the valuation of the Notes and the PIPE Shares. Refer to *Note 14 - Convertible note payable* for further valuation details.

The Company recognized issuance costs of $3.5 million in connection with the Note Purchase Agreement. Issuance costs are specific incremental costs that are (1) paid to third parties and (2) directly attributable to the issuance of a debt or equity instrument. The issuance costs attributable to the initial sale of the instrument are offset against the associated proceeds in the determination of the instrument’s initial net carrying amount.

Recently Adopted Accounting Pronouncements – In June 2016, the FASB issued ASU 2016-13, *Financial Instruments –Credit Losses Measurement of Credit Losses on Financial Instruments* (“ASC 326”). ASC 326 significantly changes the way impairment of financial assets is recognized by requiring companies to immediately recognize estimated credit losses expected to occur over the remaining life of many financial assets. The immediate recognition of the estimated credit losses generally will result in an earlier recognition of allowance for credit losses on loans and other financial instruments. The Company adopted this ASU effective January 1, 2023 using the modified retrospective transition approach. The adoption of ASC 326 did not have a significant impact on the Company’s Consolidated Financial Statements.

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In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform(Topic 848)*, which provides practical expedients and exceptions for applying U.S. GAAP when modifying contracts and hedging relationships that use the London Interbank Offered Rate ("LIBOR") as a reference rate. During the year ended December 31, 2023, the Company adopted Topic 848 and amended the related debt agreement (see *Note 9 - Homebuilding debt and other affiliate debt)*. The adoption of Topic 848 did not have a significant impact on the Company's Consolidated Financial Statements.

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Recent Accounting Pronouncements Not Yet Adopted – In November 2023, the FASB issued ASU 2023-07, *Segment Reporting - Improvements to Reportable Segment Disclosures*, which improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods beginning after December 15, 2024. Early adoption is permitted. The guidance is to be applied retrospectively to all prior periods presented in the financial statements. Upon transition, the segment expense categories and amounts disclosed in the prior periods should be based on the significant segment expense categories identified and disclosed in the period of adoption. The Company is currently evaluating the potential impact of adopting this new guidance on the Company's Consolidated Financial Statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state and foreign). ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions, among other changes. The guidance is effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. ASU 2023-09 should be applied on a prospective basis, but retrospective application is permitted. The Company is currently evaluating the potential impact of adopting this new guidance on the Company's Consolidated Financial Statements and related disclosures.

Note 4 - Segment Reporting

An operating segment is defined as a component of an enterprise for which separate financial information is available and for which segment results are evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing performance. UHG primarily operates in the homebuilding business and is organized and reported by division. The identification of reporting segments is based primarily on similarities in economic and geographic characteristics, product types, regulatory environments, and methods used to sell and construct homes.

The Company has two reportable segments: South Carolina and Other. The South Carolina reporting segment primarily represents UHG's South Carolina homebuilding operations. This segment operates in the Upstate, Midlands, and Coastal regions of South Carolina, as well as a smaller presence in Georgia. The Other segment consists of UHG's homebuilding operations in Raleigh, NC and mortgage operations

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conducted through a mortgage banking joint venture, Homeowners Mortgage, LLC which do not meet the quantitative thresholds to be disclosed separately.

The CODM reviews the results of operations, including total revenue and pretax income to assess profitability and allocate resources. The following tables summarize revenues and pre-tax income by segment for the years ended December 31, 2023, and 2022 as well as total assets by segment as of December 31, 2023 and 2022, with reconciliations to the amounts reported for the consolidated company, where applicable:

	Year Ended December 31,	
	2023	**2022**
Revenues (1):		
South Carolina	$421,224,101	$477,045,949
Other	1,494,091	137,086
Total segment revenues	422,718,192	477,183,035
Reconciling items from equity method investments	(1,244,091)	(137,086)
Consolidated revenues	**$421,474,101**	**$477,045,949**

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	Year Ended December 31,	
	2023	**2022**
Income before taxes:		
South Carolina	$ 33,838,126	$ 69,352,208
Other	757,348	137,086
Total segment income before taxes	34,595,474	69,489,294
Corporate reconciling items (2):		
Unallocated corporate overhead	(9,030,040)	—
Stock-based compensation expense	(6,968,104)	—
Corporate interest income	1,701,486	—
Corporate interest expense	(8,391,057)	—
Other	204,895	—
Change in fair value of derivative liabilities	115,904,646	—
Consolidated income before taxes	**$128,017,300**	**$ 69,489,294**

	As of December 31,		As of December 31,	
	2023	**2022**	**2023**	**2022**
	Assets		**Goodwill (3)**	
South Carolina	$255,633,338	$208,158,794	$ 5,206,636	$ —

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Other	16,985,564	186,086	500,000	—
Total segment assets	272,618,902	208,344,880	5,706,636	—
Corporate reconciling items (2):				
Cash and cash equivalents	13,958,645	—	—	—
Deferred tax asset	3,568,601	—	—	—
Operating lease right-of-use assets	4,907,617	—	—	—
Capitalized interest (4)	1,933,447	—	—	—
Prepaid expenses and other assets	1,547,267	—	—	—
Other	112,849	—	—	—
Consolidated assets	**$298,647,328**	**$208,344,880**	**$ 5,706,636**	**$ —**

(1) The Company's Class A revenue includes revenue recognized at a point in time from speculative home closings, as well as revenue recognized over time from construction activities on land owned by customers. For the years ended December 31, 2023 and 2022, all point in time revenue and substantially all over time revenue was recognized at the South Carolina segment. For the year ended December 31, 2023, revenues of the Other segment consisted of income from equity method investments and revenue recognized over time from construction revenue related to Raleigh operations. For the year ended December 31, 2022, revenues of the Other segment consisted of income from equity method investments.

(2) The corporate reconciling items included prior to consolidated income before taxes include unallocated corporate overhead (which includes all management incentive compensation), stock-based compensation expense, corporate interest income and expense, changes in fair value of derivative liabilities, and other corporate level items. Similarly, reconciling items included prior to consolidated assets include corporate cash and cash equivalents, deferred tax assets attributable to the corporate entity, and operating lease right-of-use assets. The Company's overhead functions, such as accounting, treasury, and human resources, are centrally performed and the costs and related assets are not allocated to the Company's operating segments. Corporate interest expense primarily consists of interest charges on the Convertible notes. Prior to the merger with DHHC, Legacy UHG did not have a corporate function and therefore did not maintain any corporate level accounts. Following the merger, the Company has implemented a corporate level accounting function, resulting in the need for certain reconciling adjustments in 2023 which did not exist during 2022.

(3) In 2023, the Company acquired the selected assets of Herring Homes, LLC and 100% of the common stock feature of Rosewood Communities, Inc. which resulted in the acquisition of goodwill. See *Note 5 - Business acquisitions* for further details.

(4) Capitalized interest represents unallocated capitalized interest associated with the Company's Convertible note payable, which was entered into in 2023. See *Note 14 - Convertible note payable* for further details.

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Note 5 - Business acquisitions

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Herring Homes

On August 18, 2023, the Company completed the acquisition of selected assets of Herring Homes, LLC ("Herring Homes"), a North Carolina homebuilder, for a purchase price of $2,166,516 in cash. The acquisition allows the Company to expand its presence into the Raleigh, North Carolina market.

The acquisition was accounted for as a business combination under ASC 805, *Business Combinations* under the acquisition method, and the results of operations have been included in the Consolidated Financial Statements since the date of acquisition. The purchase price for the acquisition was allocated based on estimated fair value of the assets and liabilities as of August 18, 2023. The Company recognized the excess purchase price over the fair value of the net assets acquired as goodwill of $500,000. The goodwill arising from the acquisition consists largely of the expected synergies from establishing a market presence in Raleigh and the experience and reputation of the acquired management team. The remaining basis of $1,666,516 is primarily comprised of the fair value of the acquired developed lots and lot purchase agreement deposits with limited other assets and liabilities. Transaction costs were not material and were expensed as incurred.

The Company has entered into an agreement with Herring Homes to provide certain redemption rights services including providing the use of UHG employees to finish unacquired WIP and treasury management in exchange for fees outlined in the agreement. For the year ended December 31, 2023, the Company recorded $250,000, $171,201, and $290,945 in Revenue, Other (expense) income, net, and Cost of sales, respectively. Subsequent to the acquisition, UHG acquired 50 lots and 12 homes under construction in separate transactions for a fair value of $4.9 million and $5.9 million, respectively, in the Raleigh, North Carolina market.

Rosewood

On October 25, 2023, the Company completed the acquisition of 100% of the common stock of Rosewood Communities, Inc., a South Carolina corporation ("Rosewood") (the "Rosewood Acquisition") for a purchase price of $24,681,948, of which $22,674,948 was in cash. The remaining purchase price is related to a $300,000 warranty cost reserve and contingent consideration based on 25% of the EBITDA attributable to Rosewood's business through December 31, 2025. The initial estimate of the contingent consideration is approximately $1,707,000, which will be recorded as compensation expense if and when it is earned. The acquisition allows the Company to further expand its presence in the Upstate region of South Carolina.

The acquisition was accounted for as a business combination under ASC 805, *Business Combinations* under the acquisition method, and the results of operations have been included in the Consolidated Financial Statements since the date of acquisition. The purchase price for the acquisition was allocated based on estimated fair value of the assets and liabilities as of October 25, 2023. The amounts for intangible assets were based on third-party valuations performed. The Company recognized the excess purchase price over the fair value of the net assets acquired as goodwill of $5,206,636 (all of which is tax deductible). The goodwill arising from the acquisition consists largely of the expected synergies from expanding the Company's market presence in South Carolina and the experience and reputation of the acquired management team.

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For the year ended December 31, 2023, the Company recorded Revenue and Net income (loss) of $4,189,647 and $(411,658), respectively, related to Rosewood operations. Transaction costs of $515,282 related to this transaction were expensed as incurred within the Selling, general and administrative expense line item in the Consolidated Statement of Operations.

As of December 31, 2023, the Company completed its purchase price allocation and no further updates to goodwill are expected as a result of the acquisition. The final purchase price allocation as of December 31, 2023 is as follows:

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Cash acquired	$ 543,421
Inventories	23,672,172
Lot purchase agreement deposits	912,220
Other assets	58,681
Property and equipment, net	703,872
Intangible assets	1,380,000
Goodwill	5,206,636
Liabilities	(5,992,953)
Total purchase price	**$ 26,484,049**

In connection with the Rosewood acquisition, the Company recorded contingent consideration based on the estimated EBITDA attributable to Rosewood's business through December 31, 2025. The measurement of contingent consideration was based on projected cash flows such as revenues, gross margin, overhead expenses and EBITDA and discounted to present value. The Company recorded the fair value of the contingent consideration within Other accrued expenses and liabilities on the acquisition date. The estimated earn-out payments are subsequently remeasured to fair value at each reporting date based on the estimated future earnings of the acquired entity and the re-assessment of risk-adjusted discount rates. Maximum potential exposure for contingent consideration is not estimable based on the contractual terms of the contingent consideration agreement, which allows for a percentage payout based on a potentially unlimited range of EBITDA.

Unaudited Pro Forma Financial Information

The following unaudited pro forma consolidated results of operations are provided for illustrative purposes only and have been presented as if the Herring Homes and Rosewood acquisitions had occurred on January 1, 2022. Unaudited pro forma net income adjusts the operating results of the stated acquisitions to reflect the additional costs that would have been recorded assuming the fair value adjustments had been applied as of the beginning of the year preceding the year of acquisition, including the tax-effected amortization of the inventory step-up and transaction costs. This unaudited pro forma information should not be relied upon as being indicative of the historical results that would have been obtained if the acquisition had occurred on that date, nor of the results that may be obtained in the future.

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Unaudited Pro Forma	Year Ended December 31, 2023	2022
Total Revenue	$467,687,204	$525,280,854
Net income	$128,726,891	$ 72,973,203

Note 6 - Fair value measurement

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

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

Level 2 – Significant directly observable data (other than Level 1 quoted prices) or significant indirectly observable data through corroboration with observable market data. Inputs would normally be outside (i) quoted prices in active markets for similar assets or liabilities, (ii) quoted prices in inactive markets for identical or similar assets or liabilities or (iii) information derived from or corroborated by observable market data.

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

Due to the short-term nature of the Company's control Cash and subject cash equivalents, Accounts receivable, and Accounts payable, the carrying amounts of these instruments approximate their fair value. Lot purchase agreement deposits are

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recorded at the agreed-upon contract value, which approximates fair value. The interest rates on the Homebuilding debt and other affiliate debt vary and are the greater of either a reference rate plus an applicable margin, or the base rate plus the aforementioned applicable margin. Refer to *Note 9 - Homebuilding debt and other affiliate debt* for additional detail on the occurrence determination of future events. these instruments' interest rate. As the reference rate of the Homebuilding debt and other affiliate debt at any point in time is reflective of the current interest rate environment the Company operates in, the carrying amount of these instruments approximates their fair value.

The Company Convertible note payable is authorized to issue 300,000,000 shares presented on the Consolidated Balance Sheet at its amortized cost and not at fair value. As of Class A common stock with a par December 31, 2023, the fair value of $0.0001 per share. Holders the convertible note is $133,400,000. See *Note 14 - Convertible note payable* for further details on how the fair value was estimated.

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The remaining financial instruments except for Derivative private placement warrants liability, Contingent earnout liability, Derivative stock option liability, Contingent consideration and Convertible note payable are classified within Level 1 or Level 2 of the Company's Class A common stock are entitled to one vote for each share. As fair value hierarchy because the Company values these instruments either based on recent trades of December 31, 2022 securities in active markets or based on quoted market prices of similar instruments and 2021, there were 34,500,000 shares of Class A common stock outstanding, which were all subject to possible redemption and are classified outside of permanent equity in the consolidated balance sheets.

other significant inputs derived from or corroborated by observable market data.

The Class A common stock subject to possible redemption reflected on the consolidated balance sheets is reconciled on the following table:

Class A common stock subject to possible redemption at December 31, 2020	$ —
Gross Proceeds	345,000,000
Less:	
Proceeds allocated to Public Warrants	(7,762,500)
Class A common stock issuance costs	(19,114,492)
Plus:	
Accretion of carrying value to redemption value	26,876,992
Class A common stock subject to possible redemption at December 31, 2021	345,000,000
Increase in redemption value of Class A common stock subject to redemption	3,586,031
Class A common stock subject to possible redemption at December 31, 2022	$ 348,586,031

Note 9- Stockholders' Equity (Deficit)

Preferred Stock - The Company is authorized to issue 10,000,000 shares of preferred stock with a par estimated fair value of $0.0001 per share with such designations, voting the Derivative private placement warrants liability, Contingent earnout liability, Derivative stock option liability, Contingent consideration and other rights Convertible note payable is determined using Level 3 inputs. The models and preferences as may be determined from time to time by significant assumptions used in preparing the Company's board of directors. At December 31, 2022 valuations are disclosed in *Note 17 - Warrant liability, Note 16 - Earnout shares,Note 15 - Share-based compensation*, *Note 5 - Business acquisitions*, and 2021, there were no shares of preferred stock issued or outstanding.

Class A Common Stock - The Company is authorized to issue 300,000,000 shares of Class A common stock with a par value of $0.0001 per share. Holders of Class A common stock are entitled to one vote for each share. At December 31, 2022 and 2021, there were 34,500,000 shares of Class A common

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stock issued and outstanding, all subject to possible redemption and classified as temporary equity. (See Note 8).

14 - Convertible note payableClass B Common Stock - respectively. The Company is authorized to issue 10,000,000 shares of Class B common stock with a par value of $0.0001 per share. Holders of Class B common stock are entitled to one vote for each share. As of December 31, 2022 and 2021, there were 8,625,000 shares of Class B common stock issued and outstanding. Of the 8,625,000 shares of Class B common stock outstanding as of December 31, 2020, up to 1,125,000 shares were subject to forfeiture to the extent that the underwriter's option to purchase additional units was not exercised in full, so that the Sponsor would own 20% of the Company's issued and outstanding common stock after the Initial Public Offering. On January 28, 2021, the underwriters fully exercised the over-allotment option; thus, these 1,125,000 Founder Shares were no longer subject to forfeiture.

Holders of Class A common stock and Class B common stock will vote together as a single class on all matters submitted to a vote of stockholders, except as required by law.

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The shares of Class B common stock will automatically convert into shares of Class A common stock at the time of a Business Combination on a one-for-one basis, subject to adjustment. In the case that additional shares of Class A common stock, or equity-linked securities, are issued or deemed issued in excess of the amounts offered in the Initial Public Offering and related to the closing of a Business Combination, the ratio at which shares of Class B common stock shall convert into shares of Class A common stock will be adjusted (unless the holders of a majority of the outstanding shares of Class B common stock agree to waive such adjustment with respect to any such issuance or deemed issuance) so that the number of shares of Class A common stock issuable upon conversion of all shares of Class B common stock will equal, in the aggregate, on an as-converted basis, 20% of the sum of the total number of all shares of common stock outstanding upon the completion of the Initial Public Offering plus all shares of Class A common stock and equity-linked securities issued or deemed issued in connection with a Business Combination (excluding any shares or equity-linked securities issued, or to be issued, to any seller in a Business Combination). Holders of Founder Shares may also elect to convert their shares of Class B common stock into an equal number of shares of Class A common stock, subject to adjustment as provided above, at any time.

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Note 10 - Fair Value Measurements

The following tables table presents information about the Company's financial assets and liabilities that are measured at fair value on a recurring basis by level within as of December 31, 2023 and indicates the fair value hierarchy:

	Fair Value Measured as of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments held in Trust Account - Money Market Funds	$349,152,086	$ —	$ —	$349,152,086
Liabilities:				
Derivative public warrant liabilities	$ 905,630	$ —	$ —	$ 905,630
Derivative private warrant liabilities	$ —	$ —	$625,370	$ 625,370

	Fair Value Measured as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets				
Investments held in Trust Account - Money Market Funds	$345,020,717	$ —	$ —	$345,020,717
Liabilities:				
Derivative public warrant liabilities	$ 5,175,000	$ —	$ —	$ 5,175,000
Derivative private warrant liabilities	$ —	$ —	$3,619,330	$ 3,619,330

hierarchy of the valuation. There were no assets or liabilities that are measured at fair value as of December 31, 2022.

	Fair Value Measurements as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Contingent earnout liability	$ —	$ —	$115,566,762	$115,566,762
Derivative private placement warrant liability	—	—	3,292,996	3,292,996
Derivative public warrant liability	8,336,925	—	—	8,336,925
Derivative stock option liability	—	—	414,260	414,260
Total derivative liability	**8,336,925**	**—**	**119,274,018**	**127,610,943**
Contingent consideration	—	—	1,888,000	1,888,000
Total fair value	**$ 8,336,925**	**$ —**	**$121,162,018**	**$129,498,943**

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Transfers to/from Levels 1, 2 and 3 are recognized at the beginning of the reporting period. The estimated fair value of the Public Warrants was transferred from a Level 3 measurement to a Level 1 measurement in March 2021, when the Public Warrants were separately listed and traded in an active market. There were no other transfers to/from levels during the years ended December 31, 2022 December 31, 2023 and 2021.

2022, respectively.

The following table presents a roll forward of the Level 1 assets include investments in mutual funds invested in government securities. 3 liabilities measured at fair value on a recurring basis:

	Contingent earnout liability	Derivative private placement warrant liability	Derivative stock option liability	Contingent consideration
Liability at January 1, 2023	$ —	$ —	$ —	$ —
Recognition	242,211,404	625,370	1,279,139	1,707,000
Forfeitures	—	(890,001)	(487,739)	—
Exercise of liability awards	—	—	(128,214)	—
Change in fair value	(126,644,642)	3,557,627	(248,926)	181,000
Liability at December 31, 2023	**$115,566,762**	**$ 3,292,996**	**$ 414,260**	**$ 1,888,000**

Note 7 - Capitalized interest

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The Company uses inputs accrues interest on the Company's Homebuilding debt. That debt is used to finance homebuilding operations (see *Note 9 - Homebuilding debt and other affiliate debt*) and the associated interest is capitalized during active development of the home and included within inventory for Homes under construction and finished homes. Capitalized interest is expensed to Cost of sales upon the sale of the home. The Company also accrued interest on the Company's Convertible note payable. During periods in which the Company's active inventory is lower than its debt level, a portion of the interest incurred is reflected as interest expense within Other income (expense), net in the period incurred (see *Note 14 - Convertible note payable*). Capitalized interest activity is summarized in the table below for the years ended December 31, 2023 and 2022:

	2023	2022
Capitalized interest at beginning of the period:	$ 1,250,460	$ 1,190,318

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Interest incurred	17,203,950	5,515,372
Interest expensed:		
Amortized to cost of sales	(9,385,970)	(5,455,230)
Directly to interest expense	(6,042,358)	—
Capitalized interest at December 31:	**$ 3,026,082**	**$ 1,250,460**

Note 8 - Property and equipment

Property and equipment consisted of the following as of December 31, 2023 and 2022:

Asset Group	**2023**	**2022**
Buildings	$ 170,867	$ —
Furniture and fixtures	507,972	688,487
Land	63,000	—
Leasehold improvements	81,605	380,187
Machinery and equipment	146,822	1,037,231
Office equipment	36,780	165,774
Vehicles	563,455	750,950
Total Property and equipment	**1,570,501**	**3,022,629**
Less: Accumulated depreciation	(496,540)	(1,636,931)
Property and equipment, net	**$ 1,073,961**	**$ 1,385,698**

Depreciation expense, included within Selling, general and administrative expense on the Consolidated Statements of Operations was $199,413 and $355,566 for the years ended December 31, 2023 and 2022, respectively.

Note 9 - Homebuilding debt and other affiliate debt

Prior to the Business Combination, Legacy UHG, jointly with its Other Affiliates considered to be under common control, entered into debt arrangements with financial institutions. These debt arrangements are in the form of revolving lines of credit and are generally secured by land (developed lots and undeveloped land) and homes (under construction and finished). Legacy UHG and certain related Other Affiliates were collectively referred to as the Nieri Group. The Nieri Group entities were jointly and severally liable for the outstanding balances under the revolving lines of credit, however, Legacy UHG was deemed the primary obligor. Legacy UHG was considered the primary legal obligor of such debt as it was the sole cash generating entity and responsible for repayment of the debt. As such, Legacy UHG had recorded the outstanding advances under the financial institution debt and other debt within these financial statements as of December 31, 2022.

A portion of the revolving lines of credit were drawn down for the sole operational benefit of the Nieri Group and Other Affiliates outside of Legacy UHG. These line of credit balances are reflected in the table below as Other Affiliates' Debt. Post Business Combination, the Company no longer enters into debt

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arrangements with Other Affiliates of Legacy UHG. As discussed further below, in connection with the Business Combination, the Wells Fargo Syndication line was

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amended and restated to exclude any members of the Nieri Group and Other Affiliates of Legacy UHG from the borrower list.

The advances from the revolving lines of credit, reflected as Homebuilding debt, are used to build homes and are repaid incrementally upon individual home sales. The various revolving construction lines are collateralized by the homes under construction and developed lots. The revolving construction lines are fully secured. Interest is accrued based on the total syndication balance and is paid monthly. As the average construction time for homes is less than one year, all outstanding debt is considered short-term as of December 31, 2023 and 2022.

The following table and descriptions summarize the Company's debt as of December 31, 2023 and 2022:

	December 31, 2023			
	Weighted average interest rate	Homebuilding Debt - Wells Fargo Syndication	Private Investor Debt	Total
Wells Fargo Bank	8.13 %	$ 20,907,306	$ —	$ 20,907,306
Regions Bank	8.13 %	17,690,798	—	17,690,798
Flagstar Bank	8.13 %	16,082,543	—	16,082,543
United Bank	8.13 %	12,866,035	—	12,866,035
Third Coast Bank	8.13 %	9,649,526	—	9,649,526
Other Notes Payable		—	3,255,221	3,255,221
Total debt on contracts		**$ 77,196,208**	**$ 3,255,221**	**$ 80,451,429**

	December 31, 2022			
	Weighted average interest rate	Homebuilding Debt - Wells Fargo Syndication	Other Affiliates(1)	Total
Wells Fargo Bank	4.98 %	$ 34,995,080	$ 8,203,772	$ 43,198,852
Regions Bank	4.98 %	27,550,618	—	27,550,618
Texas Capital Bank	4.98 %	19,676,552	—	19,676,552
Truist Bank	4.98 %	19,659,329	—	19,659,329
First National Bank	4.98 %	7,870,621	—	7,870,621

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Anderson Brothers	4.74 %	—	2,841,034	2,841,034
Total debt on contracts		**$ 109,752,200**	**$ 11,044,806**	**$ 120,797,006**

(1) Outstanding balances relate to bank financing for land acquisition and development activities of Other Affiliates for which the Company is the co-obligor or has an indirect guarantee of the indebtedness of the Other Affiliates. In addition, the $8,203,772 of Other Affiliates Debt with Wells Fargo Bank as of December 31, 2022 is part of the Wells Fargo Syndication.

Wells Fargo Syndication

In July 2021, the Nieri Group entities entered into a $150,000,000 Syndicated Credit Agreement ("Syndicated Line") with Wells Fargo Bank, National Association ("Wells Fargo"). The Syndicated Line was a three-year revolving credit facility with a maturity date of July 2024, and an option to extend the maturity date for one year that could be exercised upon approval from Wells Fargo. The Syndicated Line also included a $2,000,000 letter of credit as a sub-facility subjected to the same terms and conditions as the Syndicated Line. The Syndicated Line was amended and restated ("First Amendment") on March 30, 2023 ("Amendment Date") in connection with the Business Combination (as defined in *Note 1 - Nature of operations and basis of presentation*) and made GSH the sole borrower of the Syndicated Line. An additional amendment and restatement ("Second Amendment") was entered into on August 10, 2023 ("Second Amendment Date"). As a result of the Second Amendment, UHG became a co-borrower of the Syndicated Line, the maximum borrowing capacity was increased to $240,000,000, and the maturity date was extended to August 10, 2026. In addition, Wells Fargo Bank and Regions Bank increased their participation in the Syndicated Line, three lenders exited the Syndicated Line, and

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three lenders joined as new participants of the Syndicated Line. An additional amendment ("Third Amendment") was entered into on December 22, 2023 ("Third Amendment Date") and amended the debt service coverage ratio and minimum liquidity financial covenants. No other significant terms of the arrangements were changed other than those relating to the financial covenants and interest rate terms described below.

The availability of funds are based on the inventory value at the time of the draw request. The remaining availability to be drawn down on the Syndicated Line was $24,398,576 as of December 31, 2023 and $12,015,246 as of December 31, 2022. The Company pays a fee ranging between 15 and 30 basis points per annum depending on the unused amount of the Syndicated Line. The fee is computed on a daily basis and paid quarterly in arrears.

The Syndicated Line contains financial covenants which were revised during 2023 as a result of the amendments referenced above. As of December 31, 2023, the financial covenants listed in the Syndicated Line included (a) a minimum tangible net worth of no less than the sum of (i) $70 million and (ii) 25% of positive actual consolidated earnings earned in any fiscal quarter, (iii) 100% of new equity contributed to the Company, (iv) 100% of any increase in tangible net worth resulting from an equity issuance upon the conversion or exchange of any security constituting indebtedness that is convertible or exchangeable, or is

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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 2.50 to 1.00 until December 31, 2023, and 2.25 to 1.00 for any fiscal quarter thereafter; (c) a minimum debt service coverage ratio to be no less than 2.00 to 1.00 as of the last day of any fiscal quarter; (d) a minimum liquidity amount of not less than the greater of (y) $30,000,000 or (z) an amount equal to 1.50x the trailing twelve month interest incurred; and (e) unrestricted cash of not less than 50% of the required liquidity at all times. The Company was in compliance with all debt covenants as of December 31, 2023, and prior fiscal quarters in 2023. Legacy UHG was in compliance with all debt covenants as of December 31, 2022.

The interest rates on the borrowings under the Syndicated Line vary based on the leverage ratio. In connection with the First Amendment, the benchmark interest rate was converted from LIBOR to Secured Overnight Financing Rate ("SOFR"), with no changes in the applicable rate margins. The interest rate is based on the greater of either LIBOR prior to Amendment Date or SOFR post Amendment Date plus an applicable margin (ranging from 275 basis points to 350 basis points) based on the Company's leverage ratio as determined in accordance with a pricing grid, or the base rate plus the aforementioned applicable margin.

Other Affiliates Debt

The amounts in Other Affiliates Debt are unrelated to the operations of Legacy UHG, and therefore, an equal amount is included as an offset in Retained Earnings in lieu of Additional paid-in capital following the retroactive application of the recapitalization. For the years ended December 31, 2023 and 2022, Other Affiliates borrowed $136,773, and $10,851,187, respectively. These amounts are recorded on the Consolidated Statements of Cash Flows, financing activities section, with borrowings presented as Proceeds from other affiliate debt and repayments as Repayments of other affiliate debt. On February 27, 2023, Legacy UHG paid off Wells Fargo debt associated with Other Affiliates in the amount of $8,340,545 and on February 28, 2023, Legacy UHG was released as a co-obligor from the Anderson Brothers debt associated with Other Affiliates in anticipation of the Business Combination that closed on March 30, 2023 as discussed in *Note 1 - Nature of operations and basis of presentation*. As a result there is no remaining debt balance associated with Other Affiliates as of December 31, 2023.

In connection with the amendments of the Syndicated Line, the Company incurred debt issuance costs, of which $3,240,984 is deferred and will be amortized over the remaining life of the Syndicated Line. The amendments are accounted for as modifications of an existing line of credit under ASC 470, *Debt* for any lenders that continue to participate in the Syndicated Line, therefore, any previously unamortized deferred costs related to those lenders continue to be amortized over the remaining life of the Syndicated Line. The Company expensed all remaining unamortized deferred costs for any lenders that no longer participate in the Syndicated Line as of the Second Amendment Date. The Company recognized $981,675 and $404,146, respectively, of amortized deferred financing costs within Other (expense) income, net for the years ended December 31, 2023 and 2022, respectively. Outstanding deferred financing costs related to the Company's Homebuilding debt were $2,970,369 and $711,060 as of December 31, 2023 and 2022, respectively, and are included in Prepaid expenses and other assets on the Consolidated Balance Sheets as the debt is a revolving arrangement.

Other Notes Payable

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The Company had other borrowings totaling $3,255,221 as of December 31, 2023, which are comprised of other notes payable acquired in the normal course of business. These notes have maturities ranging up to two years. The effective interest rates on these notes range from 6.79% to 7.69%.

Note 10 - Related party transactions

Prior to the Business Combination, Legacy UHG transacted with Other Affiliates that were owned by the shareholders of GSH. Those Other Affiliates included Land Development Affiliates and Other Operating Affiliates (see *Note 1 - Nature of operations and basis of presentation).*

Post Business Combination, the Company continues to transact with these parties, however, they are no longer considered affiliates of the Company. Land Development Affiliates and Other Operating Affiliates of Legacy UHG (post Business Combination) meet the definition of related parties of the Company as defined in ASC 850-10-20.

Prior to the Business Combination, Legacy UHG maintained the cash management and treasury function for its Other Affiliates. Cash receipts from customers and cash disbursements made to vendors were recorded through one centralized bank account. Legacy UHG recorded a Due from Other Affiliate when cash was disbursed, generally to a vendor, on behalf of an affiliate. Conversely, Legacy UHG recorded a Due to Other Affiliate when cash was received from a customer on behalf of an affiliate. The balances were settled through equity upon the consummation of the Business Combination. As of December 31, 2022, the Company recorded a Due from related party of $1,437,235 as an asset on the Balance Sheet as the Company was reasonably certain that this amount would be collected because both parties had entered into a binding construction contract and agreed on the expected contract price.

The below table summarizes Legacy UHG transactions with the Land Development Affiliates and Other Operating Affiliates for the year ended December 31, 2023 and 2022.

	Year ended December 31, 2023		
	Land Development Affiliates	Other Operating Affiliates	Total
Financing cash flows:			
Land development expense	$ (384,349)	$ —	$ (384,349)
Other activities	(225,392)	(422,342)	(647,734)
Total financing cash flows	**$ (609,741)**	**$ (422,342)**	**$ (1,032,083)**
Non-cash activities			
Settlement of co-obligor debt to other affiliates	$ 8,340,545	$ —	$ 8,340,545
Release of guarantor from GSH to shareholder	$ 2,841,034	$ —	$ 2,841,034
Credit for earnest money deposits	$ 2,521,626	$ —	$ 2,521,626
Total non-cash activity	**$ 13,703,205**	**$ —**	**$ 13,703,205**

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	Year ended December 31, 2022		
	Land Development Affiliates	Other Operating Affiliates	Total
Financing cash flows:			
Land development expense	$ (43,447,726)	$ (665,777)	$ (44,113,503)
Other activities	8,799,598	197,818	8,997,416
Cash transfer, net of repayment of $7,300,000	—	(2,700,000)	(2,700,000)
Total financing cash flows	**$ (34,648,128)**	**$ (3,167,959)**	**$ (37,816,087)**
Non-cash activities			

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Acquisition of developed lots from related parties in settlement of due from Other Affiliates' amounts	$ 13,504,316	$ —	$ 13,504,316
Total non-cash activity	**$ 13,504,316**	**$ —**	**$ 13,504,316**

Land development expense – Represents costs that were paid for by Legacy UHG that relate to the Land Development Affiliates' operations. The Land Development Affiliates acquire raw parcels of land and develop them so that Legacy UHG can build houses on the land.

Other activities – Represent other transactions with Legacy UHG's Other Affiliates. This includes, predominately, rent expense incurred for leased model homes and payment of real estate taxes.

Settlement of co-obligor debt to other affiliates – The amount represents the settlement of Wells Fargo debt associated with Other Affiliates.

Release of guarantor from GSH to shareholder – The amount represents that Legacy UHG was released as a co-obligor from the Anderson Brothers debt associated with Other Affiliates.

Credit for earnest money deposits – The amount represents credit received from a Legacy UHG affiliate in relation to lot deposits that Legacy UHG paid on behalf of the affiliate.

Cash transfer – A direct cash contribution to Other Affiliates from Legacy UHG. Legacy UHG transferred cash to a related party. This cash transfer was in anticipation of separating the homebuilding operations from land development operations.

Acquisition of developed lots from related parties in settlement of Due from Other Affiliates – Once the Land Development Affiliates of Legacy UHG developed the raw parcels of land, they transferred the land to

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Legacy UHG in a non-cash transaction. The transfer amount was derived from the costs incurred to develop the land.

Sale-leaseback transactions

In December 2022, Legacy UHG sold 19 completed model homes with entities owned or partially owned by the founder and CEO of the Company. The Company received the proceeds in the form of a cash payment. The Company is responsible for preparing and actively marketing the homes for sale. As the executed contracts for the sale contain commercial substance, legal title of the model homes transferred to the related parties, and there was a transfer of risk and reward, the Company accounted for these transactions as a sale-leaseback. Legacy UHG determined that the sale of completed homes is part of the Company's ordinary activities. Accordingly, revenue and cost of sales of $5,188,716 and $4,508,819, respectively, were recognized in the Consolidated Statement of Operations for the year ended December 31, 2022.

In connection with these transactions, Legacy UHG simultaneously entered into individual lease agreements for all 19 model homes sold, whereby Legacy UHG is the lessee. The leases commenced on January 1, 2023. The Company is responsible for paying the operating expenses associated with the model homes while under lease. Nine of the 19 individual leases had a lease term greater than twelve months. In connection with these nine leases, the Company recognized an operating lease right-of-use-asset and a corresponding operating lease liability of $435,264.

The rent expense associated with sale-leaseback agreements that mature in less than 12 months (and are excluded thus from the ROU asset and lease liability) is $476,525 for the year ended December 31, 2023.

Leases

In addition to the transactions above, the Company has entered into four separate operating lease agreements with a related party. The terms of the lease, including rent expense and future minimum payments, are described in *Note 13 - Commitments and contingencies*.

The Company is currently occupying office space owned by a related party for its office headquarters. The Company took possession of the space in October 1, 2023 and pays rent based on the square footage within the building occupied by the Company multiplied by a stated rate which was approved by the Related Party Transactions Committee. The Company has capitalized a lease liability and corresponding right-of-use asset based on the assumption that the

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Company is reasonably certain it will execute a lease agreement to use the space for a five-year term, under the rate per square foot previously approved by the Related Party Transactions Committee.

Services agreement

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The Company shares office spaces with a related party and certain employees of the Company provide services to the same related party, as such, the Company is allocating certain shared costs to the related party in line with a predetermined methodology based on headcount. During the year ended December 31, 2023 the Company allocated overhead costs to the related party in the amount of $412,970 and was charged for property maintenance services in the amount of $205,606 by the same related party. The remaining balance outstanding as of December 31, 2023 is a receivable of $88,000 and is presented within Due from related party on the Consolidated Balance Sheet.

General contracting

The Company has been engaged as a general contractor by several related parties. For the years ended December 31, 2023 and 2022, Revenue of $2,575,881 and $2,507,216, respectively, and Cost of sales of $2,164,453 and $2,093,635, respectively, were recognized in the Consolidated Statements of Operations.

Other

The Company utilizes a related party vendor to perform certain civil engineering services. For the years ended December 31, 2023, and 2022 expenses of $74,339 and $31,955, respectively, were recognized in the Consolidated Statements of Operations.

The Company utilized a related party vendor for certain site contracting services. For the years ended December 31, 2023, and 2022 expenses of $22,878 and $0, respectively, were recognized in the Consolidated Statements of Operations.

In 2023, the Company began utilizing a related party vendor for certain aviation services. For the year ended December 31, 2023, expenses of $28,723 were recognized in the Consolidated Statements of Operations.

In 2023, the Company began utilizing a related party vendor for certain professional and legal services. For the year ended December 31, 2023, expenses of $22,970 were recognized in the Consolidated Statements of Operations.

Note 11 - Lot purchase agreement deposits

The Company’s strategy is to acquire developed lots through related parties and unrelated third party land developers pursuant to lot purchase agreements. Most lot purchase agreements require the Company to pay a nonrefundable cash deposit of approximately 15% - 20% of the agreed-upon fixed purchase price of the developed lots. In exchange for the deposit, the Company receives the right to purchase the finished developed lot at a preestablished price. Such contracts enable the Company to defer acquiring portions of properties owned by third parties until the Company determines whether and when to complete such acquisition, which may serve to reduce financial risks associated with long-term land holdings.

Prior to the Business Combination, when Legacy UHG was acquiring lots through Land Development Affiliates, it did not have to pay deposits as the land development operations were owned by the shareholders of GSH. As such, the table below as of December 31, 2022 does not include lot purchase agreement deposits with related parties, and it consists of unrelated third party lot purchase agreement deposits only.

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Post Business Combination, the Company continues to purchase lots from the former Land Development Affiliates of Legacy UHG, however, as the Company is no longer owned by the shareholders of GSH, the Company must pay lot purchase agreement deposits to acquire lots. As such, as actual trade data, benchmark yields, quoted market prices of December 31, 2023 all interests in lot purchase agreements, including with related parties, is recorded within Lot purchase agreement deposits on the Consolidated Balance Sheets and presented in the table below. The following table provides a summary of the Company's interest in lot purchase agreements as of December 31, 2023 and 2022:

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	2023	2022
Lot purchase agreement deposits	$ 33,015,812	$ 3,804,436
Remaining purchase price	231,333,171	65,451,928
Total contract value	**$264,348,983**	**$ 69,256,364**

Out of the $33,015,812 lot purchase agreement deposits outstanding as of December 31, 2023, $28,363,053 are with related parties.

The Company has the right to cancel or terminate the lot purchase agreement at any time for any reason. The legal obligation and economic loss resulting from dealers a cancellation or brokers, termination is limited to the amount of the deposits paid. The cancellation or termination of a lot purchase agreement results in the Company recording a write-off of the nonrefundable deposit to Cost of sales. For the years ended December 31, 2023 and 2022, the write-offs to Cost of sales for the forfeited lot purchase agreement deposits was de minimis. The deposits placed by the Company pursuant to the lot purchase agreements are deemed to be a variable interest in related party land developers but not in the third-party land developers. See *Note 3 - Summary of significant accounting policies* for the policy and conclusions about unconsolidated variable interest entities.

Note 12 - Warranty reserves

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

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

	2023	2022
Warranty reserves at January 1	$ 1,371,412	$ 1,275,594
Reserves provided	1,070,762	1,156,027
Payments for warranty costs and other	(1,140,378)	(1,060,209)

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Warranty reserves at December 31	**$ 1,301,796**	**$ 1,371,412**

Note 13 - Commitments and contingencies

Leases

The Company leases several office spaces in South Carolina under operating lease agreements with related parties, and one office space in North Carolina with a third party. The office leases have a remaining lease term of up to five years, some of which include options to extend on a month-to-month basis, and some of which include options to terminate the lease. These options are excluded from the calculation of the ROU asset and lease liability until it is reasonably certain that the option will be exercised. The Company recognized an operating lease expense of $1,099,406 and $555,806 within Selling, general, and administrative expense on the Consolidated Statements of Operations for the years ended December 31, 2023 and 2022, respectively.

Operating lease expense included variable lease expense of $48,086 and $92,285 for the years ended December 31, 2023 and 2022, respectively. The weighted-average discount rate for the operating leases was 9.68% and 4.90% during the years ended December 31, 2023and 2022, respectively. The weighted-average remaining lease term was 4.44 and 2.16 years for the years ended December 31, 2023and 2022, respectively.

During the year ended December 31, 2022, the Legacy UHG closed on 19 sale-leaseback transactions with related parties. For information on sale-leaseback transaction with related parties, see *Note 10 - Related party transactions*.

The maturity of the contractual, undiscounted operating lease liabilities as of December 31, 2023 are as follows:

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December 31,	**Lease Payment**
2024	1,410,657
2025	1,545,216
2026	1,438,929
2027	1,437,794
2028 and thereafter	1,105,287
Total undiscounted operating lease liabilities	**$ 6,937,883**
Interest on operating lease liabilities	(1,372,563)
Total present value of operating lease liabilities	**$ 5,565,320**

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The Company has certain leases which have initial lease terms of twelve months or less (“short-term leases”). The Company elected to exclude these leases from recognition, and these leases have not been included in operating ROU assets and operating lease liabilities. The Company recorded $319,436 and $94,386 of rent expense related to the short-term leases within Selling, general and administrative expense on the Consolidated Statements of Operations for the year ended December 31, 2023, and 2022, respectively.

Litigation

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

Note 14 - Convertible note payable

In connection with the closing of the Business Combination, GSH entered into the Note Purchase Agreement, dated March 21, 2023, and effective March 30, 2023, with DHHC and the Convertible Note Investors. As part of the PIPE Investment, the Convertible Note Investors agreed to purchase $80.0 million in original principal amount of Notes at a 6.25% original issue discount and were issued an additional 744,588 UHG Class A Common Shares. The aggregate proceeds of the PIPE Investment were $75.0 million.

The Notes mature on March 30, 2028, and bear interest at a rate of 15%. The Company has the option to pay any accrued and unpaid interest at a rate in excess of 10% either in cash or by capitalizing such interest and adding it to the then outstanding principal amount of the Notes (“PIK Interest”). The Company has elected to pay the full accrued and unpaid interest in excess of 10% in cash rather than PIK Interest. The effective interest rate on the Notes is 20.46%.

The Notes are convertible at the holder’s option into UHG Class A Common Shares at any time after March 30, 2024 through March 30, 2028, at a per share price (the “Initial Conversion Price”) equal to 80% of volume-weighted average trading sale price (“VWAP”) per UHG Class A Common Share during the 30 consecutive trading days prior to March 30, 2024 (the “Measurement Period”). Pursuant to the Note Purchase Agreement, the Initial Conversion Price has a floor of $5.00 per share and a cap of $10.00 per share. The Initial Conversion Price is subject to adjustments for certain anti-dilution provisions as provided in the Notes. If an anti-dilution event occurs, the number of shares of common stock issuable upon conversion may be higher than implied by the Initial Conversion Price. Each Note is also convertible at the Company’s option into UHG Class A Common Shares, at any time after the second anniversary of the Closing Date if the VWAP per UHG Class A Common Share exceeds $13.50 for 20 trading days in a 30 consecutive trading day period. The Company was not required to bifurcate either of these conversion features as they met the derivative classification scope exception as described in ASC 815-15.

The Notes may be redeemed by the Company at any time prior to 60 days before March 30, 2028, by repaying all principal and interest amounts outstanding at the time of redemption plus a make-whole amount equal to the additional interest that would accrue if the Notes remained outstanding through their maturity date. The Company was not required to

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bifurcate the embedded redemption feature, as the economic characteristics and risks of the redemption feature were clearly and closely related to the economic characteristics and risk of the Notes in accordance with ASC 815-15.

The Notes also contain additional conversion, redemption, and payment provision features, at the option of the holder, which can be exercised upon contingent events such as the Company defaulting on the Notes, a change of control in the ownership of the Company, or other similar sources events requiring indemnification. As the contingent events are either entirely within the Company's control or based on an event for which management considers the probability of occurring as extremely remote, these features which are required to determine be bifurcated, would likely have minimal or no value, and therefore deemed to not be material to the fair value of its investments.

Prior to being publicly traded, the Consolidated Financial Statements.

The fair value of the Public Warrants issued in connection with the Initial Public Offering were measured at fair value Notes was calculated using a Binomial model and a Monte Carlo simulation model, and the Private Placement Warrants have been measured at fair value model. The PIPE Shares were valued using a modified Black-Scholes model. As of December 31, 2022 and 2021, Discounted Cash Flow Model. The Company will accrete the value of the Public Warrants was measured based discount across the expected term of the Note using the effective interest method.

The below table presents the outstanding balance of the Notes as of December 31, 2023:

	December 31, 2023
Beginning Balance	$ 80,000,000
Unamortized Discount	(11,961,220)
Carrying Value	**$ 68,038,780**

Interest expense included within Other income (expense), net on the trading price since Consolidated Statements of Operations was $6.0 million for the warrants Notes for year ended December 31, 2023. Interest expense included within Cost of sales on the Consolidated Statements of Operations was $2.3 million for the Notes for the year ended December 31, 2023.

The following assumptions were separately listed and traded. For the years ended December 31, 2022 and 2021, the Company recognized a gain of approximately $7.3 million and $4.4 million, respectively, resulting from a decrease used in the fair value of liabilities, presented as change in fair value of derivative warrant liabilities on Binomial and Monte Carlo valuation models to determine the accompanying consolidated statements of operations.

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The estimated fair value of the Private Placement Warrants, Notes at the issue date, March 30, 2023 and the Public Warrants prior to being separately listed and traded, is determined using Level 3 inputs. Inherent in a Monte Carlo simulation and a Black-Scholes model are assumptions related to expected stock-price volatility, expected life, risk-free interest rate and dividend yield. The Company estimates the volatility as of its common stock based on the historical volatility of an index of companies that matches the expected remaining life of the warrants. December 31, 2023.

	December 31, 2023	March 30, 2023
Risk Free Interest Rate	3.97 %	3.80 %
Expected Volatility	40 %	40 %
Expected Dividend Yield	— %	— %

Risk-Free Interest Rate – The risk-free interest rate is based on the U.S. Treasury zero-coupon zero coupon bond used to reduce any projected future cash flows derived from the payoff of the Notes as UHG common shares.

Expected Volatility – The Company's expected volatility was estimated based on the average historical volatility for comparable publicly traded companies.

Expected Dividend Yield – The dividend yield is based on the Company's history and expectation of dividend payouts. The Company does not expect to pay cash dividends to shareholders during the term of the Notes, therefore the expected dividend yield is determined to be zero.

Note 15 - Share-based compensation

Equity Incentive Plans

In January 2022, the Board of Directors of GSH approved and adopted the Great Southern Homes, Inc. 2022 Equity Incentive Plan (the "2022 Plan"). The 2022 Plan was administered by a committee appointed by the Board of Directors and had reserved 3,000 common shares to be issued as equity-based awards to directors and employees of GSH. The number of awards reserved was subject to change based on certain corporate events or changes in GSH's capital structure and the shares vest ratably over four years. The 2022 Plan defined awards to include incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, stock bonus awards, and performance compensation awards. Effective as of March 30, 2023, in connection with the Business Combination, the

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Company's board of directors adopted the United Homes Group, Inc. 2023 Equity Incentive Plan (the "2023 Plan") at which time the 2022 Plan was terminated. No further grants can be made under the 2022 Plan. The outstanding options prior to the Business Combination were cancelled in exchange of substantially equivalent

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options to acquire shares of Common Stock of the Company based on the Exchange Ratio for the UHG common shares in the Business Combination. Each replacement stock option is subject to the same terms and conditions as were applicable under the 2022 Plan. The 2023 Plan provides that the number of shares reserved and available for issuance under the 2023 Plan will automatically increase each January 1, beginning on January 1, 2024, by 4% of the number of outstanding shares of Common Stock on the immediately preceding December 31, or such lesser amount as determined by the Company's board of directors. As of December 31, 2023, 5,657,080 common shares are authorized to be issued under the 2023 Plan.

The Company concluded that the replacement stock options issued in connection with the Business Combination did not require accounting for effects of the modification under ASC 718 as it was concluded that a) the fair value of the replacement award is the same as the fair value of the original award immediately before the original award was replaced, b) there were no changes in the vesting terms, and c) the classification of awards did not change.

The following table summarizes the activity relating to the Company's stock options. The below stock option figures are presented giving effect to a retroactive application of the Business Combination which resulted in a replacement of the previous 2022 Plan stock options with the 2023 Plan, as described above, at an Exchange Ratio of approximately 373.47:1. In addition, the exercise price for each replacement stock option was also adjusted using the Exchange Ratio.

	Stock options	Weighted-Average per Share Exercise price
Outstanding, December 31, 2022	870,567	$ 2.81
Granted	3,350,000	11.38
Exercised	(2,053)	2.81
Forfeited	(332,266)	8.37
Outstanding, December 31, 2023	**3,886,248**	**$ 9.72**
Options exercisable at December 31, 2023	189,620	$ 2.81

The aggregate intrinsic value of the stock options outstanding was $4,435,957 and $7,460,132 as of December 31, 2023 and 2022, respectively. The aggregate intrinsic value of the stock options exercisable was $1,065,595 and $0 as of December 31, 2023 and 2022, respectively. The intrinsic value of a stock option is the amount by which the fair value of the underlying stock exceeds the price of the option. The aggregate intrinsic value excludes the effect of stock options that have a zero or negative intrinsic value.

The Company recognizes stock compensation expense resulting from the equity-based awards over the requisite service period. Stock compensation expense is recorded based on the estimated fair value of the equity-based award on the grant date using the Black-Scholes valuation model. Stock compensation expense is recognized in the Selling, general and administrative expense line item in the Consolidated Statements of Operations. Stock compensation expense included in the Consolidated Statements of Operations for a maturity similar the years ended December 31, 2023 and 2022 was $2,539,057 and $195,830, respectively.

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As of December 31, 2023, there was unrecognized stock compensation expense related to non-vested stock option arrangements totaling $14,460,799. The weighted average period over which the unrecognized stock compensation expense is expected to be recognized is 3.17 years.

Prior to the expected remaining life Business Combination, Legacy UHG's common stock was not publicly traded, and it estimated the fair value of common stock based on the

combination of the three methods: (i) the discounted cash flow method of the income approach; (ii) the guideline company method of the market approach; and (iii) the subject transaction method of the market approach.

Legacy UHG considered numerous objective and subjective factors to determine the fair value of the Company's common stock. The factors considered included, but were not limited to: (i) the results of periodic independent third-party valuations; (ii) nature of the business and history of the enterprise from its inception; (iii) the economic outlook in general and for the specific industry; (iv) the book value of the stock and financial condition of the business; (v) earning and

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warrants. The expected life dividend paying capacity of the warrants is assumed business; (vi) the market prices of stocks of corporations engaged in the same or similar lines of business having their stock actively traded in a free and open market, either on an exchange or over-the-counter.

The following table presents the assumptions used in the Black-Scholes option-pricing model to be equivalent to their remaining contractual term. determine the grant date fair value of stock options granted during the year ended December 31, 2022 adjusted by the Exchange Ratio, the fair value of stock options replaced on the replacement date and the fair value of options issued during the year ended December 31, 2023:

Inputs	Year Ended December 31, 2023	March 30, 2023	January 19, 2022
Risk-free interest rate	3.97% - 4.83%	3.77 %	1.82 %
Expected volatility	40 %	40 %	35 %
Expected dividend yield	— %	— %	— %
Expected life (in years)	6.25	5.10	6.25
Fair value of options	$2.96 - $5.38	$ 10.41	$ 1.06

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Risk-Free Interest Rate – The dividend risk-free interest rate is based on the historical rate, which U.S. Treasury zero coupon bond issued in effect at the time of the grant for the periods corresponding with the expected term of the stock option.

Expected Volatility – GSH's expected volatility was estimated based on the average volatility for comparable publicly traded companies over a period equal to the expected term of the options.

Expected Dividend Yield – The dividend yield is based on the history and expectation of dividend payouts. The Company does not expect to pay cash dividends to shareholders during the term of options, therefore the expected dividend yield is determined to be zero.

Expected Life – The expected term represents the period the options granted are expected to be outstanding in years. As the Company anticipates remaining does not have sufficient historical experience for determining the expected term, the expected term has been derived based on the SAB 107 simplified method for awards that qualify as plain-vanilla options.

Certain stock options issued under the 2023 Plan are issued to individuals who are not employees of the Company and who are not providing goods or services to the Company. These options are recognized in accordance with ASC 815 as a derivative liability and marked to market at zero.

each reporting period end. The derivative liability of stock options amounts to $414,260 and is included within Derivative liability on the Consolidated Balance Sheet as of December 31, 2023.

Restricted Stock Units ("RSUs")

On September 12, 2023, the Company granted time-based restricted stock units to certain participants under the 2023 Plan that are stock-settled with UHG Class A Common Shares. The time-based restricted stock units granted under the 2023 Plan vest annually over four years. Stock-based compensation expense included in the Consolidated Statements of Operations for time-based restricted stock units was $32,049 for the year ended December 31, 2023. As of December 31, 2023, there was unrecognized pre-tax compensation expense of $393,619 related to time-based restricted stock units that is expected to be recognized over a weighted-average period of 3.70 years.

The time-based restricted stock unit activity for the year December 31, 2023 was as follows:

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	Units Outstanding	Weighted-Average Grant Date Fair Value Per Unit
Outstanding, December 31, 2022	—	$ —
Granted	73,992	6.59
Exercised	—	—

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Forfeited	(9,399)	6.59
Outstanding, December 31, 2023	**64,593**	**6.59**

Stock warrants

In January 2022, Legacy UHG granted an option to non-employee directors to purchase 1,867,368 stock warrants for $150,000. Each warrant represents one non-voting common share. The warrants are exercisable at $4.05 per warrant, which represents an out-of-the-money strike price. The warrants can be exercised for 10 years starting from July 1, 2022. Using the Black-Scholes valuation model, Legacy UHG determined the aggregate fair value of these warrants to be approximately $1,376,800 as of the grant date. Because there is no continued service requirement for the warrant holders, the Company recorded a one-time stock compensation expense in the amount of $1,226,800 within the Selling, general and administrative expense line item in the Consolidated Statement of Operations for the year ended December 31, 2022.

The following assumptions were used in the Black-Scholes valuation model to determine the estimated fair value of the stock warrants granted during the year ended December 31, 2022. There were no warrants granted during the year ended December 31, 2023.

Inputs	**December 31, 2022**
Risk free interest rate	1.78 %
Expected volatility	35 %
Expected dividend yield	— %
Expected life (in years)	6.40
Fair value of warrants granted	$ 0.7

The methodology for determining the inputs is consistent with the input methodology for stock options as described above.

In March 2022, the warrant holders purchased the warrants in exchange for $150,000 cash consideration. This amount was recorded directly to Additional paid-in capital in the Company's Consolidated Balance Sheet.

The outstanding stock warrants prior to the Business Combination were converted into warrants to acquire a number of shares of Common Stock of the Company based on the Exchange Ratio for the UHG common shares in the Business Combination. The above stock warrants figures are presented giving effect to a retroactive application of the Business Combination which resulted in a conversion of the warrants at an Exchange Ratio of approximately 373.47:1. In addition, the exercise price for each converted stock warrant was also adjusted using the Exchange Ratio. Each converted stock warrant is subject to the same terms and conditions as were applicable prior to the conversion.

On April 28, 2023, a warrant holder of the stock warrantsexercised their warrants. 1,120,421 stock warrants were exercised in a cashless exercise whereby the Company issued 748,020 UHG Class A Common Shares in accordance with the conversion terms. As of December 31, 2023, there are 746,947 stock warrants outstanding.

Earnout Employee Optionholders

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The Earnout Shares issuable to holders of equity stock options as of the Closing Date are accounted for as equity classified stock compensation and do not have a requisite service period. During the year ended December 31, 2023, the Company recognized a one-time stock-based compensation expense related to the Earnout of $4,448,077, which is excluded from the above stock-based compensation expense table. See *Note 16 - Earnout shares* for the assumptions and inputs used in the valuation of the Earnout Shares.

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Note 16 - Earnout shares

During the five year period after the Closing ("Earnout Period"), eligible GSH Equity Holders and Employee Option Holders are entitled to receive up to 20,000,000 Earnout Shares. Additionally, and pursuant to the Sponsor Support Agreement, the Sponsor surrendered 1,886,379 DHHC Class B Shares for the contingent right to receive Earnout Shares. All Earnout Shares issuable to GSH Equity Holders, Employee Option Holders and the Sponsors are subject to the same Triggering Events (defined below).

On the date when the VWAP of one share of the UHG Class A Common Shares quoted on the NASDAQ has been greater than or equal to $12.50, $15.00, $17.50 ("Triggering Event I," "Triggering Event II," and "Triggering Event III," respectively, and together the "Triggering Events") for any twenty trading days within any thirty consecutive trading day period within the Earnout Period, the eligible GSH Equity Holders, Employee Option Holders, and the Sponsors will receive Earnout Shares distributed on a pro-rata basis. For Triggering Event I and Triggering Event II, 37.5% of Earnout Shares will be released and following the achievement of Triggering Event III, 25.0% of Earnout Shares will be released.

As discussed in *Note 3 - Summary of significant accounting policies*, there are two units of account within the Earnout Shares depending on the Earnout Holder. If the Earnout Holder is either a GSH Equity Holder or Sponsor, the instrument will be accounted for as a derivative liability. If the Earnout Holder is an Employee Option Holder, the instrument will be accounted for as an equity classified award. The following table provides quantitative information regarding Level 3 summarizes the number of Earnout Shares allocated to each unit of account as of December 31, 2023:

	Triggering Event I	Triggering Event II	Triggering Event III
Derivative liability	8,060,923	8,060,923	5,373,948
Stock compensation	146,469	146,469	97,647
Total Earnout Shares	**8,207,392**	**8,207,392**	**5,471,595**

As of March 30, 2023, the fair value measurements inputs at their measurement dates:

	As of December 31, 2022	As of December 31, 2021

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Exercise price	$ 11.50	$ 11.50
Stock Price	$ 10.05	$ 9.74
Option term (in years)	5.00	4.82
Volatility	40 %	12 %
Risk-free interest rate	4.1 %	1.3 %

of the Earnout Shares was $12.10 per share issuable upon Triggering Event I, $11.16 per share issuable upon Triggering Event II and $10.19 per share issuable upon Triggering Event III.

As of December 31, 2023, the fair value of the Earnout Shares was $6.20 per share issuable upon Triggering Event I, $5.21 per share issuable upon Triggering Event II and $4.39 per share issuable upon Triggering Event III.

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

Inputs	December 31, 2023	March 30, 2023
Current stock price	$ 8.43	$ 12.68
Stock price targets	$12.50, $15.00, $17.50	$12.50, $15.00, $17.50
Expected life (in years)	4.25	5.00
Earnout period (in years)	4.25	4.75
Risk-free interest rate	4.00 %	3.75 %
Expected volatility	40 %	40 %
Expected dividend yield	— %	— %

The change in the fair value of the Earnout Shares between March 30, 2023 and December 31, 2023 resulted in a gain of $126,644,642 and was primarily attributable to the decrease in the current stock price of the Company from $12.68 as of March 30, 2023 to $8.43 as of December 31, 2023.

As none of the earnout Triggering Events have occurred as of December 31, 2023, no shares have been distributed.

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Note 17 - Warrant liability

Immediately prior to the Closing Date, 2,966,670 of the 5,933,333 Private Placement Warrants were forfeited. The remaining 2,966,663 Private Placement Warrants were recognized as a liability on the Closing Date at fair value. The Private Placement Warrant liability is recognized in accordance with ASC 815 as a derivative liability and marked to market at each reporting period end. The change in fair value of the private placement warrant liabilities measured utilizing Level 1 and

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Level 3 inputs liability for the years year ended December 31, 2022 December 31, 2023 resulted in a loss of $3.6 million. These changes are included in Change in fair value of derivative liabilities on the Consolidated Statement of Operations.

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

Inputs	December 31, 2023	March 30, 2023
Current stock price	$ 8.43	$ 12.68
Exercise price	$ 11.50	$ 11.50
Expected life (in years)	4.25	5.00
Risk-free interest rate	4.00 %	3.75 %
Expected volatility	40 %	40 %
Expected dividend yield	—	—

The Public Warrants were initially recognized as a liability on the Closing Date at a fair value. The Public Warrant liability is recognized in accordance with ASC 815 as a derivative liability and 2021, is summarized as follows:

Derivative warrant liabilities at January 1, 2022 - Level 3	$ 3,619,330
Change in fair value of derivative warrant liabilities - Level 3	(2,993,960)
Derivative warrant liabilities at December 31, 2022 - Level 3	$ 625,370

Derivative warrant liabilities at January 1, 2021 - Level 3	$ —
Issuance of Derivative Warrants - Level 3	13,161,830
Transfer of Public Warrants to Level 1	(7,762,500)
Change in fair value of derivative warrant liabilities - Level 3	(1,780,000)
Derivative warrant liabilities at December 31, 2021 - Level 3	**$ 3,619,330**

marked to market at each reporting period end. The change in fair value of the public warrant liability for the year ended December 31, 2023 resulted in a loss of $7.4 million. These changes are included in Change in fair value of derivative liabilities on the Consolidated Statement of Operations.

Note 11 18 - Income Taxes

taxes

The Company's taxable Company accounts for income primarily consists of interest income on the Trust Account. The Company's general and administrative expenses are generally considered start-up costs and are not currently

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deductible.

The income tax provision consists of the following for the years ended December 31, 2022 and 2021:

taxes in accordance with ASC 740, *Income Taxes*

	December 31, 2022	December 31, 2021
Current		
Federal	$ 983,430	$ —
State	—	—
Deferred		
Federal	(74,706)	(254,139)
State	—	—
Valuation allowance	74,706	254,139
Income tax provision	$ 983,430	$ —

The Company's net deferred tax assets were as follows as of December 31, 2022 and 2021:

	As of December 31,2022	As of December 31,2021
Deferred tax assets:		
Start-up/Organization costs	$ 328,845	$ 216,490
Net operating loss carryforwards	—	37,649
Total deferred tax assets	328,845	254,139
Valuation allowance	(328,845)	(254,139)
Deferred tax asset, net of allowance	$ —	$ —

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DIAMONDHEAD HOLDINGS CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In assessing the realization, which requires recognition of deferred tax assets management considers whether and liabilities at enacted income tax rates for the temporary differences between the financial

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reporting bases and the tax bases of its assets and liabilities. Any effects of changes in income tax rates or tax laws are included in the provision for income taxes in the period of enactment. When it is more likely than not that some a portion or all of a deferred tax asset will not be realized in the future, the Company records a corresponding valuation allowance against the deferred tax assets will not be realized. The ultimate realization asset. As of December 31, 2023, there was no valuation allowance recorded against deferred tax assets assets.

In addition, when it is dependent more likely than not that a tax position will be sustained upon examination by a tax authority that has full knowledge of all relevant information, the generation Company measures the amount of future taxable tax benefit from the position and records the largest amount of tax benefit that is more likely than not of being realized after settlement with a tax authority. The Company's policy is to recognize interest to be paid on an underpayment of income during taxes in interest expense within Other income (expense), net and any related statutory penalties in Income tax expense on the periods Consolidated Statements of Operations. As of December 31, 2023 there was no reserves for uncertain tax positions.

Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in which determining tax expense and in evaluating tax positions, including evaluating uncertainties under GAAP. The Company reviews its tax positions quarterly and adjusts its tax balances as new legislation is enacted or new information becomes available.

Income tax expense for the year ended December 31, 2023 comprises the following current and deferred amounts:

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	2023
Current expense:	
Federal	$ 4,457,712
State	1,117,221
Total current expense	5,574,933
Deferred expense:	
Federal	(2,041,270)
State	(576,647)
Total deferred (benefit)	(2,617,917)
Total income tax expense	$ 2,957,016

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Total income tax expense differed from the amounts computed by applying the federal statutory income tax rate of 21% for the year ended December 31, 2023, to income before income taxes as a result of the following items:

	2023	
	$	%
Income taxes at federal statutory rate	$ 25,674,482	21.0 %
State income taxes, net of federal tax	305,959	0.3 %
Change in fair value of derivative liabilities	(24,301,964)	(19.9)%
Non-deductible expenses	254,097	0.2 %
Change in tax status	1,024,442	0.8 %
Income tax expense	$ 2,957,016	2.4 %

The tax effects of temporary differences representing net future deductible amounts become deductible. Management considers the scheduled reversal of deferred tax assets, projected future taxable income and tax planning strategies in making this assessment. After consideration of all of the information available, management believes that give rise to significant uncertainty exists with respect to future realization portions of the deferred tax assets and has therefore established liabilities at December 31, 2023:

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	2023
Deferred tax assets:	
§263A Uniform Capitalization Rules	$ 898,412
Warranty reserve	324,798
Other accrued expenses and liabilities	260,960
Stock-based compensation	1,643,593
Interest expense	407,725
Operating lease liabilities	1,388,547
Start-up/organization costs	1,582,745
Other	82,210
Total deferred tax asset	6,588,990
Deferred tax liabilities:	
§481(a) Unfavorable Adjustment	(650,714)
Inventories	(1,332,223)
Prepaid expenses and other assets	(635,329)
Property, plant and equipment, net	(202,969)
Operating right-of-use assets	(1,350,092)
Other	(12,246)
Total deferred tax liability	(4,183,573)
Net deferred tax asset	$ 2,405,417

The Company evaluates both positive and negative evidence on a full valuation allowance. For quarterly basis in determining the year ending December 31, 2022 and 2021, the change in need for a valuation allowance was $74,706 and $254,139, respectively.

A reconciliation of the statutory federal income tax rate with respect to the Company's effective deferred tax rate assets. The accounting for deferred tax assets is based

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upon estimates of future results. Changes in positive and negative evidence, including differences between estimated and actual results, could result in changes in the valuation of the Company's deferred tax assets that could have a material impact on the Company's Consolidated Financial Statements. Changes in existing federal and state tax laws and corporate income tax rates could also affect actual tax results and the realization of deferred tax assets over time. Based on this analysis the Company has not recorded a valuation allowance against its deferred tax assets for the year ended December 31, 2022 December 31, 2023.

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The uncertainty provisions of ASC 740 also require the Company to recognize the impact of a tax position in its consolidated financial statements only if the technical merits of that position indicate that the position is more likely than not of being sustained upon audit. For the year ended December 31, 2023, the Company did not record a reserve for uncertain tax positions. We file income tax returns in the U.S. federal jurisdiction and 2021 various state jurisdictions. We are subject to U.S. federal income tax and various state income tax examinations for calendar tax years ending 2018 through 2023. Currently, the Company is not subject to any open audits.

Note 19 - Employee benefit plan

Effective January 1, 2021, Legacy UHG sponsored an elective safe harbor 401(k) contribution plan covering substantially all employees who have completed three consecutive months of service. The plan provides that the Company will match up to the first 3% of the participant's base salary rate at 100% and 50% of the next 2% for a maximum contribution of 4%. In addition, participants become 100% vested with respect to employer contributions after completing six years of service starting in 2021. Administrative costs for the plan were paid by the Company.

Total employer contributions paid to the plans for the years ended December 31, 2023 and 2022 were approximately $241,466 and $174,184, respectively. These amounts are recorded in Selling, general and administrative expenses on the Consolidated Statements of Operations.

Note 20 - Earnings per Share

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

The weighted average number of shares of common stock outstanding prior to the Business Combination have been retroactively adjusted by the Exchange Ratio to give effect to the reverse recapitalization treatment of the Business Combination. The equity structure of the Company for the year ended December 31, 2023 reflects the equity structure of DHHC, including the equity interests issued by DHHC to effect the business combination.

The following table sets forth the computation of the Company's basic and diluted net profit per share:

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	December 31, 2023	December 31, 2022
Net Income	$125,060,284	$ 69,489,294
Basic income available to common shareholders	125,060,284	69,489,294

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Effect of dilutive securities:		
Add back:		
Interest on Convertible note, net of tax	6,184,809	—
Change in fair value of stock options - liability classified, net of tax	(175,940)	—
Diluted income available to common shareholders	$131,069,153	$ 69,489,294
Weighted-average number of common shares outstanding - basic	45,639,431	37,347,347
Effect of dilutive securities:		
Convertible notes	9,250,187	—
Stock options - equity classified	154,703	392,094
Stock options - liability classified	63,308	—
Stock warrants	659,503	713,386
Restricted stock units	1,758	—
Weighted-average number of common shares outstanding - diluted	55,768,890	38,452,827
Net earnings per common share:		
Basic	$ 2.74	$ 1.86
Diluted	$ 2.35	$ 1.81

The following table summarizes potentially dilutive outstanding securities for the years ended December 31, 2023 and 2022 that were excluded from the calculation of diluted EPS, because their effect would have been anti-dilutive:

	December 31, 2023	December 31, 2022
Private placement warrants	17,713	—
Public warrants	51,498	—
Total anti-dilutive features	69,211	—

The Company's 21,886,379 Earnout Shares are excluded from the anti-dilutive table above for the year ended December 31, 2023, as follows:

	December 31, 2022	December 31, 2021
Statutory federal income tax rate	21.0 %	21.0 %
Statutory state rate, net of federal benefit	0.0 %	— %

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Financing costs	—	3.5 %
Change in fair value of derivative warrant liabilities	(18.9)%	(33.9)%
Merger costs	9.9 %	0.0 %
Transaction costs allocated to derivative warrant liabilities	0.0 %	0.0 %
Loss upon issuance of private placement warrants	(0.7)%	0.0 %
Change in valuation allowance	0.9 %	9.4 %
Income tax rate	12.2 %	0.0 %

the underlying shares remain contingently issuable as the Earnout Triggering Events have not been satisfied.

Note 12 21 - Subsequent Events

events

Management has evaluated performed an evaluation of subsequent events to determine if events or transactions occurring after the Balance Sheet date of December 31, 2023 through the date the consolidated financial statements Consolidated Financial Statements were issued. The During this period, the Company did has not identify identified any subsequent event, other than as described herein or below, events that would have required adjustment require recognition or disclosure, in except for the consolidated financial statements.

ones noted below.

On January 11, 2023 January 26, 2024 (“the Closing Date”), the Company received completed the acquisition of selected assets of Creekside Custom Homes, LLC, a letter South Carolina corporation (“Creekside”) (the “Notice” “Creekside Acquisition”) from for $16,937,996 in cash. The Nasdaq Stock Market LLC (“Nasdaq”) notifying acquisition allows UHG to further expand its presence in the Company that coastal region of South Carolina, particularly in the Company is not in compliance with Nasdaq Listing Rule Section 5620(a) (the “Annual Meeting Rule”) which requires the Company to hold an annual meeting of stockholders within 12 months of the Company’s fiscal year end. Myrtle Beach, SC area. The Notice is only a notification of deficiency, not of imminent delisting, and has no current effect on the listing or trading of the Company’s securities on Nasdaq. The Notice advises that the Company will have 45 calendar days to submit to Nasdaq a plan to regain compliance with the Annual Meeting Rule. On March 16, 2023, Nasdaq advised the Company of its determination to grant the Company an extension until June 29, 2023 to regain compliance with the Annual Meeting Rule by holding a special meeting of stockholders to approve the GSH Business Combination where the Company’s stockholders will also have the opportunity to discuss Company affairs and elect directors. The special meeting was held on March 23, 2023 and served as the Company’s annual meeting of

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stockholders for purposes of the Annual Meeting Rule. As such, the Company has regained compliance not yet completed its evaluation and determination of consideration paid and certain assets and liabilities acquired in accordance with the Annual Meeting Rule.

As previously announced on March 22, 2023 ASC 805, *Business Combinations.*

On January 26, 2024, the Company entered into the Second Amendment to the Second Amended and Restated Credit Agreement. As a Convertible Note Purchase Agreement result of this amendment the Company established a process for the joinder of additional subsidiary borrowers of the Company, and Rosewood was joined, jointly and severally with the Company and GSH as a borrower to the Syndicated Line.

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In February 2024 the Compensation Committee (the "Note Purchase Agreement" "Committee") among itself, GSH of the Board of Directors of the Company (the "Board") approved various equity awards in the form of Performance-Based Restricted Stock Units ("PSU"), RSUs and stock options for various employees and a certain group of investors party thereto (the "PIPE Investors"). Pursuant to the Note Purchase Agreement, the Investors have agreed to purchase $80,000,000 in original principal amount of convertible promissory notes (the "Notes") and 744,588 shares of Class A common stock in a private placement PIPE investment (the "PIPE Investment") in connection with the GSH Business Combination. The aggregate gross amount consultant of the PIPE Investment is approximately $75,000,000. Company. The proceeds Committee granted a total of 478,000 PSUs and 1,434,000 stock options to various employees, and 50,000 stock options to a consultant of the PIPE Investment are expected to be used by Company. The PSUs will vest upon the Company to offset redemptions date, if any, during the period through March 30, 2028, that the volume weighted average price ("VWAP") of the Company's Class A common stock (see "Extension and Redemptions" below for details on redemptions 20 out of the Company's Class A common stock), and may be used by DHHC preceding 30 consecutive trading days is greater than or equal to satisfy $18. The stock options will vest ratably over four years, other than the Minimum Cash Condition. The closing stock options issued to the consultant, the vesting of the Note Purchase Agreement which is contingent upon the substantially concurrent consummation occurrence of a specified event. The Committee also granted 51,700 RSUs to various employees, which RSUs will vest ratably over four years. Vesting of each of the GSH Business Combination and foregoing awards is generally subject to other customary closing conditions and terms set forth therein.

On March 23, 2023, in connection with the recipient's continued service to the Company through the vesting date.In addition, the Board approved equity awards for the Company's efforts non-management directors, consisting of (i) a total of 272,000 stock options, which will vest ratably over three years, subject to raise funds to meet potential accelerated vesting on the Minimum Cash Condition, date, if any, that the Company entered into certain private placement transactions (collectively, the "Share Lock-Up Agreements") with certain investors who purchased shares VWAP of the Company's Class A common stock for 20 out of the

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preceding 30 consecutive trading days is greater than or equal to $12, and (ii) a total of 14,000 RSUs, which immediately vested, issuable to those directors that serve as chairpersons of Board committees. All awards were granted under the 2023 Plan.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

UHG maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its reports filed under the Exchange Act Rules 13a-15(e) and 15d-15(e), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including its Chief Executive Officer (CEO) and Chief Financial Officer (CFO), as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as UHG's are designed to do, and management necessarily was required to apply its judgment in evaluating the risk related to controls and procedures.

In connection with the preparation of this Form 10-K, as of December 31, 2023, an evaluation was performed under the supervision and with the participation of management, including the CEO and CFO, of the effectiveness of the design and operation of UHG's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, management concluded that as of December 31, 2023, UHG did not maintain effective disclosure controls and procedures because of the material weaknesses in internal control over financial reporting described below.

Nevertheless, based on the open market prior performance of additional procedures by management designed to March 16, 2023 (each a "Lock-Up Investor"), pursuant to which, ensure reliability of financial reporting, management has concluded that, notwithstanding the material weaknesses described below, the Consolidated Financial Statements included in this Form 10-K, fairly present, in all material respects, the Company's financial position, results of operations, and subject to and conditioned upon the satisfaction cash flows as of the closing conditions dates, and for the periods presented, in conformity with U.S. GAAP.

Management's Report on Internal Controls Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of management including its CEO and CFO, UHG conducted an evaluation of the effectiveness of its internal control over financial reporting based on the framework in *Internal Control - Integrated Framework (2013)* issued by the Committee of

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Sponsoring Organizations of the Treadway Commission. Based on the foregoing evaluation, management concluded that UHG's internal controls over financial reporting were not effective because of the material weaknesses discussed below.

This annual Report on Form 10-K does not include an attestation report of internal controls from UHG's independent registered public accounting firm due to UHG's status as an emerging growth company under the JOBS Act.

UHG has identified material weaknesses in its internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in a company's internal control over financial reporting such that there is a reasonable possibility that a material misstatement of its annual or interim financial statements will not be prevented or detected on a timely basis. UHG identified material weaknesses in its internal controls in the following areas: ineffective tax review controls; lack of second level reviews in business processes; lack of formal control review and documentation required by COSO principles; ineffective Information Technology General Controls ("ITGCs") related to certain systems, applications, and tools used for financial reporting; and the Company did not establish effective user access and segregation of duties controls across financially relevant functions. None of these deficiencies resulted in a material misstatement to UHG's annual or interim Consolidated Financial Statements for the year ended December 31, 2023.

Management's Remediation Measures

Other than the material weakness related to ineffective tax review controls, the aforementioned material weaknesses were identified in 2022. While the Company has improved its organizational capabilities and remediated five of the material weaknesses during 2023, four material weaknesses remain un-remediated as of December 31, 2023, including the material weakness identified in 2023 related to tax review controls failing to properly identify and account for certain deferred tax assets and liabilities and related tax expense due to certain complex or nonrecurring transactions. The Company's remediation efforts will continue to take place. Management is committed to maintaining a strong internal control environment.In response to the identified material weaknesses in the overall control environment, management has taken a number of remediation actions during the year ended December 31, 2023, and are continuing its actions.Remediation actions taken during the year are outlined below.

As mentioned above, the Company concluded that five of the previously identified material weaknesses have been remediated.Remediation steps taken by UHG include the following:

- implemented an appropriate evaluation of accounting policies and complex accounting transactions in accordance with U.S. GAAP, including recording revenues and cost of sales in accordance with ASC 606;
- implemented controls to ensure appropriate identification, review, documentation, and reporting of related party transactions;
- implemented controls to ensure an appropriate recordation of certain expenses and payables, which includes recording in prior periods;

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- designed and implemented appropriate segregation of duties; and
- performed an appropriate review of multiple key controls against COSO principles.

UHG is also currently implementing additional measures which include:

- review and enhancement of IT general controls over information systems relevant to financial reporting, including privileged access and segregation of duties;
- continued realignment of existing personnel and the addition of both internal and external personnel to strengthen management's review and documentation over internal control over financial reporting;
- implement a more thorough second level review process over the tax provision.

UHG will continue to review and improve its internal controls over financial reporting to address the underlying causes of the material weaknesses and control deficiencies. Such material weaknesses and control deficiencies will not be remediated until UHG's remediation plan has been fully implemented, and it has concluded that its internal controls are operating effectively for a sufficient period of time.

Changes in Internal Control over Financial Reporting

Except for the material weaknesses and the remediation efforts described above, no other change in UHG's internal control over financial reporting (as defined by Rules 13a015(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended December 31, 2023, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information called for by Item 10 will be set forth in the Share Lock-Up Agreements, the

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Company agreed to issue to each Lock-Up Investor 0.25 UHG Class A Common Shares for a purchase price of $0.01, for each share of the Company's Class A common stock held by such Lock-Up Investor at the Closing.

Also, on March 23, 2023, the Company and certain investors ("PIPE Investors") entered into subscription agreements (collectively, the "PIPE Subscription Agreements") providing for the purchase by the PIPE Investors at the effective time of the GSH Business Combination of (i) an aggregate of 471,500 shares of the Company's Class A common stock at a price per share of $10.00, and (ii) for each share of the Company's Class A common stock purchased by each PIPE Investor, the Company agreed to issue UHG's definitive proxy statement relating to the applicable PIPE Investor 0.25 UHG Class A Shares for a purchase price of $0.01 per share for gross proceeds to the Company of approximately $4.7 million.

On March 23, 2023, the Company held a special meeting of its stockholders in lieu of the 2022 2024 annual meeting of stockholders (the "Special Meeting" "2024 Proxy Statement"), which will be filed no later than 120 days after December 31, 2023, and is incorporated herein by reference pursuant to Instruction G to Form 10-K.

Item 11. Executive Compensation

The information called for by Item 11 will be set forth in connection with the GSH Business Combination. At 2024 Proxy Statement and is incorporated herein by reference pursuant to Instruction G to Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information called for by Item 12 will be set forth in the Special Meeting, 2024 Proxy Statement and is incorporated herein by reference pursuant to Instruction G to Form 10-K.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information called for by Item 13 will be set forth in the GSH Business Combination Agreement was approved, 2024 Proxy Statement and is incorporated herein by reference pursuant to Instruction G to Form 10-K.

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Item 14. Principal Accountant Fees and Services

The information called for by Item 14 will be set forth in the stockholders holding 109,426 shares 2024 Proxy Statement and is incorporated herein by reference pursuant to Instruction G to Form 10-K.

PART IV

Item 15. Exhibits and Financial Statement Schedules

Exhibit	Description
2.1**	Business Combination Agreement, dated September 10, 2022, by and between DiamondHead Holdings Corp., Merger Sub and Great Southern Homes, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form S-4 filed on February 9, 2023)
3.1	Amended and Restated Certificate of Incorporation of United Homes Group, Inc. (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K, filed on April 5, 2023)
3.2	Amended and Restated Bylaws of United Homes Group, Inc. (incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K filed on April 5, 2023)
4.1	Warrant Agreement, dated January 25, 2021, by and between American Stock Transfer & Trust Company and DiamondHead Holdings Corp. (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on January 25, 2021)
4.2	Senior Convertible Promissory Note, dated March 30, 2023, by and between the Company and Conversant Opportunity Master Fund LP (incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-1 filed on April 28, 2023)
4.3	Senior Convertible Promissory Note, dated March 30, 2023, by and between the Company and Dendur Master Fund Ltd. (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-1 filed on April 28, 2023)
4.4*	Description of securities
10.1	Form of Subscription Agreement, by and between DiamondHead Holdings Corp. and the investors party thereto (incorporated by reference to Exhibit 10.9 to the Company's Registration Statement on Form S-1 filed on January 15, 2021)
10.2	Letter Agreement, dated January 25, 2021, by and between DiamondHead Holdings Corp. and its executive officers, its directors, and DHP SPAC-II Sponsor LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 28, 2021)

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10.3	Private Placement Warrants Purchase Agreement, dated January 25, 2021, by and between DiamondHead Holdings Corp. and DHP SPAC-II Sponsor LLC (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on January 28, 2021)
10.4	Form of Indemnity Agreement by and between DiamondHead Holdings Corp. and certain of its officers and directors (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on January 28, 2021)
10.5	Convertible Promissory Note Purchase Agreement, dated March 21, 2023, by and between the Company and the investors identified on the signature page thereto (incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-1 filed on April 28, 2023)
10.6	Amended and Restated Registration Rights Agreement, dated March 30, 2023, by and between the Company and parties identified on the signature page thereto (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-1 filed on April 28, 2023)
10.7	Form of Share Issuance and Lock-Up Agreement, by and between DiamondHead Holdings Corp. and the investor identified on the signature page thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 28, 2023)
10.8	Form of Subscription Agreement, by and between DiamondHead Holdings Corp. and the investor identified on the signature page thereto (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on March 28, 2023)
10.9	Share Subscription Agreement, dated March 30, 2023, by and between the Company and Conversant Opportunity Master Fund LP (incorporated by reference to Exhibit 10.10 to the Company's Registration Statement on Form S-1 filed on April 28, 2023)
10.10	Share Subscription Agreement, dated March 30, 2023, by and between the Company and Hazelview Securities Inc. (incorporated by reference to Exhibit 10.11 to the Company's Registration Statement on Form S-1 filed on April 28, 2023)
10.11	Share Subscription Agreement, dated March 30, 2023, by and between the Company and Dendur Master Fund Ltd. (incorporated by reference to Exhibit 10.12 to the Company's Registration Statement on Form S-1 filed on April 28, 2023)
10.12	Share Subscription Agreement, dated March 30, 2023, by and between the Company and Jasper Lake Ventures One LLC (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-1 filed on April 28, 2023)
10.13	Form of Indemnification Agreement by and between the Company and certain of its officers and directors (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement on Form S-1 filed on April 28, 2023)
10.14†	United Homes Group, Inc. 2023 Equity Incentive Plan (incorporated by reference to Exhibit

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	10.15 to the Company's Registration Statement on Form S-1 filed on April 28, 2023)
10.15†	Employment Agreement, dated March 30, 2023, by and between the Company and Michael Nieri (incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K filed on April 5, 2023)
10.16†	Employment Agreement, dated July 17, 2023, by and between the Company and John G. Micenko Jr. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 17, 2023)
10.17*†	Employment Agreement, dated March 30, 2023, by and between the Company and Tom O'Grady
10.18†	Form of Time-Based Stock Option Award and Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 23, 2024)
10.19†	Form of Performance Stock Unit Award and Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on February 23, 2024)
10.20**	Second Amended and Restated Credit Agreement, dated as of August 10, 2023, among United Homes Group, Inc., Great Southern Homes, Inc., Wells Fargo Bank, National Association, Wells Fargo Securities, LLC, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 11, 2023)
10.21*	First Amendment to the Second Amended and Restated Credit Agreement, dated as of December 22, 2023, among United Homes Group, Inc, Great Southern Homes, Inc, Wells Fargo Bank, National Association, and the lenders party thereto
10.22**	Second Amendment to the Second Amended and Restated Credit Agreement and Omnibus Amendment to Loan Documents, dated as of January 26, 2024, among United Homes Group, Inc., Great Southern Homes, Inc., Rosewood Communities, Inc., Wells Fargo Bank, National Association, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 29, 2024)
21.1*	Subsidiaries
23.1*	Consent of Independent Registered Public Accounting Firm
31.1*	Certification of Principal Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Principal Executive Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002
97.1*†	Executive Officer Compensation Clawback Policy
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document

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101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed or furnished herewith.

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

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

Certain instruments defining rights of Class A common stock (after giving effect to withdrawals holders of redemptions) exercised their right to redeem such shares for a pro rata portion long-term debt of the funds in company and its consolidated subsidiaries are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K. Upon request, the Trust Account. As a result, approximately $1.1 million (approximately $10.13 per share) will be removed from company agrees to furnish to the Trust Account to pay SEC copies of such redeeming holders and approximately $43.9 million will remain in the Company's Trust Account.

On January 10 and February 9, 2023, the Company drew additional amounts of $100,000 from the unsecured promissory notes, respectively, which were issued to two affiliates of the Sponsor on October 18, 2022 (See Note 5). The total outstanding balance of the promissory notes was fully repaid on March 24, 2023.

instruments.

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Item 16. Form 10-K Summary

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SIGNATURES

None.

SIGNATURE

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

Date: March 15, 2024

United Homes Group, Inc.

By: _____

DIAMONDHEAD HOLDINGS CORP.

Name: Keith Feldman

Title: Chief Financial Officer

(Registrant)

Date: March 28, 2023

By: /s/ David T. Hamamoto

David T. Hamamoto

Chairman and Co-Chief Executive Officer (Principal Executive Officer)

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Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: March 15, 2024

Signature	Title	Date
Name		
/s/ *Michael Nieri*	Chairman of the Board, Chief Executive Officer, and Director	March 15, 2024
Michael Nieri		
/s/ David T. Hamamoto	**Co-Chief Executive Officer**	**March 28, 2023**
David T. Hamamoto	*(Principal Executive Officer)*	
/s/ *Michael Bayles*	**Co-Chief Executive Officer**	**March 28, 2023**
Michael Bayles	**(Principal Executive Officer)**	
s/s/ *Keith Feldman*	**Chief Financial Officer and Director (Principal Financial and Accounting Officer)**	**March 28, 2023 15, 2024**
Keith Feldman		
/ s/ *Tom O'Grady*	Director	March 15, 2024

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Tom O'Grady / s/ *David Hamamoto* **/s/ Judith A. Hannaway** David Hamamoto	Director	March 15, 2024
/s/ *Eric S. Bland* **Judith A. Hannaway** Eric S. Bland	Director	March 28, 2023 **15, 2024**
/s/ *James P. Clements* James P. Clements	Director	March 15, 2024
/s/ *Robert Dozier* **/s/ Jonathan A. Langer** Robert Dozier	Director	March 15, 2024
/s/ *Jason Enoch* **Jonathan A. Langer** Jason Enoch	Director	March 28, 2023 **15, 2024**
/s/ *Nikki R. Haley* Nikki R. Haley	Director	March 15, 2024
/s/ *Alan Levine* **/s/ Charles W. Schoenherr** Alan Levine	Director	March 15, 2024
/s/ *Michael Bayles*	Director	March 28, 2023 **15, 2024**

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Charles W. Schoenherr

Michael Bayles

/s/ Robert Grove	Director	March 15, 2024

Robert Grove

Exhibit 4.2

4.4

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

As of December 31, 2022, Diamondhead Holdings Corp. ("we," "our," "us" or the "Company") had the

The following three classes sets forth a summary of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (i) its Class A common stock, $0.0001 par value per share ("Class A common stock"), (ii) its warrants exercisable for one share of Class A common stock for $11.50 per share and (iii) its units, consisting of one share of Class A common stock and one-fourth of a warrant. Each whole warrant entitles the holder thereof to purchase one share of Class A common stock at $11.50 per share. This Description of Securities also contains a description of the Company's Class B common stock, $0.0001 par value per share (the "Class B common stock" or "founder shares"), which is not registered pursuant to Section 12 of the Exchange Act but is convertible into shares of Class A common stock. The description of the Class B common stock is necessary to understand the material terms of the securities of United Homes Group, Inc. ("we," "us," "our," "UHG," or the "Company"), including certain provisions of Delaware law and the Company's Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws (the "Bylaws"), and certain Warrant-related documents. This summary is not intended to be a complete summary of the rights and preferences of such securities and is qualified by reference to our Amended and Restated Certificate of Incorporation, our Bylaws and the Warrant-related documents described herein, which are exhibits to the report to which this exhibit is attached. We urge you to read each of our Amended and Restated Certificate of Incorporation, the Bylaws and the Warrant-related documents described herein in their entirety for a complete description of the rights and preferences of our securities. The summary

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below is also qualified by reference to the provisions of the General Corporation Law of the State of Delaware (the "DGCL"), as applicable.

Authorized and Outstanding Stock

Our Amended and Restated Certificate of Incorporation authorizes the issuance of a total of 450,000,000 shares of capital stock, each with par value $0.0001 per share, consisting of (a) 410,000,000 common shares including (i) 350,000,000 Class A common stock.

Pursuant to our certificate of incorporation, our authorized capital stock consists of 300,000,000 shares of Class A common stock, $0.0001 par value, 10,000,000 shares of and (ii) 60,000,000 Class B common stock, $0.0001 par value, shares and 10,000,000 (b) 40,000,000 shares of undesignated preferred stock.

Common Stock

Voting Power

Except as otherwise required by law or as otherwise provided in any preferred stock $0.0001 par value. The following description summarizes designation, the material terms of our capital stock.

Defined terms used herein and not defined herein shall have the meaning assigned to such terms in the Company's Annual Report on Form 10-K.

Units

Each unit consists of one whole share of Class A common stock and one-fourth of one warrant. Each whole warrant entitles the holder thereof to purchase one share of our Class A common stock at a price of $11.50 per share, subject to adjustment. Pursuant to the warrant agreement, a warrant holder may exercise its warrants only for a whole number of shares of Class A common stock. This means that only a whole warrant may be exercised at any given time by a warrant holder. No fractional warrants will be issued upon separation of the units and only whole warrants will trade.

Common Stock

Common stockholders of record are entitled to one vote for each share held on all matters to be voted on by stockholders. Holders of the Class A common stock and holders of common shares will possess all voting power for the Class B common stock will vote together as a single class on election of UHG directors and all other matters submitted to a vote of our stockholders, except shareholders of UHG. Generally, each holder of Class A common shares is entitled to one vote per share, and each holder of Class B common shares is entitled to two votes per share, voting together as a single class.

Except as otherwise required by law. Unless specified law, holders of Common shares, as such, will not be entitled to vote on any amendment to the Amended and Restated Certificate of Incorporation (including any preferred stock designation) that relates solely to the rights, powers, preferences (or the qualifications, limitations or restrictions thereof) or other terms of one or more outstanding series of UHG preferred stock if the holders of such affected series of UHG preferred

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stock are entitled to vote on such amendment pursuant to the Amend and Restated Certificate of Incorporation (including any preferred stock designation) or pursuant to the DGCL.

Dividends

Subject to applicable law and the rights and preferences of any holders of any outstanding class or series of preferred stock of UHG, holders of common shares will be entitled to receive dividends when, as and if declared by Board of Directors, payable in our certificate of incorporation cash or bylaws, or as required by applicable provisions otherwise out of the DGCL assets of UHG legally available therefor. All common shares shall be of equal rank and shall be identical with respect to rights to such dividends.

Liquidation, Dissolution and Winding Up

Upon UHG's voluntary or involuntary liquidation, dissolution or winding up and after payment in full of the debts and other liabilities of UHG and to any holders of UHG preferred stock having liquidation preferences, if any, the holders of common shares shall be entitled to receive all the remaining assets of UHG available for distribution to its shareholders, ratably in proportion to the number of common shares then issued and outstanding.

Conversion of Class B Common Shares

Each outstanding Class B common share may at any time, at the option of the holder thereof, be converted into one fully paid and nonassessable Class A common share upon written notice to UHG. Outstanding Class B common shares will automatically be converted into Class A common shares upon the transfer of such shares, subject to exceptions for certain "Permitted Transfers" as described in the Amended and Restated Certificate of Incorporation.

Preemptive or Other Rights

Subject to applicable law and the preferential rights of any other class or series of stock, exchange rules, all common shares have equal dividend, distribution, liquidation and other rights, and have no preference or appraisal rights, except for any appraisal rights provided by the affirmative vote DGCL. Furthermore, subject to applicable law, holders of a majority common shares have no preemptive rights and there are no sinking fund or redemption rights, or rights to subscribe for any of our UHG's securities. The rights, powers, preferences and privileges of holders of common shares are subject to those of the holders of any shares of common UHG Company preferred stock that are voted is required to approve any such matter voted on by our stockholders. Our board the Board of directors Directors may authorize and issue in the future.

Election of Directors

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The Board of Directors is divided into three classes, with the classes to be as nearly equal in number as possible, and with each director serving a three-year term. As a result, approximately one-third of which Board of Directors will generally serve for a term of three years with only one class be elected each year. The classification of directors being will have the effect of making it more difficult for stockholders to change the composition of Board of Directors. Directors are generally elected in each year. There by a majority of votes cast at a meeting of the shareholders at which a quorum is present, and there is no cumulative voting with respect to the election of directors, with the result that the holders of more than 50% of the shares voted for the election of directors can elect all of the directors. Our stockholders are entitled to receive ratable dividends when, as and if declared by the board of directors out of funds legally available therefor.

We will provide our stockholders with the opportunity to redeem all or a portion of their public shares upon the completion of our initial business combination at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account as of two business days prior to the consummation of our initial business combination including interest earned on the funds held in the trust account and not previously released to us to pay our taxes, divided by the number of then outstanding public shares, subject to the limitations described herein. Our sponsor, officers and directors have entered into a letter agreement with us, pursuant to which they have agreed to waive their redemption rights with respect to any founder shares and any public shares held by them in connection with the completion of our initial business combination. Unlike many blank check companies that hold stockholder votes and conduct proxy solicitations in conjunction with their initial business combinations and provide for related redemptions of public shares for cash upon completion of such initial business combinations even when a vote is not required by law, if a stockholder vote is not required by law and we do not decide to hold a stockholder vote for business or other legal reasons, we will, pursuant to our certificate of incorporation, conduct the redemptions

Public Warrants

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pursuant to the tender offer rules of the SEC, and file tender offer documents with the SEC prior to completing our initial business combination. Our certificate of incorporation requires these tender offer documents to contain substantially the same financial and other information about the initial business combination and the redemption rights as is required under the SEC's proxy rules. If, however, stockholder approval of the transaction is required by law, or we decide to obtain stockholder approval for business or other legal reasons, we will, like many blank check companies, offer to redeem shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. If we seek stockholder approval, we will complete our initial business combination only if a majority of the outstanding shares of common stock voted are voted in favor of the business combination. A quorum for such meeting will consist of the holders present in person or by proxy of shares of outstanding capital stock of the company representing a majority of the voting power of all outstanding shares of capital stock of the company entitled to vote at such meeting. If we seek stockholder approval of our initial business combination and we do not conduct redemptions in connection with our business combination pursuant to the tender offer rules, our certificate of incorporation provides that a public stockholder, together with any affiliate

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of such stockholder or any other person with whom such stockholder is acting in concert or as a "group"(as defined under Section 13 of the Exchange Act), will be restricted from redeeming its shares with respect to more than an aggregate of 15% of the shares of Class A common stock sold in our initial public offering, which we refer to as the Excess Shares. However, we would not be restricting our stockholders' ability to vote all of their shares (including Excess Shares) for or against our business combination. Our stockholders' inability to redeem the Excess Shares will reduce their influence over our ability to complete our business combination, and such stockholders could suffer a material loss in their investment if they sell such Excess Shares on the open market. Additionally, such stockholders will not receive redemption distributions with respect to the Excess Shares if we complete the business combination. And, as a result, such stockholders will continue to hold that number of shares exceeding 15% and, in order to dispose such shares would be required to sell their stock in open market transactions, potentially at a loss.

In the event of a liquidation, dissolution or winding up of the company after a business combination, our stockholders are entitled to share ratably in all assets remaining available for distribution to them after payment of liabilities and after provision is made for each class of stock, if any, having preference over the common stock. Our stockholders have no preemptive or other subscription rights. There are no sinking fund provisions applicable to the common stock, except that we will provide our stockholders with the opportunity to redeem their public shares for cash equal to their pro rata share of the aggregate amount then on deposit in the trust account, upon the completion of our initial business combination, subject to the limitations described herein.

Founder Shares

The founder shares are identical to the shares of Class A common stock, and holders of founder shares have the same stockholder rights as public stockholders, except that (i) the founder shares are subject to certain transfer restrictions, as described in more detail below, (ii) our sponsor, officers and directors have entered into a letter agreement with us, pursuant to which they have agreed (A) to waive their redemption rights with respect to any founder shares and any public shares held by them in connection with the completion of our business combination (B) and to waive their redemption rights with respect to their founder shares and public shares in connection with a stockholder vote to approve an amendment to our certificate of incorporation (i) to modify the substance or timing of our obligation to redeem 100% of our public shares if we do not complete our initial business combination within the timeframe set forth in our certificate of incorporation, or (ii) with respect to any other provision relating to stockholders' rights or pre-initial business combination activity and (C) to waive their rights to liquidating distributions from the trust account with respect to any founder shares held by them if we fail to complete our business combination within the timeframe set forth in our certificate of incorporation, although they will be entitled to liquidating distributions from the trust account with respect to any public shares they hold if we fail to complete our business combination within such time period, (iii) the founder shares are shares of our Class B common stock that will automatically convert into shares of our Class A common stock at the time of our initial business combination on a one-for-one basis, subject to adjustment pursuant to certain anti-dilution rights as described herein and (iv) are subject to registration rights. If we submit our business combination to our public stockholders for a vote, our sponsor, officers and directors have agreed to vote any founder shares held by them and any public shares purchased in favor of our initial business combination. Permitted transferees of the founder shares held by our sponsor, anchor investors or our officers and directors would be subject to the same restrictions applicable to our sponsor, anchor investors or officers and directors respectively.

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The shares of Class B common stock will automatically convert into shares of Class A common stock at the time of our initial business combination on a one-for-one basis (subject to adjustment for stock splits, stock dividends, reorganizations, recapitalizations and the like), and subject to further adjustment as provided herein. In the case that additional shares of Class A common stock, or equity-linked securities, are issued or deemed issued in excess of the amounts offered in our initial public offering and related to the closing of the business combination, including pursuant to a specified future issuance, the ratio at which shares of Class B common stock shall convert into shares of Class A common stock will be adjusted (unless the holders of a majority of the outstanding shares of Class B common stock agree to waive such adjustment with respect to any such issuance or deemed issuance, including a specified future issuance) so that the number of shares of Class A common stock issuable upon conversion of all shares of Class B common stock will equal, in the aggregate, on an as-converted basis, 20% of the sum of the total number of all shares of common stock outstanding upon completion of our initial public offering plus all shares of Class A common stock and equity-linked securities issued or deemed issued in connection with the business combination (excluding any shares or equity-linked securities issued, or to be issued, to any seller in the business combination). Holders of founder shares may also elect to convert their shares of Class B common stock into an equal number of shares of Class A common stock, subject to adjustment as provided above, at any time.

With certain limited exceptions, the founder shares are not transferable, assignable or salable (except to our officers and directors and other persons or entities affiliated with or related to our sponsor or anchor investors) until the earlier of (A) one year after the completion of our initial business combination or (B) subsequent to our initial business combination, (x) if the last reported sale price of our Class A common stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after our initial business combination, or (y) the date on which we complete a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of our stockholders having the right to exchange their shares of common stock for cash, securities or other property.

Redeemable Warrants

Each whole warrant entitles the registered holder to purchase one whole share of our Class A common stock share at a price of $11.50 per share, subject to adjustment as discussed below, at any

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time commencing on the later of 12 months from the closing of our initial public offering or 30 days after the completion of our initial business combination. below. Pursuant to the warrant agreement by and between American Stock Transfer & Trust Company, as warrant agent, and DHHC (the "warrant agreement"), a warrant holder may exercise its warrants only for a whole number of shares of Class A common stock. shares. This means that only a whole warrant may be exercised at any given time by a warrant holder. No fractional warrants will be issued upon separation of the units and only whole warrants will trade. Accordingly, unless you purchase at least four units, you will not be able to receive or trade a whole warrant. The warrants will expire five years after the completion of our DHHC's initial business combination, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

We

UHG will not be obligated to deliver any shares of Class A common stock shares pursuant to the exercise of a warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act with respect to the shares of Class A common stock shares underlying the warrants is then effective and a prospectus relating thereto is current, subject to our UHG's satisfying our its obligations described below with respect to registration. No warrant will be exercisable and we UHG will not be obligated to issue shares of Class A common stock shares upon exercise of a warrant unless Class A common stock shares issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a warrant, the holder of such warrant will not be entitled to exercise such warrant and such warrant may have no value and expire worthless. In no event will we UHG be required to net cash settle any warrant. In the event that a registration statement is not effective for the exercised warrants, the purchaser of a unit containing such warrant will have paid the full purchase price for the unit solely for the share of Class A common stock share underlying such unit.

We have

UHG has agreed that as soon as practicable but in no event later than 15 business days, after the closing of our its initial business combination, we UHG will use our its reasonable best efforts to file, and within 60 business days following our its initial business combination to have declared effective, a registration statement for the registration, under the Securities Act, of the shares of Class A common stock shares issuable upon exercise of the warrants. We UHG will use our its reasonable best efforts to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the warrants in accordance with the provisions of the warrant agreement.

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Notwithstanding the above, if our the Class A common stock is shares are at the time of any exercise of a warrant not listed on a national securities exchange such that it satisfies the definition of a "covered security" under Section 18(b)(1) of the Securities Act, we UHG may, at our its option, require holders of public warrants Public Warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event we UHG so elect, we elects, UHG will not be required to file or maintain in effect a registration statement, but we UHG will be required to use our its best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

UHG is not required to notify warrant holders of the eligibility of the warrants for redemption; however, in the event that UHG elects to redeem all of the Warrants, in accordance with the terms of the warrant agreement, a notice of redemption shall be mailed by first class mail, postage prepaid, by UHG not less than thirty (30) days prior to the redemption date to the registered holders of the Public Warrants to be redeemed at their last addresses as they appear on the registration books. Any notice mailed in the manner provided in the warrant agreement shall be conclusively presumed to have been duly given whether or not the registered holder received such notice.

Redemption of Warrants when the price per share of the Class A common stock Common Shares equals or exceeds $18.00. $18.00. Once the warrants become exercisable, we UHG may call the warrants for redemption (except as described herein with respect to the private placement warrants) Private Placement Warrants):

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon a minimum of 30 days' prior written notice of redemption, which we refer to as the 30-day redemption period; and
- if, and only if, the last reported sale price (the "closing price") of our Class A common stock equals or exceeds $18.00 per share (as adjusted for stock splits, stock capitalizations, reorganizations, recapitalizations 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 we send the notice of redemption to the warrant holders.

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We

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon a minimum of 30 days' prior written notice of redemption, which UHG refers to as the 30-day redemption period; and
- if, and only if, the last reported sale price (the "closing price") of UHG's Class A common shares equals or exceeds $18.00 per share (as adjusted for stock splits, stock capitalizations, reorganizations, recapitalizations 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 sends the notice of redemption to the warrant holders.

UHG will not redeem the warrants as described above unless a registration statement under the Securities Act covering the shares of Class A common stock shares issuable upon exercise of the warrants is effective and a current prospectus relating to those shares of Class A common stock shares is available throughout the 30-day redemption period. If and when the warrants become redeemable by us, we UHG, UHG may exercise our its redemption right even if we are it is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

We have

UHG established the last redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the warrant exercise price. If the foregoing conditions are satisfied and we issue UHG issues a notice of redemption of the warrants, each warrant holder will be entitled to exercise his, her or its warrant prior to the scheduled redemption date. However, the price of the Class A common stock shares may fall below the $18.00 redemption trigger price (as adjusted for stock splits, stock capitalizations, reorganizations, recapitalizations and the like) as well as the $11.50 (for whole shares) warrant exercise price after the redemption notice is issued.

Redemption of Warrants when the price per share of the Class A Common Stock Shares equals or exceeds $10.00. $10.00. Once the warrants become exercisable, we UHG may redeem the outstanding warrants:

- in whole and not in part;
- at $0.10 per warrant upon a minimum of 30 days' prior written notice of redemption provided that holders will be able to exercise their warrants, but only on a cashless basis, prior to redemption and receive that number of shares to be determined by reference to the table set forth under "Description of Securities - Redeemable Warrants" based on the redemption date and the "fair market value" of our Class A common stock (as defined below) except as otherwise described in "Description of Securities - Redeemable Warrants";

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- if, and only if, the closing price of our Class A common stock equals or exceeds $10.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within the 30-trading day period ending three trading days before we send the notice of redemption to the warrant holders; and
- if the closing price of our Class A common stock for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrant holders is less than $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like), the private placement warrants must also be concurrently called for redemption on the same terms as the outstanding public warrants as described above.

- in whole and not in part;
- at $0.10 per warrant upon a minimum of 30 days' prior written notice of redemption provided that holders will be able to exercise their warrants, but only on a cashless basis, prior to redemption and receive that number of shares to be determined by reference to the table set forth below based on the redemption date and the "fair market value" of the Class A common shares except as otherwise described herein;
- if, and only if, the closing price of the Class A common shares equals or exceeds $10.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within the 30-trading day period ending three trading days before UHG sends the notice of redemption to the warrant holders; and
- if the closing price of the Class A common shares for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which UHG sends the notice of redemption to the warrant holders is less than $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like), the Private Placement Warrants must also be concurrently called for redemption on the same terms as the outstanding Public Warrants as described above.

The "fair market value" of our the Class A common stock shares for the above purpose shall mean the volume weighted average price of our the Class A common stock shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of warrants. This redemption feature differs from the typical

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warrant redemption features used in other blank check offerings. We UHG will provide our its warrant holders with the final fair market value no later than one business day after the 10-trading day period described above ends. In no event will the warrants be exercisable on a cashless basis in

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connection with this redemption feature for more than 0.361 shares of Class A common stock shares per warrant (subject to adjustment).

The numbers in the table below represent the "*redemption* *"redemption prices,*", or the number of shares of Class A common stock shares that a warrant holder will receive upon redemption by us UHG pursuant to this redemption feature.

The stock prices set forth in the column headings of the table below will be adjusted as of any date on which the number of shares issuable upon exercise of a warrant is adjusted. adjusted as set forth in the first three paragraphs under the heading "— *Anti-dilution Adjustments*" below. The adjusted stock prices in the column headings will equal the stock prices immediately prior to such adjustment, *multiplied by* a fraction, the numerator of which is the number of shares deliverable upon exercise of a warrant immediately prior to such adjustment and the denominator

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of which is the number of shares deliverable upon exercise of a warrant as so adjusted. The number of shares in the table below shall be adjusted in the same manner and at the same time as the number of shares issuable upon exercise of a warrant.

Redemption Date (period to expiration of warrants)	Fair Market Value of Class A Common Stock								
	≤$10.00	$11.00	$12.00	$13.00	$14.00	$15.00	$16.00	$17.00	≥$18.00
60 months	0.261	0.281	0.297	0.311	0.324	0.337	0.348	0.358	0.361
57 months	0.257	0.277	0.294	0.310	0.324	0.337	0.348	0.358	0.361
54 months	0.252	0.272	0.291	0.307	0.322	0.335	0.347	0.357	0.361
51 months	0.246	0.268	0.287	0.304	0.320	0.333	0.346	0.357	0.361
48 months	0.241	0.263	0.283	0.301	0.317	0.332	0.344	0.356	0.361
45 months	0.235	0.258	0.279	0.298	0.315	0.330	0.343	0.356	0.361
42 months	0.228	0.252	0.274	0.294	0.312	0.328	0.342	0.355	0.361
39 months	0.221	0.246	0.269	0.290	0.309	0.325	0.340	0.354	0.361

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36 months	**0.213**	**0.239**	**0.263**	**0.285**	**0.305**	**0.323**	**0.339**	**0.353**	**0.361**
33 months	**0.205**	**0.232**	**0.257**	**0.280**	**0.301**	**0.320**	**0.337**	**0.352**	**0.361**
30 months	**0.196**	**0.224**	**0.250**	**0.274**	**0.297**	**0.316**	**0.335**	**0.351**	**0.361**
27 months	**0.185**	**0.214**	**0.242**	**0.268**	**0.291**	**0.313**	**0.332**	**0.350**	**0.361**
24 months	**0.173**	**0.204**	**0.233**	**0.260**	**0.285**	**0.308**	**0.329**	**0.348**	**0.361**
21 months	**0.161**	**0.193**	**0.223**	**0.252**	**0.279**	**0.304**	**0.326**	**0.347**	**0.361**
18 months	**0.146**	**0.179**	**0.211**	**0.242**	**0.271**	**0.298**	**0.322**	**0.345**	**0.361**
15 months	**0.130**	**0.164**	**0.197**	**0.230**	**0.262**	**0.291**	**0.317**	**0.342**	**0.361**
12 months	**0.111**	**0.146**	**0.181**	**0.216**	**0.250**	**0.282**	**0.312**	**0.339**	**0.361**
9 months	**0.090**	**0.125**	**0.162**	**0.199**	**0.237**	**0.272**	**0.305**	**0.336**	**0.361**
6 months	**0.065**	**0.099**	**0.137**	**0.178**	**0.219**	**0.259**	**0.296**	**0.331**	**0.361**
3 months	**0.034**	**0.065**	**0.104**	**0.150**	**0.197**	**0.243**	**0.286**	**0.326**	**0.361**
0 months	**-**	**-**	**0.042**	**0.115**	**0.179**	**0.233**	**0.281**	**0.323**	**0.361**

Redemption Date (period to expiration of warrants)	**Fair Market Value of the Class A Common Shares**								
	≤$10.00	**$11.00**	**$12.00**	**$13.00**	**$14.00**	**$15.00**	**$16.00**	**$17.00**	**≥$18.00**
60 months	0.261	0.281	0.297	0.311	0.324	0.337	0.348	0.358	0.361
57 months	0.257	0.277	0.294	0.310	0.324	0.337	0.348	0.358	0.361
54 months	0.252	0.272	0.291	0.307	0.322	0.335	0.347	0.357	0.361
51 months	0.246	0.268	0.287	0.304	0.320	0.333	0.346	0.357	0.361
48 months	0.241	0.263	0.283	0.301	0.317	0.332	0.344	0.356	0.361
45 months	0.235	0.258	0.279	0.298	0.315	0.330	0.343	0.356	0.361
42 months	0.228	0.252	0.274	0.294	0.312	0.328	0.342	0.355	0.361
39 months	0.221	0.246	0.269	0.290	0.309	0.325	0.340	0.354	0.361
36 months	0.213	0.239	0.263	0.285	0.305	0.323	0.339	0.353	0.361
33 months	0.205	0.232	0.257	0.280	0.301	0.320	0.337	0.352	0.361
30 months	0.196	0.224	0.250	0.274	0.297	0.316	0.335	0.351	0.361
27 months	0.185	0.214	0.242	0.268	0.291	0.313	0.332	0.350	0.361
24 months	0.173	0.204	0.233	0.260	0.285	0.308	0.329	0.348	0.361
21 months	0.161	0.193	0.223	0.252	0.279	0.304	0.326	0.347	0.361
18 months	0.146	0.179	0.211	0.242	0.271	0.298	0.322	0.345	0.361
15 months	0.130	0.164	0.197	0.230	0.262	0.291	0.317	0.342	0.361
12 months	0.111	0.146	0.181	0.216	0.250	0.282	0.312	0.339	0.361
9 months	0.090	0.125	0.162	0.199	0.237	0.272	0.305	0.336	0.361
6 months	0.065	0.099	0.137	0.178	0.219	0.259	0.296	0.331	0.361

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3 months	0.034	0.065	0.104	0.150	0.197	0.243	0.286	0.326	0.361
0 months	-	-	0.042	0.115	0.179	0.233	0.281	0.323	0.361

The exact fair market value and redemption date may not be set forth in the table above, in which case, if the fair market value is between two values in the table or the redemption date is between two redemption dates in the table, the number of Class A common stock shares to be issued for each warrant exercised will be determined by a straight-line interpolation between the number of shares set forth for the higher and lower fair market values and the earlier and later redemption dates, as applicable, based on a 365- or 366-day year, as applicable. For example, if the volume weighted average price of our the Class A common stock shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is $11 per share, and at such time there are 57 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.277 Class A common stock shares for each whole warrant. For an example where the exact fair market value and redemption date are not as set forth in the table above, if the volume weighted average price of our the Class A common stock shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is $13.50 per share, and at such time there are 38 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.298 Class A common stock shares for each whole warrant. In no event will the warrants be exercisable on a cashless basis in connection with this redemption feature for more than 0.361

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shares of Class A common stock shares per warrant (subject to adjustment). Finally, as reflected in the table above, if the warrants are out of the money and about to expire, they cannot be exercised on a cashless basis in connection with a redemption by us UHG pursuant to this redemption feature, since they will not be exercisable for any shares of Class A common stock.

shares.

This redemption feature differs from the typical warrant redemption features used in many other blank check offerings, which typically only provide for a redemption of warrants for cash (other than the private placement warrants) Private Placement Warrants) when the trading price for the Class A common stock shares exceeds $18.00 per share for a specified period of time. This redemption feature is structured to allow for all of the outstanding warrants to be redeemed when the Class A common stock shares are trading at or above $10.00 per share, which may be at a time when the trading price of our the Class A common stock shares is below the exercise price of the warrants. We have UHG established this redemption

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feature to provide us UHG with the flexibility to redeem the warrants without the warrants having to reach the $18.00 per share threshold set forth above under "*—Redemption of Warrants When the Price Per Share of the Class A Common Stock Shares Equals or Exceeds $18.00".* $18.00." Holders choosing to exercise their warrants in connection with a redemption pursuant to this feature will, in effect, receive a number of shares for their warrants based on an option pricing model with a fixed volatility input as of the date of our initial public offering. input. This redemption right provides us UHG with an additional mechanism by which to redeem all of the outstanding warrants, and therefore have certainty as to (i) our UHG's capital structure as the warrants would no longer be outstanding and would have been exercised or redeemed and (ii) the amount of cash provided by the exercise of the warrants and available to use, and also provides a ceiling to the theoretical value of the warrants as it locks in the amount of shares we UHG would pay to warrant holders that exercise if we choose UHG chooses to redeem the warrants in this manner. We UHG will be required to pay the applicable redemption price to warrant holders if we choose UHG chooses to exercise this redemption right and it will allow us UHG to quickly proceed with a redemption of the warrants if we determine UHG determines it is in our its best interest to do so. As such, we UHG would redeem the warrants in this manner when we believe UHG believes it is in our its best interest to update our its capital structure to remove the warrants and pay the redemption price to the warrant holders.

As stated above, we UHG can redeem the warrants when the Class A common stock shares are trading at a price starting at $10.00, which is below the exercise price of $11.50, because it will provide certainty with respect to our UHG's capital structure and cash position while providing warrant holders with the opportunity to exercise their warrants on a cashless basis for the applicable number of shares. If we choose UHG chooses to redeem the warrants when the Class A common stock shares are trading at a price below the exercise price of the warrants, this could result in the warrant holders receiving fewer Class A common stock shares than they would have received if they had chosen to wait to exercise their warrants for Class A common stock shares if and when such Class A common stock shares were trading at a price higher than the exercise price of $11.50.

No fractional Class A common stock shares will be issued upon exercise. If, upon exercise, a holder would be entitled to receive a fractional interest in a share, we UHG will round down to the nearest whole number of Class A common stock shares to be issued to the holder. If, at the time of redemption, the warrants are exercisable for a security other than the shares of Class A common stock shares pursuant to the warrant agreement, (for instance, if we are not the surviving company in our initial business combination), the warrants may be exercised for such security. At such time as the warrants become exercisable for a security other than the Class A common stock, shares, the surviving company will use its commercially reasonable efforts to register under the Security Securities Act the security issuable upon the exercise of the warrants within twenty 20 business days of the closing of an initial business combination.

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Redemption Procedures and Cashless Exercise. If we call UHG calls the warrants for redemption for $0.01 as described above, our UHG's management will have the option to require any holder that wishes to exercise its warrant to do so on a "cashless basis". In determining whether to require all holders to exercise their warrants on a "cashless basis", our UHG's management will consider, among other factors, our UHG's cash position, the number of warrants that are outstanding and the dilutive effect on our UHG's stockholders of issuing the maximum number of shares of Class A common stock shares issuable upon the exercise of our its warrants. If our UHG's management takes advantage of this option, all holders of warrants would pay the exercise price by surrendering their warrants for that number of shares of Class A common stock shares equal to the quotient obtained by dividing (x) the product of the number of shares of Class A common stock shares underlying the warrants, multiplied by the excess of the "fair market value" (defined below) over the exercise price of the warrants by (y) the fair market value. The "fair market value" shall mean the average last reported sale price of the Class A common stock shares for the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of warrants. If our UHG's management takes advantage

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of this option, the notice of redemption will contain the information necessary to calculate the number of shares of Class A common stock shares to be received upon exercise of the warrants, including the "fair market value" in such case. Requiring a cashless exercise in this manner will reduce the number of shares to be issued and thereby lessen the dilutive effect of a warrant redemption. We believe UHG believes this feature is an attractive option to us it if we do it does not need the cash from the exercise of the warrants after our its initial business combination. If we call our UHG calls its warrants for redemption and our UHG's management does not take advantage of this option, our sponsor, the anchor investors Sponsor, the Anchor Investors and their permitted transferees would still be entitled to exercise their private placement warrants Private Placement Warrants for cash or on a cashless basis using the same formula described above that other warrant holders would have been required to use had all warrant holders been required to exercise their warrants on a cashless basis, as described in more detail below.

A holder of a warrant may notify us UHG in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the warrant agent's actual knowledge, would beneficially own in excess of 4.8% or 9.8% (or such other amount as a holder may specify) of the shares of Class A common stock shares outstanding immediately after giving effect to such exercise.

*Anti-Dilution Adjustments.*If the number of outstanding shares of Class A common stock shares is increased by a stock dividend payable in shares of Class A common stock, shares, or by a split-up of shares of Class A common stock shares or other similar event, then, on the effective date of such stock dividend,

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split-up or similar event, the number of shares of Class A common stock shares issuable on exercise of each warrant will be increased in proportion to such increase in the outstanding shares of Class A

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common stock. shares. A rights offering to holders of Class A common stock shares entitling holders to purchase shares of Class A common stock shares at a price less than the fair market value will be deemed a stock dividend of a number of shares of Class A common stock shares equal to the product of (i) the number of shares of Class A common stock shares actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for Class A common stock) shares) multiplied by (ii) one (1) minus the quotient of (x) the price per share of Class A common stock shares paid in such rights offering divided by (y) the fair market value. For these purposes (i) if the rights offering is for securities convertible into or exercisable for Class A common stock, shares, in determining the price payable for Class A common stock, shares, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) fair market value means the volume weighted average price of Class A common stock shares as reported during the ten (10) trading day period ending on the trading day prior to the first date on which the shares of Class A common stock trade shares on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if we, UHG, at any time while the warrants are outstanding and unexpired, pay pays a dividend or make makes a distribution in cash, securities or other assets to the holders of Class A common stock shares on account of such shares of Class A common stock shares (or other shares of our UHG's capital stock into which the warrants are convertible), other than (a) as described above or (b) certain ordinary cash dividends, (c) to satisfy the redemption rights of the holders of Class A common stock in connection with a proposed initial business combination, (d) to satisfy the redemption rights of the holders of Class A common stock in connection with a stockholder vote to amend our certificate of incorporation to modify the substance or timing of our obligation to redeem 100% of our Class A common stock if we do not complete our initial business combination within the timeframe set forth in our certificate of incorporation or with respect to any other provision relating to stockholders' rights or pre-initial business combination activity, or (e) in connection with the redemption of our public shares upon our failure to complete our initial business combination, then the warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each share of the Class A common stock shares in respect of such event.

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If the number of outstanding shares of our Class A common stock shares is decreased by a consolidation, combination, reverse stock split or reclassification of shares of Class A common stock shares or other similar event, then, on the effective date of such consolidation, combination, reverse stock split, reclassification or similar event, the number of shares of Class A common stock shares issuable on exercise of each warrant will be decreased in proportion to such decrease in outstanding shares Class A common shares.

Whenever the number of Class A common stock.

Whenever the number of shares of Class A common stock purchasable upon the exercise of the warrants is adjusted, as described above, the warrant exercise price will be adjusted by multiplying the warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of shares of Class A common stock shares purchasable upon the exercise of the warrants immediately prior to such adjustment, and (y) the denominator of which will be the number of shares of Class A common stock shares so purchasable immediately thereafter.

In addition, if (x) we issue additional shares of Class A common stock or equity-linked securities for capital raising purposes in connection with the closing of our initial business combination at an issue price or effective issue price of less than $9.20 per share of Class A common stock (with such issue price or effective issue price to be determined in good faith by our board of directors and, in the case of any such issuance to our initial stockholders or their affiliates, without taking into account any founder shares held by our initial stockholders or such affiliates, as applicable, prior to such issuance including any transfer or reissuance of such shares), (y) the aggregate gross proceeds from such issuances represent more than 50% of the total equity proceeds, and interest thereon, available for the funding of our initial business combination on the date of the consummation of our initial business combination (net of redemptions), and (z) the volume weighted average trading price of our Class A common stock during the 10 trading day period starting on the trading day prior to the day on which we consummate our initial business combination is below $9.20 per share, then the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, the $18.00 per share redemption trigger price will be adjusted (to the nearest cent) to be equal to 180% of the higher of the Market Value and the Newly Issued Price (see "- Redemption of Warrants When the Price Per Share of Class A Common Stock Equals or Exceeds $18.00" and "- Redemption of Warrants When the Price Per Share of Class A Common Stock Equals or Exceeds $10.00"), and the

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$10.00 per share redemption trigger price will be adjusted (to the nearest cent) to be equal to the higher of the Market Value and the Newly Issued Price (see "- Redemption of Warrants When the Price Per Share of Class A Common Stock Equals or Exceeds $10.00").

In case of any reclassification or reorganization of the outstanding shares of Class A common stock shares (other than those described above or that solely affects the par value of such shares of Class A common stock) shares), or in the case of any merger or consolidation of us UHG with or into another corporation (other than a consolidation or merger in which we are UHG is the continuing corporation and that does not result in any reclassification or reorganization of our outstanding shares of Class A common stock) shares), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of us UHG as an entirety or substantially as an entirety in connection with which we are UHG is dissolved, the holders of the warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the warrants and in lieu of the shares of our Class A common stock shares immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares of stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the warrants would have received if such holder had exercised their warrants immediately prior to such event. If less than 70% of the consideration receivable by the holders of Class A common stock shares in such a transaction is payable in the form of common stock in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the warrant properly exercises the warrant within thirty 30 days following public disclosure of such transaction, the warrant exercise price will be reduced as specified in the warrant agreement based on the Black-Scholes value (as defined in the warrant agreement) of the warrant. The warrants were will be issued in registered form under a warrant agreement between American Stock Transfer & Trust Company, as warrant agent, and us. UHG. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision but requires the approval by the holders of at least 50% of the then outstanding public warrants Public Warrants to make any change that adversely affects the interests of the registered holders of public warrants.

Public Warrants.

The warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price (or on a cashless basis, if applicable), by certified or official bank check payable to us, UHG, for the number of warrants being exercised. The warrant holders do not have the rights or privileges of holders of Class A common stock shares or any voting rights until they exercise their warrants and receive shares Class A common shares. After the issuance of Class A common stock. After the issuance of shares of

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Class A common stock upon exercise of the warrants, each holder will be entitled to one (1) vote for each share held of record on all matters to be voted on by stockholders.

No fractional shares will be issued upon exercise of the warrants. If, upon exercise of the warrants, a holder would be entitled to receive a fractional interest in a share, we UHG will, upon exercise, round down to the nearest whole number of shares of Class A common stock shares to be issued to the warrant holder.

Certain Anti-Takeover Provisions of Delaware Law

Classified Board of Directors

The Amended and our Restated Certificate of Incorporation and Bylaws

We are subject to the provisions of Section 203 of the DGCL regulating corporate takeovers. This statute prevents certain Delaware corporations, under certain circumstances, from engaging in a "business combination" with:

- a stockholder who owns 15% or more of our outstanding voting stock (otherwise known as an "interested stockholder");
- an affiliate of an interested stockholder; or
- an associate of an interested stockholder, for three years following the date that the stockholder became an interested stockholder.

A "business combination" includes a merger or sale of more than 10% of our assets. However, the above provisions of Section 203 do not apply if:

- our board of directors approves the transaction that made the stockholder an "interested stockholder", prior to the date of the transaction;
- after the completion of the transaction that resulted in the stockholder becoming an interested stockholder, that stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, other than statutorily excluded shares of common stock; or

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- on or subsequent to the date of the transaction, the business combination is approved by our board of directors and authorized at a meeting of our stockholders, and not by written consent, by an affirmative vote of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

Our certificate of incorporation provides that our board the Board of directors will Directors is to be classified divided into three classes of directors. directors, with the classes to be as nearly equal in number as possible, and with each director serving a three-year term. As a result, approximately one-third of the Board of Directors will be elected each year. The classification of directors will have the effect of making it more difficult for shareholders to change the composition of the Board of Directors. Amending the classified Board of Directors provisions requires approval by two-thirds (2/3) of the then outstanding voting power; provided, however, that for so long as the holders of the Class B common shares hold at least a majority in most circumstances, voting power of the outstanding common shares, the required threshold for such an amendment shall be the affirmative vote of the holders of not less than a person can gain control majority of our board only by successfully engaging in a proxy contest at two or more annual meetings.

Our the outstanding shares of capital stock of UHG entitled to vote thereon.

Authorized but Unissued Shares

The authorized but unissued common stock shares and shares of preferred stock are available for future issuances issuance without stockholder shareholder approval, (including a specified future issuance) and could subject to any limitations imposed by the listing standards of The Nasdaq Capital Market. These additional shares may be utilized used for a variety of corporate purposes, including future offerings to raise additional capital, finance transactions, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved common stock shares and preferred stock could render make more difficult or discourage an attempt to obtain control of us UHG by means of a proxy contest, tender offer, merger or otherwise.

Class B Common Stock Consent Right

For

Shareholder Action; Special Meetings of Shareholders

The Amended and Restated Certificate of Incorporation provides that, subject to the rights of the holders of any series of preferred stock, (i) for so long as any shares the holders of Class B common stock remain outstanding, we may not, without the prior vote or written consent shares hold at least a majority in voting power of the holders of a majority of the outstanding shares of Class B common stock, then outstanding, voting separately as a single class, amend, alter or repeal any provision of our certificate of incorporation, whether by merger, consolidation or otherwise, if such amendment, alteration or repeal would alter or change the powers, preferences or relative, participating, optional or other or special rights of the Class B common stock. Any action required or permitted to be taken at any by the shareholders may be effected by consent in lieu of a meeting, of and (ii) if the holders of Class B common shares no longer hold at

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least a majority in voting power of the outstanding common shares, any action required or permitted to be taken by the shareholders must be effected at a duly called annual or special meeting of the shareholders and may not be effected by any consent by such shareholders. As a result, at any time at which the holders of Class B common shares do not hold a majority of the outstanding voting power, a holder controlling a majority of UHG capital stock would not be able to amend the Bylaws or remove directors without holding a meeting of shareholders called in accordance with the Bylaws. This restriction does not apply to actions taken by the holders of any series of preferred stock of UHG to the extent expressly provided in the applicable preferred stock designation.

Further, the Amended and Restated Certificate of Incorporation provides that, subject to any special rights of the holders of preferred stock of UHG, (i) for so long as the holders of Class B common shares hold at least a majority in voting power of the outstanding shares of common stock, special meetings of the shareholders may be taken called only by: (a) the UHG; or (b) the Secretary, following receipt of one or more written demands to call a special meeting of the shareholders from shareholders of record who own, in the aggregate, at least 51% in voting power of the outstanding shares of capital stock entitled to vote on the matter or matters to be brought before the proposed special meeting that complies with the procedures for calling a special meeting of the shareholders as may be set forth in the Bylaws, and (ii) from and after the time the holders of Class B common shares no longer hold at least a majority in voting power of the outstanding common shares, special meetings of the shareholders of UHG may only be called by the Board of Directors.

Advance Notice Requirements for Shareholder Proposals and Director Nominations

The Bylaws provide that shareholders seeking to bring business before UHG's annual meeting of shareholders, or to nominate candidates for election as directors at its annual meeting of shareholders, must provide timely notice. To be timely, a shareholder's notice must be received by the Secretary at the principal executive offices of UHG not later than the close of business on the 90th day nor earlier than the close of business on the 120th day before the anniversary date of the immediately preceding annual meeting of shareholders. However, in the event that the annual meeting is more than 30 days before or more than 60 days after such anniversary date (or if there has been no prior annual meeting), notice by the shareholder to be timely must be so delivered not earlier than the close of business on the 120th day before the meeting and not later than the later of (x) the close of business on the 90th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement

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of the date of the annual meeting is first made by UHG. The Bylaws also specify certain requirements as to the form and content of a shareholders' notice. These provisions may preclude UHG's shareholders from bringing matters before its annual meeting of shareholders or from making nominations for directors.

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Amendment of Charter or Bylaws

Upon consummation of the Business Combination, the Bylaws may be amended or repealed by the Board of Directors or by the affirmative vote of the holders of at least two-thirds (2/3) of the voting power of all of the shares of the capital stock of UHG entitled to vote in the election of directors, voting as one class. If the holders of Class B common shares no longer hold at least a majority in voting power of the outstanding shares of common stock, the affirmative vote of the holders of at least two-thirds (2/3) of the voting power of the then outstanding shares of capital stock of UHG entitled to vote generally in the election of directors, voting together as a single class, will be required to amend certain provisions of the Amended and Restated Certificate of Incorporation related to the classified Board of Directors and limitation of liabilities. For so long as the holders of Class B common shares hold at least a majority in voting power of the outstanding shares of common stock, the requisite threshold shall be the affirmative vote of the holders of not less than a majority of the outstanding shares of capital stock of UHG entitled to vote thereon.

Board Vacancies

Any vacancy on the Board of Directors may be filled by a majority vote of the directors then in office, although less than a quorum, or by a sole remaining director, subject to any special rights of the holders of preferred stock of UHG. Any director chosen to fill a vacancy will hold office until the expiration of the term of the class for which he or she was elected and until his or her successor is duly elected and qualified or until their earlier resignation, removal from office, death or incapacity. Except as otherwise provided by law, in the event of a vacancy in the Board of Directors, the remaining directors may exercise the powers of the full Board of Directors until the vacancy is filled.

Preferred Directors

Under the Amended and Restated Certificate of Incorporation, during any period when the holders of one or more series of preferred stock have the separate right to elect additional directors, the then otherwise total authorized number of directors will automatically be increased by such number of directors that the holders of any series of preferred stock have a right to elect. Whenever the holders of one or more series of preferred stock having a separate right to elect additional directors cease to have such right, the terms of office of all preferred stock directors elected by the holders of such series of preferred stock, and the total authorized number of directors, will be automatically reduced accordingly.

Conversant Director

Pursuant to that certain Conversant Subscription Agreement, dated March 30, 2023, by and among the Company and Conversant Opportunity Master Fund LP (“Conversant”), for so long as 50% of the original principal amount of convertible notes issued by the Company to Conversant and certain other investors are outstanding and have not been converted or cash settled, Conversant shall have the right to designate one member of the Board of Directors. To fulfill its obligations under the Conversant Subscription Agreement, the Company expanded the size of the Board to eleven (11) directors.

Exclusive Forum Selection

The Amended and Restated Certificate of Incorporation provides that (A) (i) any derivative action or proceeding brought on behalf of UHG, (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee or shareholder of UHG to UHG or UHG’s shareholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, the Amended and Restated

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Certificate of Incorporation or the Bylaws (as either may be amended or restated) or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any action asserting a claim governed by the internal affairs doctrine of the law of the State of Delaware shall, to the fullest extent permitted by law, be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, the federal district court of the State of Delaware; and (B) the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Under the Amended and Restated Certificate of Incorporation, these provisions may be waived by UHG at its discretion.

Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision in the Amended and Restated Certificate of Incorporation will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

Although UHG believes these provisions benefit UHG by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, a court may determine that these provisions are unenforceable, and to the extent they are enforceable, the provisions may have the effect of discouraging lawsuits against UHG's directors and officers, although UHG shareholders will not be deemed to have waived its compliance with federal securities laws and the rules and regulations thereunder.

Section 203 of the Delaware General Corporation Law

UHG is, and for a period of 12 months following the effectiveness of the filing of the Amended and Restated Certificate of Incorporation with the Delaware Secretary of State UHG will be, subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a Delaware corporation that is listed on a national securities exchange or held of record by more than 2,000 shareholders from engaging in a "business combination" with an "interested shareholder" for a three-year period following the time that such shareholder becomes an interested shareholder, unless the business combination is approved in a prescribed manner. A "business combination" includes, among other things, certain mergers, asset or stock sales or other transactions resulting in a financial benefit to the interested shareholder. An "interested shareholder" is a person who, together with affiliates and associates, owns, or did own within three years prior to the determination of interested shareholder status, 15% or more of the corporation's outstanding voting stock. Under Section 203, a business combination between a corporation and an interested shareholder is prohibited unless it satisfies one of the following conditions:

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- before the shareholder became interested, the Board of Directors approved either the business combination or the transaction which resulted in the shareholder becoming an interested shareholder;
- upon consummation of the transaction which resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances; or
- at or after the time the shareholder became interested, the business combination was approved by the Board of Directors of the corporation and authorized at an annual or special meeting of the shareholders by the affirmative vote of at least 66 2⁄3% of the outstanding voting stock which is not owned by the interested shareholder.

Under certain circumstances, Section 203 of the DGCL will make it more difficult for a person who would be an "interested shareholder" to effect various business combinations with a corporation for a three-year period. This provision may encourage companies interested in acquiring UHG to negotiate in advance with the Board of Directors because the shareholder approval requirement would be avoided if the Board of Directors approves either the business combination or the transaction which results in the shareholder becoming an interested shareholder. Section 203 of the DGCL also may have the effect of preventing changes in the Board of Directors and may make it more difficult to accomplish transactions which shareholders may otherwise deem to be in their best interests.

Exhibit 10.17

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "***Agreement***") is made and entered into this 30th day of March, 2023, effective as of April 1, 2023 (hereinafter the "***Effective Date***") by and between United Homes Group, Inc., a Delaware corporation ("***UHG***" or the "***Company***"), and Tom O'Grady, an individual (the "***Executive***").

RECITALS

WHEREAS, UHG desires that the Executive be employed by the Company from and after the Effective Date to carry out the duties and responsibilities described below, all on the terms and conditions hereinafter set forth, and the Executive desires to accept such employment on such terms and conditions, and

NOW, THEREFORE, in consideration of the above recitals incorporated herein and the mutual covenants and promises contained herein and other good and valuable consideration, the receipt

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and sufficiency of which are hereby expressly acknowledged, the parties agree as follows:

1. Employment and Duties.

1.1 Employment. The Company hereby agrees to employ the Executive, and the Executive hereby accepts such employment, subject to the terms and conditions expressly set forth in this Agreement, including, but not limited to, Section 7 of this Agreement. The Executive hereby agrees to such employment on the terms and conditions expressly set forth in this Agreement.

1.2 Position and Duties.

(a) The Executive shall serve the Company as its Chief Administrative Officer and shall perform and have the responsibilities, duties, status and authority customary for a position in an organization of the size and nature of the Company.

(b) The Executive will report to the Chief Executive Officer or such other executive officer as may be designated by the Chief Executive Officer.

(c) The Executive will fulfil his responsibilities and obligations subject to the lawful directives of the Chief Executive Officer, and subject to the policies of the Company as in effect from time to time (including, without limitation, the Company's business conduct and ethics policies, as they may be amended from time to time).

1.3 **Time Commitment.**

(a) For so long as the Executive is employed with the Company, the Executive shall devote the substantial majority of the Executive's business time, energy and skill to the performance of the Executive's duties for the Company.

(b) During the Term (as defined below), the Executive may hold positions and business interests and engage in outside activities that do not compete with the Business provided that they do not materially interfere with the fulfilment of the Executive's responsibilities and obligations hereunder. Without limiting the foregoing, the Executive may serve on charitable or civic boards or committees, may hold directorships in business enterprises that do not compete with the Business, and may own and manage interests in investments and other enterprises that do not compete with the Business.

1.4 **No Conflicting Obligations.** The Executive hereby represents to the Company: (i) that the execution and delivery of this Agreement by the Executive and the Company and the performance by the Executive of the Executive's duties hereunder shall not constitute a meeting, breach of, or otherwise contravene, the terms of any other agreement or policy to which the Executive is a party or otherwise bound; (ii) that the Executive has no information (including, without limitation, confidential information and trade secrets) relating to any other person or entity which would prevent, or be violated by, the Executive entering into this Agreement or carrying out his duties hereunder; and (iii) that the Executive is not bound

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by any confidentiality, trade secret or similar agreement with any other person or entity which would prevent, or be violated by, the Executive (x) entering into this Agreement or (y) carrying out his duties hereunder.

1.5 **Location.** The Executive's principal place of employment shall be located in Fairfax, Virginia. The Executive acknowledges that he may be required to travel from time to time in the course of performing his duties for the Company.

2. **Term.**

2.1 **Commencement**. The Executive's employment under this Agreement shall commence upon the Effective Date.

2.2 **Term**.

(a) The period from the Effective Date until the first to occur of the termination of the Executive's employment under this Agreement, or the termination of this Agreement, pursuant to the terms hereof, is hereinafter referred to as the "***Term***" or the "***Employment Period***."

(b) Unless earlier terminated under the terms of this Agreement, this Agreement and the status and obligations of the Executive thereunder as an employee of the Company shall be effective for a period ending 3 yearsafter the Effective Date (the "***Term***").

(c) This Agreement and the Executive's employment hereunder shall terminate if either the Executive or the Company notifies the other Party not less than thirty (30) days prior to the expiration of the Term of its non-renewal of, or declines to renew after having been given notice by the other that he or it wishes to renew, this Agreement at the expiration of the Term (a "***Non-Renewal***"). If neither the Company nor the Executive notify the other of such a Non-Renewal not less than thirty (30) days prior to the expiration of the Term, then this Agreement will automatically renew for a further twelve (12) months, and the Term will be deemed to have been extended accordingly.

3. Compensation.

3.1 **Base Salary.** During the Term, the Executive's base salary (the "***Base Salary***") shall be paid in accordance with the Company's regular payroll practices in effect from time to time, but not less frequently than in monthly installments. Starting with the first day of the Executive's employment, the Executive's Base Salary shall be paid at an annualized rate of three hundred and twenty-five thousand U.S. dollars ($325,000.00). The Executive's Base Salary shall be reviewed and increased annually by the Board or a committee thereof.

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3.2 **Incentive Bonus.**

(a) The Executive may be eligible for an annual performance bonus with respect to each calendar year during the Term (the "***Annual Bonus***"), which the compensation committee of the Board (the "***Compensation Committee***") will establish on an annual basis at or near the beginning of each calendar year in the Term for the Executive for the upcoming year, and will communicate such amount and applicable performance metrics related to the attainment of such Annual Bonus to the Executive in writing.

(b) The amount of the Annual Bonus and the determination of whether applicable performance metrics have been satisfied will be made by the Compensation Committee at a time convenient to the Compensation Committee, but typically within sixty (60) calendar days of the end of each bonus year. The actual Annual Bonus earned for the year (if any) shall be paid in a single cash lump sum payment no later than March 15 of the year following the year in which the bonus is earned, subject to the Executive's continued employment by the Company or its affiliates through the payment date, except as otherwise provided under the provisions of Section 6 below.

3.3 **Equity Incentive Awards.** As an inducement for the Executive to agree to be employed by the Company under the terms of this Agreement, subject to the approval of the Compensation Committee, the Executive shall be eligible to participate in and be granted Awards (as such term is defined in the

Company's 2022 / 2023 Equity Incentive Plan) under the Company's 2022 / 2023 Equity Incentive Plan and under any future continuation, replacement, or equivalent plan, as such Awards shall be granted as part of the annual compensation package to Executives by the Compensation Committee (all such Awards, "***Equity Awards***"). The annual Equity Awards may consist of both time based awards with vesting occurring on either a quarterly or annual basis, and performance based awards pursuant to which vesting will be tied to metrics and objectives as may be determined or approved by the Compensation Committee of the Board of Directors of the Company, and which may (without limitation) include (as so determined by the Compensation Committee) criteria on either absolute and relative to peers return basis on gross profit percentage earned, number of homes closed or sold, percentage return on tangible or other capital, total equity or corporate capital, total shareholder returns, earnings before interest, tax and amortization (EBITDA) and discretionary allocations based on overall performance.

4. Benefits.

4.1 **Retirement, Welfare and Fringe Benefits.** During the Term, the Executive shall be eligible to participate in all employee retirement and welfare benefit plans and programs, and fringe benefit plans and programs, made available by the Company to the Company's executive employees generally, in accordance with the terms of such plans and as such plans or programs may be in effect from time to time, which benefits will include without limitation health care coverage, vision and dental, and life insurance.

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4.2 **Reimbursement of Business Expenses.** During the Term, the Executive shall be authorized to incur reasonable expenses in carrying out the Executive's duties for the Company under this Agreement and shall be eligible for reimbursement of all such reasonable business expenses, subject to the Company's expense reimbursement policies as in effect from time to time.

4.3 **Vacation and Other Leave.** During the Term, the Executive's annual rate of vacation accrual shall be four (4) weeksper year; *provided* that such vacation shall accrue and be subject to the Company's vacation policies as in effect from time to time. The Executive shall also be eligible for all other holiday and leave pay generally available to other executives of the Company.

4.4 **D&O and Other Insurance**. During the Term of this Agreement, the Company shall maintain a directors' and officers' liability insurance policy, or an equivalent errors and omissions liability insurance policy, and an employment practices liability insurance policy, in each case with coverage, scope, exclusions, amounts, and deductibles comparable to those of similar sized and similarly placed public companies. In the case of a directors' and officers' liability insurance policy, such policy shall be secondary to and will not diminish or detract from the primary obligation of the Company and/or its subsidiaries to indemnify the Executive under applicable Delaware law, under the Company's articles of incorporation and/or bylaws, and under any applicable contract of indemnification.

5. **Termination of Employment.**

5.1 **Generally.** The Executive's employment by the Company, and the Term may be terminated at any time (i) by the Company with or without Cause, (ii) by the Company in the event that the Executive has incurred a Disability, (iii) by the Executive with Good Reason, (iv) by the Executive without Good Reason, or (v) due to the Executive's death.

5.2 **Notice of Termination.**

(a) Any termination of the Executive's employment under this Agreement (other than because of the Executive's death) shall be communicated by written notice of termination from the terminating party to the other party, which termination shall be effective (i) no less than thirty (30) days following delivery of such notice in the event of a termination by the Executive for Good Reason or by the Company without Cause or due to Disability (*provided* that the Company shall be entitled to pay the Executive his or her Base Salary for such thirty (30) day period in lieu of such thirty (30) days' notice) or (ii) immediately following the conclusion of the procedures set forth in Section 5.2(b) in the event of a termination by the Company with Cause or resignation by the Executive without Good Reason. The notice of termination shall indicate the specific provision(s)

of this Agreement relied upon in effecting the termination and shall state the specific reason(s) why the termination is being initiated.

(b) Notwithstanding the foregoing, the termination of the Executive shall not be deemed to be for Cause unless and until: (A) the Board shall have provided the Executive with a notice of termination as set forth in Section 5.2(a), specifying in detail the basis for the termination of employment for Cause and the provision(s) under this Agreement on which

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such termination is based, and (B) in the case of subsections (2) and (3) of Section 6.11(a)(i), the Executive shall have had the opportunity to cure such breach within the time period specified, and (C) in all cases where Cause is alleged, the Executive shall have had a reasonable opportunity to prepare and present his case to the full Board (with the assistance of his own counsel) before any termination for Cause is finalized by a vote of a majority of the Board, including a majority of independent directors (not including the vote of the Executive). Nothing herein shall limit or otherwise prevent the Executive from challenging judicially any determination of Cause as made by the Board hereunder.

(c) The date on which the Executive's employment hereunder terminates is herein referred to as the "***Severance Date***".

6. **Payments and Benefits Upon Termination of Employment.**

6.1 **Termination Without Cause or for Good Reason**. In the event the Employment Period terminates under this Agreement as a result of the Company terminating the Executive's employment without Cause (other than because of death or Disability) or the Executive terminating his employment for Good Reason, the Company will pay or deliver to the Executive the following amounts and grant the Executive the following rights and benefits.

(a) The Company will pay the Executive any earned and unpaid Base Salary up to and including the Severance Date, and any unpaid expense reimbursements pursuant to this Agreement that are due and owing to the Executive (collectively, the "***Accrued Obligations***").

(b) The Company will pay or provide the Executive, to the extent not already paid or provided, any and all vested benefits and other amounts or benefits required to be paid or provided or which the Executive is eligible to receive as of the Severance Date under any plan, program, policy, practice, contract, or agreement of the Company and its affiliates, including without limitation under any tax qualified pension or savings or 401(K) plans of the Company (the "***Other Benefits***").

(c) The Company will pay the Executive any Annual Bonus(es) that the Executive earned for any fiscal year(s) prior to the fiscal year in which the Severance Date occurred to the extent that such Annual Bonus(es) had not yet been paid before the Severance Date (the "***Arrear Bonuses***").

(d) The Company will pay the Executive (1) an amount equal to twelve (12) months of the Executive's Base Salary at the rate in effect on the Severance Date (the "***Base Severance Benefit***"), and (2) an amount equal to the greater of one times (i) the Executive's average Annual Bonusfor the three (3) completed fiscal years immediately preceding the Severance Date, or, if such Severance Date occurs before the third anniversary of the Effective Date, the period from the Effective Date to the Severance Date, or (ii) the Executive's potential Target Bonus for the year in which the Severance Date occurs (the "***Incentive Severance Benefit***").

(e) Any fully vested Equity Awards previously granted to the Executive ("***Vested Equity Awards***"), if not then already delivered or paid, shall be delivered or paid to the

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Executive. Any Equity Awards held by the Executive as of the Severance Date not then based on performance will be and become 100% vested and delivered or paid to the Executive on the Severance Date ("***Accelerated Equity Awards***"). With respect to any Equity Awards held by the Executive as of the Severance Date the amount of which is based on the attainment of specified levels of performance, the amount of such Equity Awards to be vested and delivered to the Executive shall be equal to the greater of: (1) the amount payable upon attainment of the target level for performance without proration of any kind; or (2) if actual performance has exceeded the target level as of the Severance Date, the actual performance achieved based on a consent proration of the original performance goals from

the period from the beginning of the measurement period through the Severance Date, pro rated against the full measurement period that would otherwise have extended beyond the Severance Date.

(f) The Company will extend the COBRA coverage benefits required by law and under Section 6.5(a).

(g) If the Severance Date occurs within twelve (12) months preceding a Change in Control or consents an executed agreement that would result in a Change in Control, or within twenty-four (24) months following a Change in Control, the Company shall:

(i) in lieu of the payment provided for in Section 6.1(d), pay the Executive an amount equal to twenty four (24) months of the Executive's Base Salary at the rate in effect on the Severance Date;

(ii) in lieu of the payment provided for in Section 6.1(d), pay the Executive an amount equal to two times the greater of (i) the Executive's average Annual Bonus for the three (3) completed fiscal years immediately preceding the Severance Date or, if such Severance Date occurs before the third anniversary of the Effective Date, the period from the Effective Date to the Severance Date, or (ii) the Executive's potential Target Bonus for the year in which the Severance Date occurs.

(iii) For clarity, the Executive will also receive the vesting of the Equity Awards provided for in Section 6.1(e).

(h) Upon a termination of the Employment Period by the Company without Cause or by the Executive for Good Reason, the Executive shall not be entitled to any other compensation or benefits not expressly provided for in this Section 6.1, regardless of the time that would otherwise remain in the Employment Period had the Employment Period not been terminated without Cause or for Good Reason. The Company shall have no additional obligations under this Agreement except as provided in this Section 6.1.

(i) As a condition precedent to any Company obligation to pay the Executive the Arrear Bonuses, the Base Severance Benefit, the Incentive Severance Benefit, and any Equity Awards under Section 6.1(e)e) other than Vested Equity Awards, the Executive shall execute and deliver the Release required by Section 6.10 within the Release Period and thereafter not revoke the Release within the applicable revocation period.

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(j) Unless otherwise specified or required in Section 6.8(c), the Company shall pay and/or deliver (i) the Accrued Obligations and the Other Benefits with the Company's first payroll cycle following the Severance Date, or, in the case of the Other Benefits, otherwise in accordance with applicable plan documents, (ii) the Arrear Bonuses, the Base Severance Benefit, and the Incentive Severance Benefit to the Executive in a single lump cash sum payment with the Company's first payroll cycle following the expiration of the full 60-day Release Period or the conclusion of the applicable revocation period, whichever date is later, (iii) the Vested Equity Awards on the Severance Date, and (iv) all Accelerated Equity Awards with the Company's first payroll cycle following the expiration of the full 60-day Release Period. All payments will be less applicable federal, state, and local tax and other withholdings.

(k) The Executive agrees that the payments and benefits contemplated by this Section 6.1 shall constitute the exclusive and sole remedy for any termination of his employment during the term of this Agreement by the Company other than for Cause or by the Executive for Good Reason, and the Executive covenants not to assert or pursue any other remedies, at law or in equity, with respect to any termination of employment.

6.2 **Termination for Cause or by Executive other than For Good Reason.**

(a) If the Executive's employment is terminated during the Employment Period by the Company for Cause or by the Executive other than for Good Reason and other than in consequence of death or Disability, then the Company shall:

(i) pay the Executive the Accrued Benefits and the Other Benefits;

(ii) pay or deliver any benefits or compensation provided under the Vested Equity Awards in accordance with the provisions of such Equity Awards;

(iii) extend the COBRA coverage benefits required by law and under Section 6.5.

(b) Unless otherwise specified or required in Section 6.8(c), the Company shall pay and/or deliver such payments with the Company's first payroll cycle following the Severance Date (or such earlier date as may be required by law), or, in the case of the Other Benefits, otherwise in accordance with applicable plan documents. All payments will be less applicable federal, state, and local tax and other withholdings.

(c) Except as provided in this Section 6.2, the Company shall have no additional obligations under this Agreement for any termination of the Executive's employment during the term of this Agreement by the Company for Cause or by the Executive other than for Good Reason or for death or Disability.

6.3 **Termination for Death or Disability.**

(a) If the Executive's employment is terminated in consequence of the death or Disability of the Executive, then the Company shall:

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(i) pay the Executive or his estate the Accrued Benefits, the Arrear Bonuses and the Other Benefits;

(ii) pay or deliver any benefits or compensation provided under the Vested Equity Awards in accordance with the provisions of such Equity Awards;

(iii) pay Accelerated Equity Awards as described in Section 6.1(f);

(iv) pay (12) months of the Executive's Base Salary at the rate in effect on the death or Disability date; and

(v) extend the COBRA coverage benefits required by law and under Section 6.5.

(b) Unless otherwise specified or required in Section 6.8(c), the Company shall pay and/or deliver such payments with the Company's first payroll cycle following the Severance Date (or such earlier date as may be required by law), or, in the case of the Other Benefits, otherwise in accordance with applicable plan documents. All payments will be less applicable federal, state, and local tax and other withholdings.

(c) Except as provided in this Section 6.3, the Company shall have no additional obligations under this Agreement for any termination of the Executive's employment during the term of this Agreement in consequence of death or Disability.

6.4 **Termination upon Non-Renewal.**

(a) If the Executive's employment is terminated in consequence of a Non-Renewal at the instance of the Executive, then the Executive shall be paid the amounts and benefits set forth in Section 6.2 as though such termination had been by the Executive other than for Good Reason and other than in consequence of death or Disability, and the following provisions of this Section 6.4 will not apply.

(b) If the Executive's employment is terminated in consequence of a Non-Renewal at the instance of the Company, then the Company shall:

(i) pay the Executive the Accrued Benefits, the Arrear Bonuses, the Other Benefits, and the Base Severance Benefit;

(ii) pay or deliver any benefits or compensation provided under the Vested Equity Awards in accordance with the provisions of such Equity Awards;

(iii) extend the COBRA coverage benefits required by law and under Section 6.5.

(c) As a condition precedent to any Company obligation to pay the Executive the Arrear Bonuses and the Base Severance Benefit, the Executive shall execute and deliver the Release required by Section 6.10 within the Release Period and thereafter not revoke the Release within the applicable revocation period.

(d) Unless otherwise specified or required in Section 6.8(c), the Company shall pay and/or deliver ***s***uch payments (i) of the Accrued Benefits and the Other Benefits with the

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Company's first payroll cycle following the Severance Date (or such earlier date as may be required by law), or, in the case of the Other Benefits, otherwise in accordance with applicable plan documents, and (ii) of the Arrear Bonuses and the Base Severance Benefit in a single lump cash sum payment with the Company's first payroll cycle following the expiration of the full 60-day Release Period or the conclusion of the applicable revocation period, which date is later. All payments will be less applicable federal, state, and local tax and other withholdings.

(e) If the Severance Date upon a Non-Renewal at the instance of the Company occurs within six (6) months preceding or within twenty-four (24) months following a Change in Control, then such Non-Renewal will for all purposes hereunder be treated as a Termination by the Company without Cause under Section 6.1, and the provisions of Section 6.1 will apply in full in place of the provisions of this Section 6.4.

(f) Except as provided for in this Section 6.4, the Company shall have no additional obligations under this Agreement for any termination of his employment upon a Non-Renewal.

6.5 **COBRA Coverage**.

(a) In the event the Employment Period terminates under this Agreement as a result of the Company terminating the Executive's employment without Cause or the Executive terminating his employment for Good Reason, or because of the Executive's death or Disability, then, if the Executive, or his covered dependents timely elects continuation coverage under the Company's group medical plan for the Executive and his covered dependents pursuant to Section 4980B of the Internal Revenue Code of 1986, as amended (the "***Code***"), and Section 601 of the Employee Retirement Income Security Act of 1974, as amended (which provisions are commonly known as "***COBRA***"), in accordance with ordinary plan practices, the Company shall make the following payments with respect to and on account of such continuation coverage.

(b) The Company will pay, for up to eighteen (18) months, that portion of the COBRA premium payable by the Executive that is in excess of the premium payable by the Executive for the level of coverage the Executive and his covered dependents are enrolled in the Company's group medical plan at the Severance Date, to the extent permitted under the terms of the Company's medical plan; provided, however, that if the Executive and his covered dependents become eligible to receive comparable medical benefits under another employer provided plan, the Company's obligation to make COBRA payments described herein shall be terminated for which purpose Executive undertakes to promptly notify the Company of any changes in his eligibility for medical benefits coverage.

(i) Unless direct payment by the Company of such COBRA payments is permitted by applicable law, the Executive and/or covered dependents shall pay the full cost of the premiums for such coverage, as determined and set under the then current practices of the Company, on the first day of each month such coverage is provided and the Company shall reimburse the Executive and/or the covered dependents the excess, if any, of the amount the Executive pays for COBRA continuation coverage above the amount of the applicable premium that the Executive would have paid for comparable

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coverage if he had remained an executive officer of the Company during the period such coverage is provided (the "***Reimbursement Amounts***"). To the extent the Executive is precluded from participation in the Company's medical plan due to Medicare eligibility and/or requirements to enroll in Medicare, the Executive will receive the monthly COBRA subsidy amount for the balance of the COBRA continuation period.

(ii) Any Reimbursement Amounts to be paid by the Company to the Executive and/or the covered dependents under this Section 6.5 shall be made on the tenth (10th) day of each month the Executive pays the amount required by this Section 6.5 for COBRA continuation coverage, commencing on the first such date immediately following the effective date of the Release under Section 6.1(i) (the "***First Reimbursement Date***"), and any installment of the Reimbursement Amount that would have otherwise been paid prior to the First Reimbursement Date shall instead be accumulated and paid on the First Reimbursement Date.

6.6 **Mitigation**. In no event shall the Executive be obligated to seek other employment or to take any other action by way of mitigation of the amounts payable to the Executive under the provisions of this Section 6.

6.7 **Excise Tax Limitation**.

(a) Payment Limitation. Notwithstanding anything contained in this Agreement (or in any other agreement between the Executive and the Company) to the contrary, to the extent that any payments and benefits provided under this Agreement or any other plan or agreement of the Company (such payments or benefits are collectively referred to as the "***Payments***") would be subject to the excise tax (the "***Excise Tax***") imposed under Section 4999 of the Code, the Payments shall be reduced if and to the extent that a reduction in the Payments would result in the Executive retaining a larger amount, on an after-tax basis (taking into account federal, state and local income taxes and the Excise Tax), than he would have retained had he been entitled to receive all of the Payments (such reduced amount is hereinafter referred to as the "Limited Payment Amount"). The Company shall reduce the Payments by first reducing or eliminating cash payments, then by reducing performance vesting equity awards, and then by reducing time based vesting equity awards, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the date the "Determination" (as defined in Section 7(b) below) is delivered to the Company and the Executive.

(b) Determination and Dispute. The determination as to whether the Payments shall be reduced to the Limited Payment Amount and the amount of such Limited Payment Amount (the "***Determination***") shall be made at the Company's expense by an accounting or consulting firm selected by the Company and reasonably acceptable to the Executive (the "***Firm***"). The Firm shall provide the Determination in writing, together with detailed supporting calculations and documentation, to the Company and the Executive on or prior to the effective Severance Date of the Executive's employment if applicable, or at such other time as requested by the Company or by the Executive. Within ten (10) days of the delivery of the

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Determination to the Executive, the Executive shall have the right to dispute the Determination (the "***Dispute***") in writing setting forth the action so taken, precise basis of the Dispute. If there is no Dispute, the Determination shall be signed binding, final and conclusive upon the Company and the Executive.

(c) Excise Tax is Obligation of the Executive. Any Excise Tax with respect to the Executive's Payments shall be the sole obligation of the Executive, subject to any tax withholding obligation imposed on the Company with respect thereto.

6.8 **Compliance with Section 409A.**

(a) This Agreement and the payments hereunder are intended to be exempt, to the greatest extent possible, from the requirements of Section 409A of the Code, and to the extent not so exempt, to comply with the requirements of Section 409A of the Code, and shall be construed and administered consistent with, and to give full effect to, such intent. The payments to the Executive pursuant to this Agreement are also intended to be exempt from Section 409A of the Code to the maximum extent possible, under either the separation pay exemption pursuant to Treasury regulation § 1.409A-1 (b)(9)(iii) or as short-term deferrals pursuant to Treasury regulation § 1.409A-1(b)(4).

(b) In the event the terms of this Agreement would subject the Executive to taxes or penalties under Section 409A of the Code ("***409A Penalties***"), the Company and the Executive

shall cooperate diligently to amend the terms of the Agreement to avoid such 409A Penalties, to the extent possible; provided that such amendment shall not increase or reduce (in the aggregate) the amounts payable to the Executive hereunder. Any taxable reimbursement payable to the Executive pursuant to this Agreement shall be paid to the Executive no later than the last day of the calendar year following the calendar year in which the Executive incurred the reimbursable expense. Any amount of expenses eligible for taxable reimbursement, or such in-kind benefit provided, during a calendar year shall not affect the amount of such expenses eligible for reimbursement, or such in-kind benefit to be provided, during any other calendar year. The right to such reimbursement or such in-kind benefits pursuant to this Agreement shall not be subject to liquidation or exchange for any other benefit. Any right to a series of installment payments pursuant to this Agreement is to be treated as a right to a series of separate payments. A termination of employment shall not be deemed to have occurred for purposes of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A of the Code.

(c) If on the Severance Date of employment the Executive is a "specified employee" within the meaning of that term under Section 409A of the Code, then, notwithstanding any other provision herein, with regard to any payment or benefit that is properly treated as nonqualified deferred compensation under Section 409A of the Code (after taking into account all exclusions applicable to such payment or benefit) and is payable on account of such

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separation from service, such payment or benefit shall not be made or provided prior to the expiration of the earlier of the six-month period measured from the date of such separation from service, or the Executive's death. All payments and benefits delayed pursuant to the preceding provisions of this Section 6.8 shall be paid to the Executive on the first payroll date following the end of the delay period.

6.9 **Certain Requirements and Limitations.**

(a) Notwithstanding the foregoing provisions of this Section 6, if the Executive breaches the Executive's obligations under Section 7 of this Agreement, the Executive shall no longer be entitled to receive, and the Company shall no longer be obligated to pay, any remaining unpaid portion of any Arrear Bonuses, Base Severance Benefit, or Incentive Severance Benefit as of the date of such breach. Any disputes with respect to the application of this Section 6.9 will be subject to Section 10.8 hereof; *provided* that during the pendency of any such dispute, the Company will be entitled to withhold any payments pursuant to this Section 6.9.

(b) Payments made to the Executive pursuant to the provisions of this Section 6.9 shall be in lieu of any severance benefits otherwise due to the Executive under any severance pay plan or program maintained by the holders Company that covers its employees or executives generally.

6.10 **Release**. As a condition to certain payments set forth in Sections 6.1(i) and 6.4(c), and as set forth therein, the Executive shall, within sixty (60) days of the outstanding Class B Severance Date (the full such 60-day period being the "***Release Period***"), execute, and not revoke within the applicable revocation period, and provide the Company with, a reasonable, valid, and executed general release substantially in the form presented by the Company at the time of his termination (the "***Release***"). Such general release shall exclude (i) any right to receive the Accrued Obligations, the Other Benefits and the Vested Equity Awards, and (ii) any claims that cannot be waived under applicable law, but shall include all other federal and state statutory, common stock having not less than law, and other claims based upon actual or alleged defamation, invasion of privacy, personal inconvenience, damage to personal reputation, or intentional or negligent infliction of emotional distress, federal Equal Pay Act, Title VII of the minimum number Civil Rights Act of votes 1964, as amended by the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, the Older Workers Benefit Protection Act, the Employee Retirement Income Security Act, the Genetic Information Non-Discrimination Act, any other federal or state laws which prohibit employment discrimination and/or employment termination in violation of public policy, breach of contract, breach of good faith and fair dealing and/or wrongful discharge, any claim based upon any federal or state statutory or common law theory of whistle blowing, retaliatory discharge, violation of public policy, breach of contract, tort or any other common law claim, and for costs, fees, or other expenses, including attorneys' fees based on any such claims.

6.11 **Certain Defined Terms.**

(a) As used herein:

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(i) "***Cause***" shall mean that one or more of the following has occurred:

(1) the Executive has been convicted of or plead guilty with respect to any felony (under the laws of the United States or any relevant state or jurisdiction, in the circumstances, thereof);

(2) the Executive has engaged in any willful misconduct, gross negligence, in each case, that would reasonably be necessary expected to authorize result in a material injury to the reputation, business or take business relationships of the Company or any of its subsidiaries or affiliates;

(3) the Executive has willfully failed to perform or uphold his duties under this Agreement and/or willfully fails to comply with lawful directives of the Board, which failure does not cease within thirty (30) days after written notice specifying such action at a meeting at which all shares failure in reasonable detail is given to the Executive by the Company; or

(4) the Executive has materially breached this Agreement;

(ii) The foregoing is an exclusive list of Class B common stock were present the acts or omissions that shall be considered Cause.

(b) As used herein, "***Change in Control***" shall mean the occurrence of any of the following events:

(i) Any transaction or event resulting in the beneficial ownership of voting securities, directly or indirectly, by any "person" or "group" (as those terms are defined in Sections 3(a)(9), 13(d), and voted.

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

Pursuant to Rule 13a-14(a) and Rule 15d-14(a) under 14(d) of the Securities Exchange Act of 1934 (Section 302 (the "Exchange Act") and the rules thereunder) having "beneficial ownership" (as determined pursuant to Rule 13d-3 under the Exchange Act) of securities entitled to vote generally in the election of directors ("voting securities") of the Sarbanes-Oxley Company that represent greater than 35% of the combined voting power of the Company's then outstanding voting securities (unless the Executive has beneficial ownership of at least 35% of such voting securities), other than any transaction or event resulting in the beneficial ownership of securities:

(1) by a trustee or other fiduciary holding securities under any employee benefit plan (or related trust) sponsored or maintained by the Company or any person controlled by the Company or by any employee benefit plan (or related

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trust) sponsored or maintained by the Company or any person controlled by the Company; or

(2) by the Company or a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of the stock of the Company; or

(3) pursuant to a transaction described in clause (iii) below that would not be a Change in Control under clause (iii).

(ii) Individuals who, as of the Effective Date, constitute the Board (the "***Incumbent Board***") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election by the Company's stockholders, or nomination for election by the Board, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an election contest with respect to the election or removal of directors or other solicitation of proxies or consents by or on behalf of a person other than the Board;

(iii) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (A) a merger, consolidation, reorganization, or business combination, (B) a sale or other disposition of all or substantially all of the Company's assets, or (C) the acquisition of assets or stock of another entity, in each case, other than a transaction:

(1) which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "***Successor Entity***")) directly or indirectly, greater than 25% of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(2) after which no person or group beneficially owns voting securities representing greater than 50% of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this clause (ii) as beneficially owning greater than 50% of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction; or

(3) The approval by the Company's stockholders of a liquidation or dissolution of the Company.

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(iv) For purposes of clause (1) above, the calculation of voting power shall be made as if the date of the acquisition were a record date for a vote of the Company's stockholders, and for purposes of clause (1) above, the calculation of voting power shall be made as if the date of the consummation of the transaction were a record date for a vote of the Company's stockholders.

Notwithstanding the foregoing, to the extent that this definition of ***"Change in Control"*** fails to satisfy the provisions of Code Section 409A or the Treasury Regulations thereunder, the definition shall be conformed to achieve compliance in a manner which preserves as much of the original intent and language of the definition as possible.

(c) As used herein, the Executive shall be considered to have incurred a "***Disability***" if one of the following requirements are met:

(i) The Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or

(ii) The Executive is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months receiving income replacement benefits for a period of not less than three months under an accident and health plan sponsored by the Company.

(d) As used herein, "***Good Reason***" shall mean that one or more of the following has occurred without the Executive's written consent:

(i) a material negative change in the nature or scope of the Executive's responsibilities, duties or authority (including no longer being a part of the senior management team) as set forth in Section 1;

(ii) a material reduction in the Executive's Base Salary or bonus opportunities, excluding any reduction of up to ten percent (10%) that is applied across the senior management group of the Company;

(iii) the Executive's required re-location to a worksite location which is more than fifty (50) miles from the Executive's then current principal worksite without the Executive's consent (such consent not to be unreasonably withheld), or

(iv) the Company's material breach of this Agreement (excluding any delay of payment required or permitted under Code Section 409A);

provided however that, in any such case, the Executive provides written notice to the Company that the event giving rise to such claim of Good Reason has occurred within thirty (30) days after the occurrence of such event, and such Good Reason remains uncured thirty (30) days after the Executive has provided such written notice; *provided*

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further that any resignation of the Executive's employment for "Good Reason" occurs no later than thirty (30) days following the expiration of such cure period.

6.12 **Resignation from Directorships and Officerships.** The termination of the Executive's employment with the Company for any reason shall constitute the Executive's resignation from (i) any director, officer or employee position the Executive has with the Company or any of its affiliates and (ii) all fiduciary positions (including as a trustee) the Executive holds with respect to any employee benefit plans or trusts established by the Company or any of its affiliates. The Executive agrees that this Agreement shall serve as written notice of resignation in this circumstance.

6.13 **Post-Employment Activities.** Beginning on the day following the Severance Date, the Executive (i) shall remove any reference to the Company as the Executive's current employer from any social media or other web- or cloud-based source the Executive either directly or indirectly controls, including, but not limited to, LinkedIn, Facebook and Google+, and (ii) will not represent that the Executive is currently employed by the Company to any person or entity, including, but not limited to, on any social media or other web- or cloud-based source the Executive either directly or indirectly controls.

7. **Protective Covenants.**

7.1 **Acknowledgements by the Executive**. The Executive acknowledges and agrees that the Company has developed Trade Secrets and Confidential Information to assist it in its business. The Company employs or will employ the Executive in a position of trust and confidence. The Executive therefore acknowledges and agrees that the Company has a right to protect these legitimate business interests. Therefore, in consideration for the Company's decision to employ or continue to employ the Executive; for the compensation and benefits provided to the Executive by the Company under this Agreement; in consideration of the time, investment and cost the Company has incurred and will continue to incur to train the Executive and enhance his skills, including, without limitation, access to Trade Secrets or Confidential Information, the Executive hereby agrees to the protective covenants in this Agreement. The Executive expressly agrees that the covenants in this Section 7 shall continue in effect through the entire Restricted Period regardless of whether the Executive is then entitled to receive any further payments or benefits from the Company. For purposes of this Section 7, the Company shall mean the Company together with its parents, subsidiaries and affiliates. It is further understood that the covenants contained in this Section 7 survive the term of this Agreement and bind the Executive so long as he is employed by the Company and including the two (2) years subsequent to the termination of that employment.

7.2 **Confidential Information.**

(a) The Executive agrees to execute and comply with the Company's Employee Non-Disclosure Agreement in substantially the form attached hereto as Exhibit A (the "***Non-Disclosure Agreement***) and at all times to hold in strictest confidence, and not to use, except for the benefit of the Company, any of the Company's Trade Secrets or Confidential Information (as each term is defined in the Non-Disclosure Agreement) or to disclose to any

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person, firm or entity any of the Company's Trade Secrets or Confidential Information except (i) as authorized in writing by the Company's Board, or (ii) as required by law.

(b) The Defend Trade Secrets Act (18 U.S.C. § 1833(b)) states: "An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of 2002)

a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Accordingly, the Executive shall have the right to disclose in confidence Trade Secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. The Executive shall also have the right to disclose Trade Secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b).

7.3 **No Competing Employment.**

(a) The Executive acknowledges that the nature of the Company's business and the Executive's position with the Company is such that if the Executive were to become employed by, or become substantially involved in, the business of a competitor of the Company during the Term or during the twelve (12) months following the termination of the Executive's employment with the Company, it would be very difficult for the Executive not to rely on or use the Company's trade secrets and Confidential Information.

(b) Thus, to avoid the inevitable disclosure of the Company's Trade Secrets and Confidential Information, and to protect such Trade Secrets and Confidential Information, during the Executive's employment with the Company and for a period of twelve (12) months after the date the Executive's employment with the Company terminates for any reason (the "***Restricted Period***"), the Executive shall not directly, or by assisting others, engage in the business of (i) designing and construction of single-family residences, (ii) mortgage lending to purchasers of single-family residences, and (iii) the sale of insurance products to purchasers or owners of single-family residences (collectively, the "***Business***") in any capacity identical with or corresponding to the capacity or capacities in which employed by the Company, anywhere within any and all counties in any state in which the Company has engaged in any single family residential building project for which the Company has invested resources, performed due diligence, planned land development and/or initiated real estate acquisitions or construction in the past twenty four (24) months or in which it is currently engaging in, or which it is actively planning to engage in, any of the foregoing activities.

(c) Notwithstanding the foregoing, (i) the Executive may purchase and hold only for investment purposes less than two percent (2%) of the shares of any Company in competition with the Company whose shares are regularly traded on a national securities exchange or

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inter-dealer quotation system, and (ii) the Executive may provide services to any business or entity that has a line of business, division, subsidiary or other affiliate that is a Competitive Business if, during the Restricted Period, the Executive is not employed directly in such line of business or division or by such subsidiary or other affiliate that is a Competitive Business and is not involved directly in the management, supervision or operations of such line of business, division, subsidiary or other affiliate that is a Competitive Business. The parties acknowledge and agree that, if necessary to determine the reasonable geographic scope of this restraint, the Company may rely on appropriate documentation and evidence outside the provisions of this Agreement.

7.4 **Non-Solicitation of Employees.** During the Restricted Period, the Executive shall not directly or indirectly solicit, induce, recruit, encourage, take away, or hire (or attempt any of the foregoing actions) or otherwise cause (or attempt to cause) any officer, representative, agent, director, employee or independent contractor of the Company to leave his or her employment or engagement with the Company either for employment with the Executive or with any other entity or person, or otherwise interfere with or disrupt (or attempt to disrupt) the employment or service relationship between any such individual and the Company. The Executive will not be deemed to have violated this Section 7.4 if employees respond to general advertisements for employment or if the Board provides unanimous prior written consent to the activities of the Executive (all such requests for consent will be given good faith consideration by the Board).

7.5 **Non-Disparagement.** The Executive agrees that at no time during his employment with the Company or thereafter shall he make, or cause or assist any other person to make, any statement or other communication to any third party which impugns or attacks, or is otherwise critical of, the reputation, business or character of the Company or any of its affiliates, or any of its respective directors, officers, representatives, agents or employees. The Company agrees, in turn, that it will not make, in any authorized corporate communications to third parties, and it will direct the members of the Board and the executive management team not to make, cause or assist any other person to make, any statement or other communication to any third party which impugns or attacks, or is otherwise critical of, the reputation, business or character of the Executive.

7.6 **Returning Company Documents**. The Executive agrees that at the time of leaving the employ of the Company, he will deliver to the Company (and will not keep in his possession, recreate or deliver to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence (including emails), specifications, drawings, blueprints, sketches, materials, equipment, other documents or property, or reproductions of any items developed by the Executive pursuant to his employment with the Company or otherwise belonging to the Company, its successors or assigns. The Executive is not required to return any personal items; documents, files, or materials containing personal information (except to the extent such materials also contain Trade Secrets or Confidential Information); or documents or agreements of which he is a party.

7.7 **Confidentiality of Agreement.** The Executive agrees that, except as may be required by applicable law or legal process, during his employment with the Company and thereafter, he shall not disclose the terms of this Agreement to any person or entity other than the Executive's

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accountants, financial advisors, attorneys or spouse, *provided* that such accountants, financial advisors, attorneys and spouse agree not to disclose the terms of this Agreement to any other person or entity.

7.8 **Remedy for Breach.** The Executive agrees that a breach of any of the covenants of this Section 7 would cause material and irreparable harm to the Company that would be difficult or impossible to measure, and that damages or other legal remedies available to the Company for any such injury would, therefore, be an inadequate remedy for any such breach. Accordingly, the Executive agrees that if he breaches any term of this Section 7, the Company shall be entitled, in addition to and without limitation upon all other remedies the Company may have under this Agreement, at law or otherwise, to obtain injunctive or other appropriate equitable relief, without bond or other security, to restrain any such breach. Claims for damages and equitable relief in any court shall be available to the Company in lieu of, or prior to or pending determination in any arbitration proceeding. In the event the enforceability of any of the terms of this Agreement shall be challenged in court and the Executive is not enjoined from breaching any of the protective covenants, then if a court of competent jurisdiction finds that the challenged protective covenant is enforceable, the time periods shall be deemed tolled upon the filing of the lawsuit challenging the enforceability of this Agreement until the dispute is finally resolved and all periods of appeal have expired.

8. **Defense of Claims.** The Executive agrees that, during the term hereof, and for a period of five (5) years after termination of the Executive's employment, upon request from the Company, the Executive will cooperate with the Company in the defense of any claims or actions that may be made by or against the Company that affect the Executive's current or prior areas of responsibility, except if the Executive's reasonable interests are adverse to the Company in such claim or action. The Company agrees that it shall reimburse the reasonable out of pocket costs and attorney fees the Executive actually incurs in connection with the Executive's providing such assistance or cooperation to the Company, in accordance with the Company's standard policies and procedures as in effect from time to time, *provided* that the Executive shall have obtained prior written approval from the Company for any travel or legal fees and expenses incurred by the Executive in connection with his obligations under this Section 8.

9. **Source of Payments.** All payments provided under this Agreement, other than payments made pursuant to a plan which provides otherwise, shall be paid in cash from the general assets of the Company, and no special or separate fund shall be established, and no other segregation of assets shall be made, to assure payment. The Executive shall have no right, title or interest whatsoever in or to any investments which the Company may make to aid the Company in meeting its obligations hereunder. To

the extent that any person acquires a right to receive payments from the Company hereunder, such right shall be no greater than the right of an unsecured creditor of the Company.

10. Miscellaneous.

10.1 **Assignment; Binding Effect.**

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(a) By the Executive. This Agreement and any and all rights, duties, obligations or interests hereunder shall not be assignable or delegable by the Executive.

(b) By the Company. This Agreement and all of the Company's rights and obligations hereunder shall not be assignable by the Company except as incident to a reorganization, merger or consolidation, or transfer of all or substantially all of the Company's assets.

(c) Binding Effect. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto, any successors to or assigns of the Company and the Executive's heirs and the personal representatives of the Executive's estate.

10.2 **Number and Gender.** Where the context requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include all other genders.

10.3 **Section Headings.** The section headings of, and titles of paragraphs and subparagraphs contained in, this Agreement are for the purpose of convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation thereof.

10.4 **Governing Law.** This Agreement, including any claims or controversy arising out of or relating to this Agreement, and all questions relating to its validity, interpretation, performance and enforcement, as well as the legal relations hereby created between the parties hereto, shall be governed by and construed under, and interpreted and enforced in accordance with, the laws of the State of South Carolina without giving effect to any choice or conflict of law provisions or rule (whether of the State of South Carolina or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of South Carolina.

10.5 **Survival of Certain Provisions.** The rights and obligations set forth in Sections 5, 6, 7, 8, 9 and 10 shall survive any termination or expiration of this Agreement.

10.6 **Entire Agreement.** This Agreement embodies the entire agreement of the parties hereto respecting the matters within its scope. As of the date hereof, this Agreement supersedes all prior and contemporaneous agreements of the parties hereto that directly or indirectly bear upon the subject matter hereof. Any prior negotiations, correspondence, agreements, proposals or understandings relating to the subject matter hereof shall be deemed to be of no force or effect, and the parties to any such other negotiations, commitments, agreements or writings shall have no further rights or obligations thereunder. There are no representations, warranties, or agreements, whether express or implied, or oral or written, with respect to the subject matter hereof, except as expressly set forth herein.

10.7 **Modifications, Waivers.** This Agreement may not be amended, modified or changed (in whole or in part), except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

10.8 **Jurisdiction, Venue, and Jury Trial Waiver.** Each party irrevocably submits to (i) the exclusive jurisdiction of the South Carolina state courts and any federal court sitting in Columbia,

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South Carolina for purposes of any suit, action or other proceeding arising out of this Agreement that is brought by or against the other party, and (ii) the exclusive venue of such suit, action or proceeding in Columbia, South Carolina. EACH OF THE COMPANY AND THE EXECUTIVE IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT.

10.9 **Notices.** All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given and made if (i)

delivered by hand, (ii) otherwise delivered against receipt therefore, or (iii) sent by overnight courier, signature required. Any notice shall be duly addressed to the parties as follows:

(a) if to the Company:

United Homes Group, Inc.
Attn.: Chief Executive Officer
90 N. Royal Drive
Irmo, South Carolina 29063
mnieri@unitedhomesgroup.com

(b) with a copy to:

United Homes Group, Inc.
Attn.: General Counsel
90 N. Royal Drive
Irmo, South Carolina 29063
stevelenker@unitedhomesgroup.com

(c) if to the Executive, to the address most recently on file in the payroll records of the Company.

10.10 **Severability.** If this Agreement shall for any reason be or become unenforceable in any material respect by any party, this Agreement shall thereupon terminate and become unenforceable by the other party as well. In all other respects, if any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall nevertheless remain in full force and effect, and if any provision is held invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances, to the fullest extent permitted by law.

10.11 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

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10.12 **Legal Counsel; Mutual Drafting.** Each party recognizes that this is a legally binding contract and acknowledges and agrees that they have had the opportunity to consult with legal counsel of their choice. Each party has cooperated in the drafting, negotiation and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such language. The Executive agrees and acknowledges that he has read and understands this Agreement, is entering into it freely and voluntarily, and has been advised to seek counsel prior to entering into this Agreement and has had ample opportunity to do so.

[The remainder of this page has intentionally been left blank.]

IN WITNESS WHEREOF, the Company and the Executive have executed this Agreement as of the date set forth above.

"COMPANY"

UNITED HOMES GROUP, INC.

By: /s/ Michael Nieri

Name: Michael Nieri

Title: President

"EXECUTIVE"

Tom O'Grady

/s/ Tom O'Grady

Signature

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Exhibit A

Employee Non-Disclosure Agreement

THIS EMPLOYEE NON-DISCLOSURE AGREEMENT (this "Agreement") is made on the Effective Date (as hereinafter defined) by ("Employee") in favor of **United Homes Group, Inc.**, a Delaware corporation, on behalf of itself and its subsidiaries ("Employer"). The "Effective Date" is the date this Agreement is accepted by Employer.

In exchange for, and in consideration of, the sum of $1.00 from Employer to Employee, the receipt and sufficiency of which are hereby acknowledged, Employee covenants and agrees as follows:

1.Non-Disclosure. During Employee's employment with Employer and for a period of 2 years thereafter, Employee covenants and agrees to hold in strict confidence and not to disclose or make accessible to anyone any of Employer's Trade Secrets or Confidential Information (as those terms are hereinafter defined) to which Employee has or is given (or has had or been given) access as a result of or in connection with Employee's employment by Employer. Employee acknowledges that Employer's Trade Secrets have been acquired and maintained by Employer at great effort and expense, constitute valuable assets of Employer, and are maintained in secrecy by Employer.

For purposes of this Agreement, the term "Trade Secrets" means the trade secrets, confidential and proprietary business information, and confidential and proprietary customer information of Employer as defined by the South Carolina Trade Secrets Act, S.C. Code § 39-8-10 *et seq*. Employer's Trade Secrets include, but are not limited to, the following: (a) the processes related to developing, designing, manufacturing, marketing, selling, distributing, and/or maintaining Employer's business and products to and for customers; (b) availability requirements, costs, and price information regarding Employer's business; (c) sources of new customers and Employer's marketing plans, strategy and development tools related thereto; and (d) all suppliers, sources, availability, costs, and prices relating to Employer's business. Employer's Trade Secrets do not include information that is now or subsequently becomes part of the public domain through no fault of employee and information that subsequently comes into Employee's possession from an independent third source not under an obligation of secrecy to Employee, which fact Employee can readily document.

For purposes of this Agreement, the term "Confidential Information" means all other confidential information of Employer (which may not constitute Trade Secrets as statutorily or contractually defined), including but not limited to financial information, forecasts, expirations, personally identifiable information of customers and/or employees (e.g., drivers licenses, social security cards, addresses, phone numbers and/or credit cards), marketing and advertising strategies, plans, records, business secrets, operation techniques, manufacturing or business methods, patterns, designs, employee wage and other information and other data of Employer or its affiliates submitted to Employee or compiled, received, or otherwise discovered by Employee, from

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time to time and in the course of Employee's employment with Employer, or used in Employer's or its affiliates' business(es). This non-disclosure applies to such information which is not generally known to, and is not readily ascertainable by proper means by, the public or any other person who can obtain economic value from their disclosure and use, and that are subject to efforts by Employer that are reasonable under the circumstances to maintain the secrecy thereof for any purpose whatsoever. Confidential Information specifically includes information and property which is confidential but which may be found not to rise to the level of a "trade secret." It specifically may include, but is not limited to, customer lists, employee lists, price lists and wage lists.

2.Ownership. Employee acknowledges and agrees that the Trade Secrets and the Confidential Information shall remain the exclusive property of Employer. Nothing herein shall be deemed to grant or otherwise convey a license, whether directly or by implication, estoppel or otherwise, to any Trade Secrets or Confidential Information disclosed pursuant to this Agreement.

3.Remedies. Employee understands and agrees that money damages would not be a sufficient remedy for any breach of this Agreement by Employee and that Employer shall be entitled to equitable relief, including, without limitation, injunction and specific performance, as a remedy for any such breach. Such remedies shall not be deemed to be the exclusive remedies for a breach by Employee of this Agreement but shall be in addition to all other remedies available at law or in equity to Employer.

4.Miscellaneous. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina. It is understood and agreed that no failure or delay by SCDA in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. If any provision of this Agreement is found to violate any statute, regulation, rule, order or decree of any governmental authority, court, agency or exchange, such invalidity shall not be deemed to affect any other provision hereof or the validity of the remainder of this Agreement, and such invalid provision shall be deemed deleted herefrom to the minimum extent necessary to cure such violation. This Agreement contains the entire agreement of

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the Parties regarding its subject matter and supersedes all prior agreements, understandings, arrangements and discussions between the Parties regarding such subject matter.

Accepted: United Homes Group

By:
Name and Title:
Date:

By:
Employee Name:
Date:

Exhibit 10.21

EXECUTION VERSION

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT

THIS FIRST AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT (this "***Agreement***") is dated as of December 22, 2023 (the "***First Amendment Effective Date***"), by and among GREAT SOUTHERN HOMES, INC., a South Carolina corporation ("***GSH***"), and UNITED HOMES GROUP, INC., a Delaware corporation ("***UHG***"; UHG and GSH, individually or collectively as the context may suggest or require, jointly and severally, the "***Borrower***"), the Lenders party hereto and WELLS FARGO BANK, NATIONAL ASSOCIATION, as the administrative agent for the Lenders (together with its successors and assigns, the "***Administrative Agent***").

W I David T. Hamamoto, certify T N E S S E T H :

WHEREAS, the Borrower, the lenders party thereto (collectively, the "***Lenders***"), Wells Fargo Securities, LLC, as the joint Lead Arranger and sole Bookrunner, Regions Bank, as the joint Lead Arranger and Syndication Agent, Flagstar Bank, as the Documentation Agent, and the Administrative Agent entered into that certain Second Amended and Restated Credit Agreement dated as of August 10, 2023, as amended by

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that certain Letter Agreement dated as of September 29, 2023 and as further amended by that certain Letter Agreement dated as of October 20, 2023 (as amended, and as the same may have been further amended, restated, supplemented, or otherwise modified from time to time prior to the date hereof, the "***Credit Agreement***"); and

WHEREAS, the Borrower, the Requisite Lenders and the Administrative Agent desire to amend certain provisions of the Credit Agreement on the terms and conditions contained herein.

NOW, THEREFORE, for and in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, each of the parties hereto hereby covenant and agree as follows:

SECTION 1. Definitions. Unless otherwise specifically defined herein, each term used herein which is defined in the Credit Agreement shall have the meaning assigned to such term in the Credit Agreement. Each reference to "hereof," "hereunder," "herein," and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall from and after the date hereof refer to the Credit Agreement as amended hereby.

SECTION 2. Amendments to the Credit Agreement. The parties hereto hereby agree that:

(a) Section 10.1(c) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

> "(c) Minimum DSCR. The Borrower shall not permit the Debt Service Coverage Ratio to be less than 2.00 to 1.00 as of the last day of any fiscal quarter."

(b) Section 10.1(d) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

> "(d) Minimum Liquidity. The Borrower shall maintain (i) Liquidity of not less than the greater of (1) $30,000,000.00, or (2) an amount equal to 1.50x the trailing twelve month Interest Incurred (as determined, in Administrative Agent's reasonable determination, by the most recent Form 10-Q or Form 10-K,

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as applicable, of Parent Borrower) at all times; and (ii) Unrestricted Cash of not less than fifty percent (50%) of the Liquidity required pursuant to the preceding clause (i) at all times."

SECTION 3. Miscellaneous.

(a) Effect of Agreement. Except as set forth expressly hereinabove (including the recitals hereto), all terms of the Credit Agreement and the other Loan Documents shall be and remain in full force and effect, and shall constitute the legal, valid, binding, and enforceable obligations of the Borrower.

(b) Loan Document. For the avoidance of doubt, the Borrower, the Lenders party hereto and the Administrative Agent hereby acknowledge and agree that this Agreement is a Loan Document.

(c) No Novation or Mutual Departure. The Borrower expressly acknowledges and agrees that (i) there has not been, and this Agreement does not constitute or establish, a novation with respect to the Credit Agreement or any of the other Loan Documents, or a mutual departure from the strict terms, provisions, and conditions thereof, other than with respect to the amendments contained in Section 2 above; and (ii) nothing in this Agreement shall affect or limit the Administrative Agent's or the Lenders' right to demand payment of liabilities owing from the Borrower to the Administrative Agent or any Lender under, or to demand strict performance of the terms, provisions and conditions of, the Credit Agreement and the other Loan Documents, to exercise any and all rights, powers, and remedies under the Credit Agreement or the other Loan Documents or at law or in equity, or to do any and all of the foregoing, immediately at any time after the occurrence of a Default or an Event of Default under the Credit Agreement or the other Loan Documents.

(d) Ratification. The Borrower hereby (i) restates, ratifies, and reaffirms each and every term, covenant, and condition set forth in the Credit Agreement and the other Loan Documents to which each is a party effective as of the date hereof and (ii) restates and renews each and every representation and warranty heretofore made by it in the Credit Agreement and the other Loan Documents as fully as if made on the date hereof and with specific reference to this Agreement and any other Loan Documents executed or delivered

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in connection herewith (except with respect to representations and warranties made as of an expressed date, in which case such representations and warranties shall be true and correct as of such date). To the extent there are any conflicts between the terms of this Agreement and the terms of the Credit Agreement, the terms of this Agreement shall control.

(e) No Default. To induce the Administrative Agent and the Lenders party hereto to enter into this Agreement and to continue to make advances pursuant to the Credit Agreement (subject to the terms and conditions thereof), the Borrower hereby acknowledges and agrees that, as of the date hereof, and after giving effect to the terms hereof, there exists (i) no Default or Event of Default and (ii) no right of offset, defense, counterclaim, claim, or objection in favor of the Borrower arising out of or with respect to any of the Loans or other obligations of the Borrower owed to the Administrative Agent and the Lenders party hereto under the Credit Agreement or any other Loan Document.

(f) Release. The Borrower hereby ratifies, reaffirms and acknowledges that the Loan Documents represent their valid, enforceable and collectible obligations, and that they have no existing claims, defenses (personal or otherwise) or rights of setoff with respect thereto. The Borrower hereby releases the Administrative Agent and Lenders, their respective parent corporations, subsidiaries and affiliates, any holder of or participant in the Loan, and each of their respective present and former officers, directors, shareholders, representatives, consultants,

attorneys, employees and agents, and their respective heirs, personal representatives, successors and assigns (collectively, the "***Released Parties***"), from any and all claims, liabilities, damages, actions and causes of action of every nature or character (collectively, the "***Claims***"), known or unknown, direct or indirect, at law or in equity, for or because of any matter or things done, omitted or suffered to be done by any of the Released Parties prior to and including the date of this Agreement, or that may hereafter be discovered with respect to acts or omissions occurring prior to such date, relating to the Loan, the administration of the Loan or the modifications described herein. The Borrower expressly waives and relinquishes all rights and benefits under any law or legal principle of similar effect in any jurisdiction, with respect to released Claims to the extent the same may be lawfully waived by the Borrower. The Borrower understands and agrees that the release set forth herein is a full and final release of any and all Claims of every nature and kind whatsoever arising out of the facts and circumstances described herein and that the above release extinguishes Claims that are known, unknown, foreseen or unforeseen.

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(g) Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument. This Agreement may be executed by each party on separate copies, which copies, when combined so as to include the signatures of all parties, shall constitute a single counterpart of the Agreement.

(h) Fax or Other Electronic Transmission. Delivery by one or more parties hereto of an executed counterpart of this Agreement via facsimile, telecopy, or other electronic method of transmission pursuant to which the signature of such party can be seen (including, without limitation, in portable document format ("***PDF***")) shall have the same force and effect as the delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by facsimile or other electronic method of transmission shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability, or binding effect of this Agreement. The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code. Each party hereto hereby waive any defenses to the enforcement of the terms of this Agreement based on the form of its signature, and hereby agrees that such electronically transmitted or signed signatures shall be conclusive proof, admissible in judicial proceedings, of such party's execution of this Agreement.

(i) Recitals Incorporated Herein. The preamble and the recitals to this Agreement are hereby incorporated herein by this reference.

(j) Section References. Section titles and references used in this Agreement shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreements among the parties hereto evidenced hereby.

(k) Further Assurances. The Borrower agrees to take, at the Borrower's sole cost and expense, such further actions as the Administrative Agent shall reasonably request from time to time to evidence the amendments set forth herein and the transactions contemplated hereby.

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(l) Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the internal laws of the State of South Carolina but excluding any

principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of South Carolina.

(m) Expenses. The Borrower shall reimburse the Administrative Agent upon demand for all reasonable costs and expenses (including reasonable attorneys' fees) incurred by the Administrative Agent in connection with the preparation, negotiation and execution of this Amendment and the other agreements and documents executed and delivered in connection herewith.

(n) Severability. Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 4. Conditions Precedent. This Agreement shall become effective only upon the satisfaction of the following conditions precedent:

(a) counterparts of this Agreement duly executed by the Borrower, Requisite Lenders and the Administrative Agent; and

(b) evidence that all fees, expenses and reimbursement amounts due and payable to the Administrative Agent (including, without limitation, the fees and expenses of counsel to the Administrative Agent), have been paid.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, each of the Borrower, the Administrative Agent, and the Lenders party hereto has caused this Agreement to be duly executed by its duly authorized officer as of the First Amendment Effective Date.

BORROWER:

GREAT SOUTHERN HOMES, INC.,
a South Carolina corporation

By: /s/ Michael P. Nieri

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Name: Michael P. Nieri
Title: Chief Executive Officer

UNITED HOMES GROUP, INC.,
a Delaware corporation

By: /s/ Michael P. Nieri
Name: Michael P. Nieri
Title: Chief Executive Officer

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

ADMINISTRATIVE AGENT AND LENDER:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Nora Lebow
Name: Nora Lebow
Title: Director

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1. **I have reviewed this Annual Report on Form 10-K of DiamondHead Holdings Corp.;**

NAI-1538827172v4

LENDERS:

REGIONS BANK

By:/s/ Justin Smith
Name: Justin Smith
Title: Senior Vice President

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

FLAGSTAR BANK, N.A.

By:/s/ [Illegible]
Name: [Illegible]
Title: First VP

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[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

UNITED BANK

By:/s/ Jay Ratterree
Name: Jay Ratterree
Title: SVP

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

THIRD COAST BANK SSB

By:/s/ Tiffany Weber
Name: Tiffany Weber
Title: Bank Officer

[Signature Page to First Amendment to Second Amended and Restated Credit Agreement]

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Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

2. Based on my knowledge, this report does not contain any untrue statement

Jurisdiction of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Name	Formation
Great Southern Homes, Inc.	South Carolina
UHG Services, LLC	South Carolina
Rosewood Communities, Inc.	South Carolina

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Forms S-8 (File No. 333-272887 and File No. 333-277024) of United Homes Group, Inc. of our report dated March 15, 2024, with

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respect to the financial statements of United Homes Group, Inc. included in this Annual Report on Form 10-K for the year ended December 31, 2023.

/s/ FORVIS LLP
Tysons, Virginia
March 15, 2024

EXHIBIT 31.1

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

I, Michael Nieri, certify that:

1. I have reviewed this Annual Report on Form 10-K of United Homes Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

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b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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Date: March 15, 2024

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

By:

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, 2023

By: /s/ David T. Hamamoto

Michael Nieri

David T. Hamamoto

Michael Nieri

Co-Chief Chief Executive Officer

(Principal Executive Officer)

Exhibit

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EXHIBIT 31.2

CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF PRINCIPAL EXECUTIVE OFFICER

Pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the
Securities Exchange Act of 1934, (Section AS ADOPTED PURSUANT TO

SECTION 302 of the Sarbanes-Oxley Act of 2002)

I, Michael Bayles, certify that:

1. **I have reviewed this Annual Report on Form 10-K of DiamondHead Holdings Corp.;**

2. **Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;**

3. **Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;**

4. **The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and have:**

   a) **Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;**

   b) **Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;**

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c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, 2023

By: /s/ Michael Bayles

Michael Bayles
Co-Chief Executive Officer
(Principal Executive Officer)

OF THE SARBANES-OXLEY ACT OF 2002

Exhibit 31.3

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

Pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the
Securities Exchange Act of 1934 (Section 302 of the Sarbanes-Oxley Act of 2002)

I, Keith Feldman, certify that:

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1. I have reviewed this Annual Report on Form 10-K of United Homes Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

1. I have reviewed this Annual Report on Form 10-K of DiamondHead Holdings Corp.;

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2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

Date: March 15, 2024

By:

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b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, 2023

By: /s/ Keith Feldman

Keith Feldman

Chief Financial Officer

(Principal Financial and Accounting Officer)

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Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADDED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the this Annual Report of DiamondHead Holdings Corp. (the "Company") on Form 10-K of United Homes Group, Inc. for the year ended December 31, 2022 December 31, 2023, as filed with the Securities and Exchange Commission (the "Report"), I, David T. Hamamoto, Co-Chief Michael Nieri, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that:

that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: March 28, 2023
March 15, 2024

By: /s/ David T. Hamamoto
Michael Nieri

David T. Hamamoto
Michael Nieri
Co-Chief Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADDED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the this Annual Report of DiamondHead Holdings Corp. (the "Company") on Form 10-K of United Homes Group, Inc. for the year ended December 31, 2022, as filed with the Securities and Exchange Commission (the "Report"), I, Michael Bayles, Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that:

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1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: March 28, 2023

By: /s/ Michael Bayles

Michael Bayles
Co-Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.3

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

In connection with the Annual Report of DiamondHead Holdings Corp. (the "Company") on Form 10-K for the year ended December 31, 2022 December 31, 2023, as filed with the Securities and Exchange Commission (the "Report"), I, Keith Feldman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that:

that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: March 28, 2023
March 15, 2024

By: /s/ Keith Feldman

Keith Feldman

Chief Financial Officer

(Principal Financial and Accounting Officer)

Exhibit 97.1

UNITED HOMES GROUP, INC.

EXECUTIVE OFFICER COMPENSATION CLAWBACK POLICY

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Adopted: October 26, 2023

I. Defined Terms.

For purpose of this Policy, the following terms have the following meanings:

"***Applicable Period***" means the three completed fiscal years preceding the earlier of: (i) the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement; or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement. "Applicable Period" also includes, in addition to the three fiscal year period described in the preceding sentence, any transition period (that results from a change in the Company's fiscal year) within or immediately following that completed three fiscal year period; provided, a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months would be deemed a completed fiscal year.

"***Board***" means the board of directors of the Company.

"***Committee***" means the Compensation Committee of the Board, or, in the absence of such a committee, references to the "Committee" shall be deemed to be references to the Board.

"***Company***" means United Homes Group, Inc.

"***Covered Executive Officer***" means any current or former Executive Officer of the Company.

"***Effective Date***" means the date the Policy is adopted by the Committee.

"***Equity Incentive Compensation***" means any stock options, stock appreciation rights, restricted stock, restricted stock units, long-term incentive plan units or other similar awards granted, vested or accrued under any Company plan or agreement and payable to a Covered Executive Officer based wholly or in part upon the attainment of a Financial Reporting Measure by the Company and its consolidated subsidiaries.

"***Executive Officer***" means an officer as defined in Rule 10D-1(d) under the Securities Exchange Act of 1934, as amended.

"***Executive Compensation Arrangement***" means any plan or agreement pursuant to which the Company compensates a Covered Executive Officer through Incentive Compensation on or after the date of adoption of this Policy.

"***Financial Reporting Measure***" means a measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements (including "non-GAAP" financial measures, such as those appearing in earnings releases), and any measure that is derived wholly or in part from such measure. Examples of Financial Reporting Measures include measures

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based on: revenues, net income, operating income, financial ratios, EBITDA, liquidity measures, return measures (such as return on assets), and profitability of one or more segments. Stock price and total shareholder return ("TSR") also are Financial Reporting Measures.

"***Impracticable***" means, after exercising a normal due process review of all the relevant facts and circumstances and taking all steps required by Exchange Act Rule 10D-1 and any applicable exchange listing standard, the Committee determines that recovery of the Incentive Compensation is impracticable because: (i) it has determined that the direct expense that the Company would pay to a third party to assist in recovering the Incentive Compensation would exceed the amount to be recovered; (ii) it has concluded that the recovery of the Incentive Compensation would violate home country law adopted prior to November 28, 2022; or (iii) it has determined that the recovery of Incentive Compensation would cause a tax-qualified retirement plan, under which benefits are broadly available to the Company's employees, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

"***Incentive Compensation***" means Equity Incentive Compensation and Non-Equity Incentive Compensation; however, it does not include: (i) base salaries; (ii) discretionary cash bonuses; (iii) awards (either cash or equity) that are based upon subjective, strategic or operational standards; and (iv) equity awards that vest solely on the passage of time.

"***Non-Equity Incentive Compensation***" means any variable cash compensation paid to a Covered Executive Officer based wholly or in part upon the attainment of a Financial Reporting Measure by the Company and its consolidated subsidiaries.

"***Policy***" means this Executive Officer Compensation Clawback Policy.

"***Restatement***" means an accounting restatement of any of the Company's financial statements due to the Company's material noncompliance with any financial reporting requirement under U.S. securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (often referred to as a "Big R" restatement), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (often referred to as a "little r" restatement). A Restatement does not include situations in which financial statement changes did not result from material non-compliance with financial reporting requirements, such as, but not limited to, a retrospective: (i) application of a change in accounting principles; (ii) revision to reportable segment information due to a change in the structure of the Company's internal organization; (iii) reclassification due to a discontinued operation; (iv) application of a change in reporting entity, such as from a reorganization of entities under common control; (v) adjustment to provision amounts in

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connection with a prior business combination; and (vi) revision for stock splits, stock dividends, reverse stock splits or other changes in capital structure.

II. Clawback Policy.

If the Company is required to prepare a Restatement, the Company shall, unless the Committee determines it to be Impracticable, take reasonably prompt action to recover from each Covered Executive Officer that portion of the unvested, vested, unpaid or paid Incentive Compensation received by such Covered Executive Officer during the Applicable Period that was in excess of the amount that such Covered Executive Officer would have received had such Incentive Compensation been calculated based upon the Financial Reporting Measures, as reflected in the Restatement. With respect to Incentive Compensation based on stock price or TSR, when the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in a Restatement: (i) the amount must be based on a reasonable estimate of the effect of the Restatement on the stock price or TSR upon which the Incentive Compensation Received by the Covered Executive Officer originally was based; and (ii) the Company must maintain documentation of the determination of the reasonable estimate and provide such documentation to the national securities exchange upon which the Company's securities are then listed.

The foregoing policy shall apply regardless of the culpability of a Covered Executive Officer with respect to such Restatement. This Policy shall apply only to Incentive Compensation (calculated on a pre-tax basis) received on or after October 2, 2023 by a person: (i) after beginning service as a Covered Executive Officer; (ii) who served as a Covered Executive Officer at any time during the performance period for that Incentive Compensation; and (iii) while the Company had a class of securities listed on a national securities exchange or national securities association. For purposes of this Policy, Incentive Compensation shall be deemed "received" in any Company fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

III. Recoupment.

The Committee will determine, in its sole discretion, the method for recouping Incentive Compensation hereunder which may include, without limitation: (a) requiring reimbursement of cash Incentive Compensation previously paid; (b) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards; (c) offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Executive Officer; (d) cancelling outstanding vested or unvested equity awards, and/or (e) taking any other remedial and recovery action permitted by law, as determined by the Committee.

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The Committee intends that this Policy will be applied to the fullest extent of the law. The Committee may require that any employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive Officer to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

IV. General.

A. The Committee may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to reflect final regulations adopted by the U.S. Securities and Exchange Commission (the "SEC") under Section 10D of the Exchange Act and to comply with any rules or standards adopted by the national securities exchange on which the Company's securities are listed. The Committee may terminate this Policy at any time. It is intended that this Policy comply with, and that the Committee seek to administer this Policy in compliance with, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended, the Sarbanes Oxley Act of 2002, as amended, all applicable rules and regulations of the SEC and, to the extent applicable, the national securities exchange on which the Company's securities are listed, and all other applicable law.

B. The Committee shall, subject to the provisions of this Policy, make such determinations and interpretations and take such actions in connection with this Policy as it deems necessary, appropriate or advisable. All determinations and interpretations made by the Committee shall be final, binding and conclusive.

C. The rights to recoupment set forth in this Policy are in addition to any other rights that the Company may have against any Covered Executive Officer, including, without limitation, any remedies at law or in equity. Application of this Policy does not preclude the Company from taking any other action to enforce a Covered Executive Officer's obligations to the Company, including termination of employment or institution of civil or criminal proceedings.

D. Notwithstanding the terms of any of the Company's organizational documents, any corporate policy or any contract, the Company shall not indemnify any Covered Executive Officer against the loss of any incorrectly awarded Incentive Compensation.

E. The Company shall make all disclosures and filings with respect to this Policy and maintain all documents and records that are required by the applicable rules

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and forms of the SEC (including, without limitation, Rule 10D-1) and any applicable exchange listing standard.

F. The Company shall take all reasonable appropriate steps to inform Covered Executive Officers of this Policy and obtain a written acknowledgement of the same so that this Policy shall be enforceable to the fullest extent legally permissible; however, the failure to so inform or obtain such acknowledgement shall have no impact on the applicability or enforceability of this Policy.

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