

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF SOUTH CAROLINA**

\_\_\_\_\_, Individually and on Behalf of All  
Others Similarly Situated,

Plaintiff,

v.

UNITED HOMES GROUP, INC., MICHAEL  
NIERI, JAMIE PIRRELLO, JOHN G.  
MICENKO, JR., and KEITH FELDMAN,

Defendants.

Case No.

**CLASS ACTION COMPLAINT FOR  
VIOLATIONS OF THE FEDERAL  
SECURITIES LAWS**

**DEMAND FOR JURY TRIAL**

LAW OFFICES OF HOWARD G. SMITH

Plaintiff \_\_\_\_\_ (“Plaintiff”), individually and on behalf of all others similarly situated, by and through his attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, his counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by United Homes Group, Inc. (“United Homes” or the “Company”) with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and disseminated by United Homes; and (c) review of other publicly available information concerning United Homes.

#### **NATURE OF THE ACTION AND OVERVIEW**

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired United Homes securities between May 15, 2023 and February 22, 2026, inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. United Homes is a residential home builder. The original form of United Homes was created in 2004 when Michael Nieri (“Nieri”) founded Great Southern Homes, a home building company in South Carolina. Great Southern Homes then grew to become one of the largest entry-level home builders in America. In an effort to expand their operating model across other growing regions in the Southeast, Nieri took Great Southern Homes public via a SPAC merger with DiamondHead Holdings Corp. in 2023. The stated goal of going public at the time was “continued organic expansion as well as becoming a merger partner of choice for smaller

regional homebuilders located in high-growth markets.”<sup>1</sup> Great Southern Homes and DiamondHead Holdings Corp. completed its SPAC merger on March 30, 2023, emerging as United Homes, and began trading on Nasdaq under the ticker symbol UHG on March 31, 2023.

3. On March 14, 2024, before the market opened, United Homes announced fourth quarter and full year 2023 results, revealing deteriorating financial metrics.<sup>2</sup> The Company reported, for the fiscal year: *revenues declined to \$421.5 million* from \$477 million in 2022; *gross profit percentage fell to 18.9%* compared to 24.9% in 2022; and *adjusted EBITDA was halved, to \$40.5 million*, compared to \$82.8 million in 2022. The Company also announced it closed only 1,383 homes in 2023 compared with 1,605 homes in the prior year. Nonetheless, the Company continued to reassure investors its underlying growth thesis and financial health was intact. Further, the Company issued significant cash bonuses, including over \$400,000 to its CEO, Nieri.

4. On this news, United Homes’ stock price fell \$0.64 per share, or 8.58%, to close at \$6.82 per share on March 14, 2024, on unusually heavy trading volume.

5. On September 25, 2024, before the market opened, United Homes announced that Nieri would transition from Chief Executive Officer (“CEO”) to Executive Chairman, describing the move as part of a leadership succession plan. Nieri purported to assure investors the Company had an “excellent management team that is focused on growing the business and executing on our objectives as a public company.” Nieri stated the Company’s “tremendous growth and transformation, including becoming a publicly traded company and listing on Nasdaq in 2023, necessitates these changes and this division of responsibilities.”

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<sup>1</sup> DiamondHead Holdings Corp., SEC Form 425 Prospectus/communication regarding Business Combination), Ex. 99.1. Filed September 12, 2022.

<sup>2</sup> Unless otherwise stated, all emphasis in bold and italics hereinafter is added, and all footnotes are omitted.

6. On this news, United Homes' stock price fell \$0.53 per share, or 8.69%, to close at \$5.57 per share on September 25, 2024, on unusually heavy trading volume.

7. On October 20, 2025, before the market opened, the Company announced the outcome of a special committee review initiated approximately 5 months earlier to explore strategic alternatives to maximize shareholder value. The special committee, in conjunction with its legal and financial advisors, "***unanimously determined***" that "***continuing to execute on the Company's strategic plan as an independent, public company is in the best interests of the Company and its stockholders*** at this time." However, the Company also disclosed that the entire Board of Directors, except for Nieri, had threatened to resign unless "***the Company's existing management team was fully empowered to execute on the Company's strategic plan***" and "***Mr. Nieri stepped down from his position as Executive Chairman of the Company and agreed to forego any remaining cash compensation*** to which he would be entitled under his existing employment agreement, in furtherance of Company cost-saving initiatives." The Company reported Nieri did not agree, and thus, six of the Company's seven board members resigned and only Nieri remained on the Board.

8. On this news, United Homes' stock price fell \$2.23 per share, or 52.46%, to close at \$2.03 per share on October 20, 2025, on unusually heavy trading volume.

9. Finally, on February 23, 2026, before the market opened, United Homes announced that it had agreed to become a wholly owned subsidiary of Stanley Martin Homes, LLC in an all-cash transaction that represents an enterprise value of approximately \$221 million, cashing out all stockholders for consideration of \$1.18 per share. On the last trading day preceding the announcement, United Homes' stock closed at a price of \$2.38. The deal price thus represents an

over 50% discount on the preceding trading price. The transaction is expected to close in the second quarter of 2026, subject to customary closing conditions.

10. On this news, United Homes' stock price fell \$1.23 per share, or 51.68%, to close at \$1.15 per share on February 23, 2026, on unusually heavy trading volume.

11. Throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) material information regarding the Company's financial condition, Board governance, and internal conflict; (2) tensions within the Board and with Nieri specifically were causing operational disruptions, including preventing the Company from executing on its strategic plan; and (3) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

12. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

#### **JURISDICTION AND VENUE**

13. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

14. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

15. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein,

including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. In addition, the Company's principal executive offices are located in this District.

16. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

### **PARTIES**

17. Plaintiff \_\_\_\_\_, as set forth in the accompanying certification, incorporated by reference herein, purchased United Homes securities during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

18. Defendant United Homes is incorporated under the laws of Delaware with its principal executive offices located in Chapin, South Carolina. United Homes' common shares trade on the NASDAQ exchange under the symbol "UHG."

19. Defendant Nieri is the Company's founder. He was the Company's CEO from 2004 until October 1, 2024, and has been the Company's Executive Chairman since October 1, 2024.

20. Defendant Jamie Pirrello ("Pirrello") was the Company's interim CEO from October 1, 2024 to May 19, 2025.

21. Defendant John G. Micenko, Jr. ("Micenko") has been the CEO since May 19, 2025.

22. Defendant Keith Feldman ("Feldman") was the Company's Chief Financial Officer ("CFO") at all relevant times.

23. Defendants Nieri, Pirrello, Micenko and Feldman (together, the “Individual Defendants”), because of their positions with the Company, possessed the power and authority to control the contents of the Company’s reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. The Individual Defendants were provided with copies of the Company’s reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

### **SUBSTANTIVE ALLEGATIONS**

#### **Background**

24. United Homes is a residential home builder. The original form of United Homes was created in 2004 when Nieri founded Great Southern Homes, a home building company in South Carolina. Great Southern Homes then grew to become one of the largest entry-level home builders in America. In an effort to expand their operating model across other growing regions in the Southeast, Nieri took Great Southern Homes public via a SPAC merger with DiamondHead Holdings Corp. in 2023. The stated goal of going public at the time was “continued organic expansion as well as becoming a merger partner of choice for smaller regional homebuilders located in high-growth markets.”<sup>3</sup> Great Southern Homes and DiamondHead Holdings Corp.

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<sup>3</sup> DiamondHead Holdings Corp., SEC Form 425 Prospectus/communication regarding Business Combination), Ex. 99.1. Filed September 12, 2022.

completed its SPAC merger on March 30, 2023, emerging as United Homes, and began trading on Nasdaq under the ticker symbol UHG on March 31, 2023.

**Materially False and Misleading**  
**Statements Issued During the Class Period**

25. The Class Period begins on May 15, 2023. On that day, the Company announced its financial results for the period ended March 31, 2023 in a press release. The press release reported the Company closed 328 homes, a decrease of 21% year over year, resulting in \$94.8 million in revenue, a decrease of 13% year over year, and that the Company's backlog value was \$103.3 million as of quarter end, an increase of 21% year over year. The press release further provided a statement on the Company's purported financial condition and its ability and efforts to execute on its stated business strategy, as follows, in relevant part:

Net loss attributable to common stockholders was \$204.5 million, or \$(5.44) per diluted share, which included ***unrealized loss of \$207.1 million predominantly due to changes in fair value on potential earn-out consideration*** due to increased stock price as of March 31, 2023. The earn-out consideration would be paid in common shares upon reaching certain stock price hurdles. The Company is required to record the fair value of this earn-out as derivative liabilities on the consolidated balance sheets. The net loss at March 31, 2023, is compared to net income of \$17.0 million, or \$0.46 per diluted share during the first quarter 2022.

\* \* \*

"We are pleased to share our first quarterly results as a public company," said United Homes Group Chairman, President, and Chief Executive Officer, Michael Nieri. "While our financial results were impacted by the accounting of certain non-cash GAAP related items, we believe the ***underlying business performance was solid***, as we generated adjusted EBITDA of approximately \$9 million for the quarter and regained momentum on the sales front following the rate-induced slowdown in the back half of last year.["]

\* \* \*

***Homebuilding revenues for the first quarter 2023 was \$94.8 million, compared to \$108.4 million in the first quarter 2022.*** Home closings during the first quarter 2023 were 328 compared to 414 in the year-ago quarter. Average sales price ("ASP") of 294 production-built homes (which excludes 34 general contractor and

build for rent homes) closed during the first quarter 2023 was \$314k, compared to \$272k during the first quarter 2022 of 384 production-built homes (which excludes 30 general contractor and build for rent homes), representing a 15.5% increase.

26. On May 15, 2023, the Company submitted its quarterly report for the period ended March 31, 2023 on a Form 10-Q filed with the SEC. The quarterly report affirmed the previously reported financial results and further reported the Company's net loss, its stock compensation expenses, and its other distribution amounts, among other things, as follows, in relevant part:

	<u>Three Months Ended March 31,</u>	
	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Net (loss) income	\$ (204,504,328)	\$ 17,017,928
Adjustments to reconcile net (loss) income to net cash flows from operating activities:		
Bad debt expense	85,502	—
Investment earnings in joint venture	(245,808)	—
Depreciation	93,942	86,829
Gain on sale of property and equipment	(56,543)	—
Amortization of deferred financing costs	120,988	85,782
Stock compensation expense	4,499,156	1,268,222
Amortization of operating lease right-of-use assets	204,138	133,064
Change in fair value of contingent earnout liability	203,418,892	—
Change in fair value of warrant liabilities	2,723,333	—
Change in fair value of equity incentive plan	922,263	—
Net change in operating assets and liabilities:		
Accounts receivable	197,768	(1,392,182)
Related party receivable	1,251,423	—
Inventories	30,062,060	(8,418,953)
Lot purchase agreement deposits	(1,787,241)	(121,691)
Prepaid expenses and other assets	(10,027)	850,943
Deferred tax asset	(2,021,265)	—
Accounts payable	(11,443,196)	2,209,396
Operating lease liabilities	(204,138)	(133,064)
Due to related parties	59,825	—
Other accrued expenses and liabilities	(314,908)	(1,078,591)
<b>Net cash flows provided by operating activities</b>	<b>23,051,836</b>	<b>10,507,683</b>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(59,229)	(19,295)
Proceeds from the sale of property and equipment	66,100	—
Capital contribution in joint venture	—	(49,000)
<b>Net cash flows provided by (used in) investing activities</b>	<b>6,871</b>	<b>(68,295)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from homebuilding debt	40,000,000	20,000,000
Repayments of homebuilding debt	(40,579,214)	(22,226,052)
Proceeds from other affiliate debt	136,773	2,154,624
Repayments on equipment financing	—	(5,877)
Payment of deferred financing costs	(469,585)	—
Distributions and net transfer to shareholders and other affiliates	(17,896,302)	(25,390,972)
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 transaction costs	(12,134,293)	—
<b>Net cash flows provided by (used in) financing activities</b>	<b>75,613,874</b>	<b>(25,468,277)</b>

27. On August 10, 2023, the Company announced its financial results for the period ended June 30, 2023 in a press release. The press release reported the Company closed 385 homes, a decrease of 16% year over year, resulting in \$122.1 million in revenue, a decrease of 14% year over year, and that the Company's backlog value was \$94.2 million as of quarter end, a decrease

of 48% year over year. The press release further provided a statement on the Company's purported financial condition and its ability and efforts to execute on its stated business strategy, as follows, in relevant part:

For the second quarter 2023, ***net income was \$245.4 million, or \$4.27 per diluted share, which included change in fair value of derivative liabilities of \$242.3 million, predominantly due to changes in fair value on potential earn-out consideration due to fluctuation in the stock price during the measurement period.*** The earn-out consideration would be paid in common shares upon reaching certain stock price hurdles. The Company is required to record the non-cash fair value of this earn-out as derivative liabilities on the consolidated balance sheets until UHG shares reach certain predetermined values. Excluding the derivative liability, our adjusted book value<sup>1</sup> was \$91.0 million. Net income for the second quarter 2022 was \$25.9 million, or \$0.69 per diluted share.

\* \* \*

Keith Feldman, Chief Financial Officer commented, ***“Our balance sheet is solid with approximately \$93 million of cash and having recently significantly increased our line of credit to \$240 million, we have ample liquidity to execute on our various growth initiatives which include acquiring other homebuilders that complement our business.”***

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***Homebuilding revenues for the second quarter 2023 were \$122.1 million, compared to \$142.5 million in the second quarter 2022.*** Home closings during the second quarter 2023 were 385 compared to 459 in the year-ago quarter. Average sales price (“ASP”) of 376 production-built homes (which excludes nine general contractor and build for rent homes) closed during the second quarter 2023 was \$313,000, compared to \$300,000 during the second quarter 2022 of 451 production-built homes (which excludes eight general contractor and build for rent homes), representing a 4.3% increase.

28. On August 14, 2023, the Company submitted its quarterly report for the period ended June 30, 2023 on a Form 10-Q filed with the SEC. The quarterly report affirmed the previously reported financial results and further reported the Company's net loss, its stock compensation expenses, and its other distribution amounts, among other things, as follows, in relevant part:

	<b>Six Months Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 40,858,431	\$ 42,919,934
Adjustments to reconcile net (loss) income to net cash flows from operating activities:		
Bad debt expense	83,126	—
Investment earnings in joint venture	(636,482)	—
Depreciation	130,880	175,217
Gain on sale of property and equipment	(56,543)	—
Amortization of deferred financing costs	335,894	202,008
Amortization of discount on convertible notes	419,309	—
Non cash interest income	(13,181)	—
Stock compensation expense	4,909,686	1,321,510
Amortization of operating lease right-of-use assets	408,278	271,287
Change in fair value of contingent earnout liability	(42,499,827)	—
Change in fair value of warrant liabilities	7,308,915	—
Change in fair value of equity incentive plan	(87,579)	—
Deferred tax asset	(1,625,208)	—
Net change in operating assets and liabilities:		
Accounts receivable	(26,726)	(929,446)
Related party receivable	(6,983,684)	—
Inventories	65,644,701	(20,490,459)
Lot purchase agreement deposits	(10,090,631)	(620,436)
Prepaid expenses and other assets	(440,212)	797,072
Accounts payable	(6,826,638)	14,540,918
Operating lease liabilities	(408,278)	(271,287)
Income tax payable	618,233	—
Other accrued expenses and liabilities	(706,215)	672,062
<b>Net cash flows provided by operating activities</b>	<b>50,316,249</b>	<b>38,588,380</b>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(59,229)	(80,703)
Proceeds from the sale of property and equipment	66,100	13,807
Proceeds from promissory note issued in exchange for sale of fixed assets	31,095	—
Capital contribution in joint venture	—	(49,000)
<b>Net cash flows provided by (used in) investing activities</b>	<b>37,966</b>	<b>(115,896)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from homebuilding debt	42,083,334	66,000,000
Repayments of homebuilding debt	(87,874,118)	(62,421,057)
Proceeds from other affiliate debt	136,773	5,590,194
Repayments of other affiliate debt	—	(918,453)
Payment of deferred financing costs	(469,585)	—
Repayments on equipment financing	—	(16,852)
Distributions and net transfer to shareholders and other affiliates	(17,896,302)	(58,701,411)
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	4,198	—
<b>Net cash flows provided by (used in) financing activities</b>	<b>30,148,781</b>	<b>(50,467,579)</b>

29. On November 9, 2023, the Company announced its financial results for the period ended September 30, 2023 in a press release. The press release reported the Company closed 283 homes, a decrease of 17% year over year, resulting in \$87.7 million in revenue, a decrease of 21% year over year, and that the Company's backlog value was \$85.9 million as of quarter end, a decrease of 30% year over year. The press release further provided a statement on the Company's purported financial condition and its ability and efforts to execute on its stated business strategy, as follows, in relevant part:

*For the third quarter 2023, net income was \$150.8 million, or \$2.35 per diluted share, which included change in fair value of derivative liabilities of \$149.7 million, predominantly due to changes in fair value on potential earn-out consideration due to fluctuation in the stock price during the measurement period.* The earnout consideration would be paid in common shares upon reaching certain stock price hurdles. The Company is required to record the non-cash fair value of this earnout as derivative liabilities on the condensed consolidated balance sheets and to record changes in fair value of derivative liabilities on the condensed consolidated statements of operations, in each case until UHG shares reach certain predetermined values or expiration of the five year earnout period. Excluding the derivative liability, our adjusted book value<sup>1</sup> was \$93.3 million. Net income for the third quarter 2022 was \$15.7 million, or \$0.40 per diluted share.

\* \* \*

*Revenues for the third quarter 2023 were \$87.7 million, compared to \$111.0 million in the third quarter 2022.* Home closings during the third quarter 2023 were 283 compared to 343 in the third quarter 2022. Net new home orders during the third quarter 2023 were 272 compared to 175 in the third quarter 2022 and net new home orders were 118 in October 2023. ASP of 268 production-built homes (which excludes 15 general contractor and build-for-rent homes) closed during the third quarter 2023 was approximately \$316,000, compared to \$315,000 during the third quarter 2022 for 336 production-built homes (which excludes seven general contractor and build-for-rent homes), representing a 0.4% increase.

30. On November 14, 2023, the Company submitted its quarterly report for the period ended September 30, 2023 on a Form 10-Q filed with the SEC. The report affirmed the previously reported financial results including the Company's cash flows from operating activities. The report further purported to describe the manner in which the Board of Directors was able to monitor and determine the amount of certain compensation awards. Specifically, the report stated as follows, in relevant part:

	<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 191,701,118	\$ 58,592,891
<b>Adjustments to reconcile net income to net cash flows from operating activities:</b>		
Bad debt expense	87,786	—
Investment (earnings) losses in joint venture	(930,405)	49,000
Depreciation	154,474	264,884
(Gain) loss on sale of property and equipment	(1,892)	6,967
Amortization of deferred financing costs	694,219	283,157
Amortization of discount on convertible notes	860,432	—
Non cash interest income	(26,002)	—
Stock compensation expense	6,015,700	1,372,626
Amortization of operating lease right-of-use assets	627,120	396,628
Change in fair value of contingent earnout liability	(191,222,357)	—
Change in fair value of warrant liabilities	6,667,249	—
Change in fair value of equity incentive plan	(426,544)	—
Deferred tax liability	2,668,586	—
<b>Net change in operating assets and liabilities:</b>		
Accounts receivable	(28,774)	(1,856,760)
Related party receivable	1,359,902	(1,437,235)
Inventories	48,838,741	(46,974,166)
Lot purchase agreement deposits	(17,882,022)	(664,490)
Prepaid expenses and other assets	460,845	(505,383)
Accounts payable	2,456,057	7,086,580
Operating lease liabilities	(623,446)	(396,628)
Income tax receivable	(5,444,286)	—
Other accrued expenses and liabilities	(517,917)	3,446,281
<b>Net cash flows provided by operating activities</b>	<b>45,488,584</b>	<b>19,664,352</b>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(59,229)	(116,420)
Proceeds from the sale of property and equipment	66,100	13,808
Proceeds from promissory note issued for sale of property and equipment	62,190	—
Cash paid for acquisition	(2,166,516)	—
Capital contribution in joint venture	—	(49,000)
<b>Net cash flows used in investing activities</b>	<b>(2,097,455)</b>	<b>(151,612)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from homebuilding debt	42,500,000	129,089,631
Repayments of homebuilding debt	(90,055,992)	(100,495,213)
Proceeds from other affiliate debt	136,773	9,456,206
Repayments of other affiliate debt	—	(918,453)
Payment of deferred financing costs	(3,240,984)	—
Repayments on equipment financing	—	(142,536)
Distributions and net transfer to shareholders and other affiliates	(17,896,302)	(51,027,000)

31. On February 23, 2024, the Company announced the Board of Directors approved the 2024 compensation framework for the Company’s executives, including its named executive officers, which included base salaries, cash bonuses, and equity awards, as follows in relevant part:

*2024 Executive Compensation Framework*

The Committee retained WealthPoint Business Advisory Services, LLC (“WealthPoint”) in its development of the 2024 Executive Compensation Framework, and WealthPoint worked with management at the request and under the direction of the Committee. The 2024 Executive Compensation Framework consists of the following:

- Base salaries for the 2024 fiscal year;

- Cash bonus potential, pursuant to which the Executives will be entitled to bonuses based on quantitative and qualitative metrics; and
- Equity awards, pursuant to which the Executives will be entitled to both time-based and performance-based equity awards.

The Committee’s approval of the 2024 Executive Compensation Framework was based on various factors, including, among others, recommendations made by WealthPoint.

*Base Salaries and Cash Bonuses*

The 2024 base salaries and target bonuses set by the Committee for each of the Company’s named executive officers and Chief Financial Officer are as follows:

Executive Officer	Base Salary	Cash Bonus Potential for Quantitative Targets	Cash Bonus Potential for Qualitative Targets
Michael Nieri, Chairman and Chief Executive Officer	\$1,033,907	\$1,628,406	\$697,887
Shelton Twine, Chief Operating Officer	\$338,635	\$296,306	\$101,591
Keith Feldman, Chief Financial Officer	\$400,000	\$350,000	\$120,000
Pennington Nieri, Co-Executive VP, Construction Services	\$288,634	\$202,044	\$86,590

32. The above statements identified in ¶¶25-31 were materially false and/or misleading, and failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) United Homes was not committed to maximizing value for all of our shareholders; (2) tensions within the Board and with Defendant Nieri specifically were causing operational disruptions, including preventing the Company from executing on its strategic plan; and (3) that, as a result of the foregoing, Defendants’ positive statements about the Company’s business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

33. The truth began to partially emerge on March 14, 2024, before the market opened, when the Company announced fourth quarter and full year 2023 results, revealing deteriorating financial metrics. On that date, United Homes reported for the fiscal year, *revenues declined to \$421.5 million* from \$477 million in 2022; *gross profit percentage fell to 18.9%* compared to 24.9% in 2022; and *adjusted EBITDA was halved, to \$40.5 million*, compared to \$82.8 million in

2022. The Company also announced it closed 1,383 homes in 2023 compared with 1,605 homes in the prior year. Nonetheless, the Company continued to reassure investors its underlying growth thesis and financial health was intact. Further, the Company issued significant cash bonuses, including over \$400,000 to its CEO, Michael Nieri. Specifically, the company issued a press release which stated as follows, in relevant part:

***For the fourth quarter 2023, net loss was \$66.6 million, or \$(1.38) per diluted share, which included change in fair value of derivative liabilities of \$(69.1) million, with that change predominantly due to changes in fair value on potential earn-out consideration due to fluctuation in the stock price during the measurement period, representing a non-cash expense item.*** The earnout consideration would be paid in common shares upon reaching certain stock price hurdles. The Company is required to record the fair value of this earnout as derivative liabilities on the Consolidated Balance Sheets and to record changes in fair value of derivative liabilities on the Consolidated Statements of Operations, in each case until UHG shares reach certain predetermined values or expiration of the five year earnout period. Net income for the fourth quarter 2022 was \$10.9 million, or \$0.28 per diluted share. Adjusted book value<sup>1</sup>, which excludes derivative liabilities and goodwill, was \$90.7 million as of December 31, 2023.

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***For the fiscal year ended December 31, 2023, net income was \$125.1 million, or \$2.35 per diluted share, which included change in fair value of derivative liabilities of \$115.9 million predominantly due to changes in fair value on potential earn-out consideration due to fluctuation in the stock price during the measurement period, representing a non-cash income item.*** Net income for the fiscal year ended December 31, 2022 was \$69.5 million, or \$1.81 per diluted share.

***For the fiscal year ended December 31, 2023, revenues were \$421.5 million, compared to \$477.0 million for fiscal 2022. Home closings for the fiscal year ended December 31, 2023 were 1,383 compared to 1,605 for the fiscal year ended December 31, 2022.*** Net new home orders for the fiscal year ended December 31, 2023 were 1,296 compared to 1,259 for the fiscal year ended December 31, 2022.

***Gross profit percentage for the fiscal year ended December 31, 2023 was 18.9% compared to 24.9% during the same period of fiscal year 2022.*** Adjusted gross profit percentage for the fiscal year ended December 31, 2023 was 21.4%, compared to 26.0% for the fiscal year ended December 31, 2022. This reduction in both gross profit percentage metrics is largely attributable to the Company offering attractive sales incentives to homebuyers as well as selling its remaining inventory that was constructed with higher lumber costs.

**Adjusted EBITDA for the fiscal year ended December 31, 2023 was \$40.5 million compared to \$82.8 million for the fiscal year ended December 31, 2022.**

34. On this news, United Homes' stock price fell \$0.64 per share, or 8.58%, to close at \$6.82 per share on March 14, 2024, on unusually heavy trading volume.

35. On March 15, 2024, the Company submitted its annual report for the fiscal year ended December 31, 2023 on a Form 10-K filed with the SEC. The annual report affirmed the previously reported financial results and further reported the Company's net loss, its stock compensation expenses, and its other distribution amounts. The annual report further purported to describe the manner in which the Board of Directors was able to monitor and determine the amount of certain compensation awards. Specifically, the annual report stated as follows, in relevant part:

	Year Ended December 31,	
	2023	2022
<b>Cash flows from operating activities:</b>		
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
<b>Net cash flows provided by operating activities</b>	<b>28,224,880</b>	<b>34,616,722</b>
<b>Cash flows from investing activities:</b>		
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)
<b>Net cash flows used in investing activities</b>	<b>(24,300,985)</b>	<b>(206,877)</b>
<b>Cash flows from financing activities:</b>		
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)

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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	—
<b>Net cash flows provided by (used in) financing activities</b>	<b>40,508,741</b>	<b>(73,675,897)</b>

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### 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 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 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.*

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In February 2024 the Compensation Committee (the “Committee”) 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 consultant of the Company. The 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 Company. The PSUs will vest upon the 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 for

20 out of the preceding 30 consecutive trading days is greater than or equal to \$18. The stock options will vest ratably over four years, other than the stock options issued to the consultant, the vesting of which is contingent upon the 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 foregoing awards is generally subject to the recipient's continued service to the Company through the vesting date.

36. On May 10, 2024, the Company announced its financial results for the period ended March 31, 2024 in a press release. The press release reported the Company closed 311 homes, a decrease of 5% year over year, resulting in \$100.8 million in revenue, an increase of 6% year over year, and that the Company's backlog value was \$78.7 million as of quarter end, an increase of 37% year over year. The press release further provided a statement on the Company's purported financial condition and its ability and efforts to execute on its stated business strategy, as follows, in relevant part:

*For the first quarter 2024, net income was \$24.9 million, or \$0.44 per diluted share, which included change in fair value of derivative liabilities of \$26.4 million, with that change predominantly due to changes in fair value on potential earn-out consideration* due to fluctuation in the stock price during the measurement period, representing a non-cash expense item. The earnout consideration would be paid in common shares upon reaching certain stock price hurdles. The Company is required to record the fair value of this earnout as derivative liabilities on the Condensed Consolidated Balance Sheets and to record changes in fair value of derivative liabilities on the Condensed Consolidated Statements of Operations, in each case until UHG shares reach certain predetermined values or expiration of the five year earnout period. Net loss for the first quarter 2023 was \$(204.5) million, or \$(5.44) per diluted share. Total Stockholders' equity for the first quarter 2024 was \$(4.7) million. Adjusted book value, which excludes the derivative liability and goodwill, was \$87.2 million.

“United Homes Group made progress on a number of fronts in the first quarter of 2024, as we continued to set the foundation for our long-term expansion plans and established relationships that will allow us to execute on our land-light operating strategy,” said Michael Nieri, Chief Executive Officer of United Homes Group. “We entered into agreements with a number of strategic partners that ***will take much of the risk and capital associated with land development off our hands***, allowing us to focus on the business of building and selling homes.”

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*Revenues for the first quarter 2024 were \$100.8 million, compared to \$94.8 million in the first quarter 2023.* Home closings during the first quarter 2024 were 311 compared to 328 in the first quarter 2023. Net new home orders during the first quarter 2024 were 384 compared to 389 in the first quarter 2023. ASP of 286 production-built homes (which excludes 25 general contractor, custom, and build to rent homes) closed during the first quarter 2024 was approximately \$335,000, compared to \$314,000 during the first quarter 2023 for 294 production-built homes (which excludes 34 general contractor and custom homes), representing a 6.7% increase.

37. On May 10, 2024, the Company submitted its quarterly report for the period ended March 31, 2024 on a Form 10-Q filed with the SEC. The quarterly report affirmed the previously reported financial results and further reported the Company's net loss, its stock compensation expenses, and its other distribution amounts, among other things, as follows, in relevant part:

	Three Months Ended March 31,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 24,938,224	\$ (204,504,328)
Adjustments to reconcile net income to net cash flows from operating activities:		
Credit (benefit) loss	(21,030)	85,502
Investment earnings in joint venture	(318,299)	(245,808)
Depreciation expense	50,565	93,942
Loss (gain) on disposal of property and equipment	20,000	(56,543)
Amortization of intangible assets	86,782	—
Amortization of deferred financing costs	314,082	120,988
Amortization of discount on convertible notes	488,215	—
Amortization of discount on private investor debt	55,719	—
Stock compensation expense	1,509,965	4,499,156
Amortization of operating lease right-of-use assets	414,580	204,138
Change in fair value of contingent earnout liability	(26,439,827)	203,418,892
Change in fair value of warrant liabilities	145,242	2,723,333
Change in fair value of equity incentive plan	(85,125)	922,263
Change in fair value of contingent consideration	(875,000)	—
Deferred tax asset	(1,256,596)	(2,021,265)
Net change in operating assets and liabilities:		
Accounts receivable	897,513	197,768
Related party receivable	10,682	1,251,423
Inventories	4,871,665	30,062,060
Lot purchase agreement deposits	(2,665,270)	(1,787,241)
Prepaid expenses and other assets	(1,042,911)	(10,027)
Accounts payable	(18,835,126)	(11,443,196)
Operating lease liabilities	(264,128)	(204,138)
Income tax payable	93,084	—
Due to related parties	—	59,825
Other accrued expenses and liabilities	9,411	(314,908)
Net cash flows (used in) provided by operating activities	<u>(17,897,583)</u>	<u>23,051,836</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(28,618)	(59,229)
Proceeds from the sale of property and equipment	—	66,100
Payments on business acquisitions	(12,742,895)	—
Proceeds from notes receivable	19,018	—
Net cash flows (used in) provided by investing activities	<u>(12,752,495)</u>	<u>6,871</u>
<b>Cash flows from financing activities:</b>		
Proceeds from homebuilding debt	24,000,000	40,000,000
Repayments of homebuilding debt	(33,739,810)	(40,579,214)
Proceeds from sale of real estate not owned	14,163,538	—
Repayments on private investor loans	(1,335,000)	—
Payment of deferred financing costs	(463,665)	(469,585)

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Proceeds from exercise of employee stock options	3,671	—
Proceeds from other affiliate debt	—	136,773
Distributions and net transfer to shareholders and other affiliates	—	(17,896,302)
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 transaction costs	—	(12,134,293)
<b>Net cash flows provided by financing activities</b>	<b>2,628,754</b>	<b>75,613,874</b>

38. On August 8, 2024, the Company announced its financial results for the period ended June 30, 2024 in a press release. The press release reported the Company closed 337 homes, a decrease of 12% year over year, resulting in \$109.4 million in revenue, a decrease of 10% year over year, and that the Company’s backlog value was \$81.2 million as of quarter end, a decrease of 5% year over year. The press release further provided a statement on the Company’s purported financial condition and its ability and efforts to execute on its stated business strategy, as follows, in relevant part:

*For the second quarter 2024, net income was \$28.6 million, or \$0.50 per diluted share, which included change in fair value of derivative liabilities of \$32.1 million, with that change predominantly due to changes in fair value on potential earn-out consideration due to fluctuation in the stock price during the measurement period, representing a non-cash expense item. The earnout consideration would be paid in common shares upon reaching certain stock price hurdles. The Company is required to record the fair value of this earnout as derivative liabilities on the Condensed Consolidated Balance Sheets and to record changes in fair value of derivative liabilities on the Condensed Consolidated Statements of Operations, in each case until UHG shares reach certain predetermined values or expiration of the five year earnout period. Net income for the second quarter 2023 was \$245.4 million, or \$4.27 per diluted share. Total Stockholders’ equity for the second quarter 2024 was \$25.7 million. Adjusted book value<sup>1</sup>, which excludes the derivative liability and goodwill, was \$85.6 million.*

*“United Homes Group continued to execute on its long-term goals in the second quarter of acquiring lots in a capital efficient manner and building out its homebuilding platform in high-growth Southeastern markets, while selling and delivering homes that cater to the more affordable segments of the market,” said Michael Nieri, Chief Executive Officer of United Homes Group. “We delivered 337 homes in the second quarter of 2024, generating revenue of \$109 million, and ended the quarter with roughly 9,300 lots owned and controlled. With over 95% of these lots controlled via option agreement or land banking arrangement, we feel we are in a **great position** to capitalize on our land-light operating model.”*

*Revenue, net of sales discounts, for the second quarter 2024 was \$109.4 million, compared to \$122.1 million in the second quarter 2023. Home closings during the*

second quarter 2024 were 337 compared to 385 in the second quarter 2023. Net new home orders during the second quarter 2024 were 323 compared to 341 in the second quarter 2023. ASP of 299 production-built homes (which excludes 38 general contractor, custom, and build-to-rent homes) closed during the second quarter 2024 was approximately \$341,000, compared to \$313,000 during the second quarter 2023 for 376 production-built homes (which excludes nine general contractor and custom homes), representing an 8.9% increase. The increase is primarily attributable to changes in product mix as a result of acquisitions.

39. On August 9, 2024, the Company submitted its quarterly report for the period ended June 30, 2024 on a Form 10-Q filed with the SEC. The report affirmed the previously reported financial results, including the Company's cash flows from operating activities. The report further purported to describe the manner in which the Board of Directors was able to monitor and determine the amount of certain compensation awards. Specifically, the report stated as follows, in relevant part:

	Six Months Ended June 30,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Net income	\$ 53,578,257	\$ 40,858,431
Adjustments to reconcile net income to net cash flows from operating activities:		
Credit loss	38,785	83,126
Investment earnings in joint venture	(656,671)	(636,482)
Depreciation expense	100,957	130,880
Loss (gain) on disposal of property and equipment	20,000	(56,543)
Loss on extinguishment of debt	103,754	—
Gain on lease modification	(197,427)	—
Amortization of intangible assets	187,327	—
Amortization of deferred financing costs	660,505	335,894
Amortization of discount on convertible notes	1,001,829	419,309
Amortization of discount on private investor debt	59,638	—
Non-cash interest income	—	(13,181)
Stock compensation expense	3,350,092	4,909,686
Amortization of operating lease right-of-use assets	770,703	408,278
Change in fair value of contingent earnout liability	(54,008,183)	(42,499,827)
Change in fair value of warrant liabilities	(4,262,340)	7,308,915
Change in fair value of equity incentive plan	(164,751)	(87,579)
Change in fair value of contingent consideration	(851,000)	—
Deferred tax asset	(889,470)	(1,625,208)
Net change in operating assets and liabilities:		
Accounts receivable	742,666	(26,726)
Related party receivable	88,000	(6,983,684)
Inventories	8,005,068	65,644,701
Lot deposits	(6,320,331)	(10,090,631)
Prepaid expenses and other assets	(889,791)	(440,212)
Accounts payable	(15,749,044)	(6,826,638)
Operating lease liabilities	(524,297)	(408,278)
Income tax receivable/ payable	(4,230,552)	618,233
Due to related parties	75,048	—
Other accrued expenses and liabilities	818,312	(706,215)
<b>Net cash flows (used in) provided by operating activities</b>	<b>(19,142,916)</b>	<b>50,316,249</b>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(28,619)	(59,229)
Proceeds from the sale of property and equipment	—	66,100
Proceeds from promissory note issued for sale of property and equipment	—	31,095
Payments on business acquisitions	(12,742,895)	—
Proceeds from related party notes receivable	38,419	—
<b>Net cash flows (used in) provided by investing activities</b>	<b>(12,733,095)</b>	<b>37,966</b>
<b>Cash flows from financing activities:</b>		
Proceeds from homebuilding debt	39,000,000	42,083,334
Repayments of homebuilding debt	(47,428,535)	(87,874,118)

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Proceeds from sale of real estate not owned	18,049,656	—
Repayments of liabilities from real estate not owned	(4,923,129)	—
Repayments on private investor loans	(4,012,000)	—
Payment of deferred financing costs	(576,682)	(469,585)
Proceeds from exercise of employee stock options	11,012	4,198
Proceeds from other affiliate debt	—	136,773
Distributions and net transfer to shareholders and other affiliates	—	(17,896,302)
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)
Net cash flows provided by financing activities	120,322	30,148,781

40. The above statements identified in ¶¶33, 35-29 were materially false and/or misleading, and failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) United Homes was not committed to maximizing value for all of our shareholders; (2) tensions within the Board and with Defendant Nieri specifically were causing operational disruptions, including preventing the Company from executing on its strategic plan; and (3) that, as a result of the foregoing, Defendants’ positive statements about the Company’s business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

41. The truth continued to partially emerge on September 25, 2024, before the market opened, when United Homes announced that the Company’s founder and CEO, Nieri, would transition from CEO to Executive Chairman, describing the move as part of a leadership succession plan. Nieri purported to assure investors the Company had an “excellent management team that is focused on growing the business and executing on our objectives as a public company.” Nieri stated the Company’s “tremendous growth and transformation, including becoming a publicly traded company and listing on Nasdaq in 2023, necessitates these changes and this division of responsibilities.” Specifically, on that date, the Company issued a press release which stated as follows, in relevant part:

COLUMBIA, S.C.--(BUSINESS WIRE)-- United Homes Group, Inc. (the “Company”) (NASDAQ: UHG), today announced that on October 1, 2024, Michael Nieri, the Company’s founder, Chairman, and Chief Executive Officer, will transition to Executive Chairman of the Company. As Executive Chairman, Mr. Nieri will shift his leadership time and energies to focus primarily on the

Company's strategic future. Concurrently with the effectiveness of Mr. Nieri's transition to Executive Chairman, Jamie Pirrello, currently a member of the Company's board of directors and a consultant to the Company, was named interim Chief Executive Officer of the Company. The Company's board of directors intends to undertake a search to identify the Company's next permanent CEO and will consider internal and external candidates.

During his tenure with the Company to date, Mr. Nieri has overseen the tremendous growth and transformation of the Company from the founding of Great Southern Homes in 2004 through its transition to becoming a public company in 2023. Mr. Nieri also helmed the Company through its completion of three homebuilder acquisitions since becoming a public company, and the Company's recent designation as 2024's Builder of the Year by Builder Magazine.

Mr. Nieri stated, "I am incredibly proud of what this company has accomplished. *We have assembled an excellent management team that is focused on growing the business and executing on our objectives as a public company. Our tremendous growth and transformation, including becoming a publicly traded company and listing on Nasdaq in 2023, necessitates these changes and this division of responsibilities.* I'm excited about this transition to the next phase of leadership of the company and partnering with Jamie to further the company's growth trajectory. As Executive Chairman, I will stay engaged with the company's strategic initiatives but also explore other things that are important to me, including philanthropic activities and spending more time with my family and my grandchildren."

42. On this news, United Homes' stock price fell \$0.53 per share, or 8.69%, to close at \$5.57 per share on September 25, 2024, on unusually heavy trading volume.

43. On November 8, 2024, the Company announced its financial results for the period ended September 30, 2024 in a press release. The press release reported the Company closed 369 homes, an increase of 30% year over year, resulting in \$118.6 million in revenue, an increase of 35% year over year, and that the Company's backlog value was \$79.9 million as of quarter end, an increase of 39% year over year. The press release further provided a statement on the Company's purported financial condition and its ability and efforts to execute on its stated business strategy, as follows, in relevant part:

***For the third quarter 2024, net loss was \$7.3 million, or \$0.15 per diluted share, which included change in fair value of derivative liabilities of \$7.8 million, with that change predominantly due to changes in fair value on potential earn-out***

**consideration** due to fluctuation in the stock price during the measurement period, representing a non-cash item. The earnout consideration would be paid in common shares upon reaching certain stock price hurdles. The Company is required to record the fair value of this earnout as derivative liabilities on the Condensed Consolidated Balance Sheets and to record changes in fair value of derivative liabilities on the Condensed Consolidated Statements of Operations, in each case until UHG shares reach certain predetermined values or expiration of the five year earnout period. Net income for the third quarter 2023 was \$150.8 million, or \$2.35 per diluted share, which included change in fair value of derivative liabilities of \$149.7 million. Total Stockholders' equity for the third quarter 2024 was \$19.8 million. Adjusted book value<sup>1</sup>, which excludes the derivative liability and goodwill, was \$87.7 million.

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**Revenue, net of sales discounts, for the third quarter 2024 was \$118.6 million, compared to \$87.7 million in the third quarter 2023.** Home closings during the third quarter 2024 were 369 compared to 283 in the third quarter 2023. Net new home orders during the third quarter 2024 were 341 compared to 272 in the third quarter 2023. ASP of 369 production-built homes (which does not include general contractor, custom, and build-to-rent homes) closed during the third quarter 2024 was approximately \$320,000, compared to \$316,000 during the third quarter 2023 for 268 production-built homes (which does not include 15 general contractor, custom, and build-to-rent homes), representing a 1.4% increase.

44. On November 12, 2024, the Company submitted its quarterly report for the period ended September 30, 2024 on a Form 10-Q filed with the SEC. The quarterly report affirmed the previously reported financial results and further reported the Company's net loss, its stock compensation expenses, and its other distribution amounts, among other things, as follows, in relevant part:

	<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 46,239,022	\$ 191,701,118
Adjustments to reconcile net income to net cash flows from operating activities:		
Credit loss	46,360	87,786
Investment earnings in joint venture	(1,075,983)	(930,405)
Depreciation expense	150,340	154,474
Loss (gain) on disposal of property and equipment	20,000	(1,892)
Loss on extinguishment of debt	103,754	—
Gain on lease modification	(197,427)	—
Amortization of intangible assets	288,957	—
Amortization of deferred financing costs	1,062,455	694,219
Amortization of discount on Convertible Notes	1,542,163	860,432
Amortization of discount on private investor debt	59,638	—
Non-cash interest income	—	(26,002)
Stock compensation expense	4,918,036	6,015,700
Amortization of operating lease right-of-use assets	1,008,706	627,120
Provision for deferred income taxes	(3,154,447)	2,668,586
Change in fair value of contingent earnout liability	(50,864,422)	(191,222,357)
Change in fair value of warrant liabilities	344,821	6,667,249
Change in fair value of equity incentive plan	(130,707)	(426,344)
Change in fair value of contingent consideration	(828,000)	—
Net change in operating assets and liabilities:		
Accounts receivable	(1,298,373)	(28,774)
Related party receivable	88,000	1,359,902
Inventories	17,816,019	48,838,741
Lot deposits	(9,677,320)	(17,882,022)
Prepaid expenses and other assets	(239,245)	460,845
Accounts payable	(18,132,403)	2,456,057
Operating lease liabilities	(774,266)	(623,446)
Income tax receivable/ payable	(3,549,960)	(5,444,286)
Due to related parties	167,349	—
Other accrued expenses and liabilities	4,106,613	(517,917)
<b>Net cash flows (used in) provided by operating activities</b>	<b>(11,960,320)</b>	<b>45,488,584</b>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(31,750)	(59,229)
Proceeds from the sale of property and equipment	—	66,100
Proceeds from promissory note issued for sale of property and equipment	—	62,190
Payments on business acquisitions	(12,742,895)	(2,166,516)
Proceeds from related party note receivable	58,210	—
<b>Net cash flows used in investing activities</b>	<b>(12,716,435)</b>	<b>(2,097,455)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from homebuilding debt	57,000,000	42,500,000
Repayments of homebuilding debt	(65,956,663)	(90,055,992)
	*	*
Proceeds from sale of real estate inventory not owned	18,049,656	—
Repayments of liabilities from real estate inventory not owned	(9,275,936)	—
Repayments on private investor loans	(4,012,000)	—
Payment of deferred financing costs	(2,044,553)	(3,240,984)
Proceeds from exercise of employee stock options	62,936	5,765
Proceeds from other affiliate debt	—	136,773
Distributions and net transfer to shareholders and Other Affiliates	—	(17,896,302)
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)
<b>Net cash flows (used in) provided by financing activities</b>	<b>(6,176,560)</b>	<b>25,613,741</b>
Net change in cash and cash equivalents	(30,853,315)	69,004,870
Cash and cash equivalents, beginning of year	56,671,471	12,238,835
<b>Cash and cash equivalents, end of year</b>	<b>\$ 25,818,156</b>	<b>\$ 81,243,705</b>

45. On January 22, 2025, the Company announced the Board of Directors approved the 2025 compensation framework for the Company’s executives, including its named executive officers, which included base salaries, cash bonuses, and equity awards, as follows in relevant part:

*2025 Executive Compensation Framework*

The Committee retained WealthPoint Business Advisory Services, LLC (“WealthPoint”) in its development of the 2025 Executive Compensation Framework, and WealthPoint worked with management at the request and under the direction of the Committee. The 2025 Executive Compensation Framework consists of the following:

- Base salaries for the 2025 fiscal year;
- Cash bonus potential, pursuant to which the Executives will be entitled to bonuses based on achievement of certain performance metrics; and
- Equity awards, pursuant to which the Executives will be entitled to both time-based and performance-based equity awards.

The Committee’s approval of the 2025 Executive Compensation Framework was based on various factors, including, among others, recommendations made by WealthPoint.

*Base Salaries and Cash Bonuses*

The 2025 base salaries and target bonuses set by the Committee for each of the Company’s named executive officers and Chief Financial Officer are as follows:

<b>Executive Officer</b>	<b>Base Salary</b>	<b>Cash Bonus Potential</b>
Michael Nietz, Executive Chairman	\$ 608,000	\$ —
Jack Mitenko, President	\$ 650,000	\$ 812,500
Tom O’Grady, Chief Administrative Officer	\$ 325,000	\$ 406,250
Keith Feldman, Chief Financial Officer	\$ 400,000	\$ 500,000

46. On March 12, 2025, the Company announced its financial results for the fourth quarter and fiscal year ended December 31, 2024 in a press release. The press release reported, for the quarter, the Company closed 414 homes, an increase of 7% year over year, resulting in \$134.8 million in revenue, an increase of 15% year over year, and that the Company’s backlog value was \$58.3 million as of quarter end, an increase of 1% year over year. Additionally, the press release reported, for the full fiscal year, the Company closed 1,431 homes, an increase of 3% year over

year, resulting in \$463.7 million in revenue, an increase of 10% year over year. The press release further provided a statement on the Company's purported financial condition and its ability and efforts to execute on its stated business strategy, as follows, in relevant part:

***For the fourth quarter 2024, net income was \$0.7 million, or \$0.01 per diluted share, which included a predominantly non-cash loss on extinguishment of Convertible Notes of \$45.6 million, and change in fair value of derivative liabilities of \$38.0 million, with that change primarily due to changes in fair value on potential earn-out consideration*** due to fluctuation in the stock price during the measurement period, representing a non-cash expense item. The earnout consideration would be paid in common shares upon reaching certain stock price hurdles. The Company is required to record the fair value of this earnout as derivative liabilities on the Consolidated Balance Sheets and to record changes in fair value of derivative liabilities on the Consolidated Statements of Operations, in each case until UHG shares reach certain predetermined values or expiration of the five year earnout period. Net loss for the fourth quarter 2023 was \$66.6 million, or \$1.38 per diluted share. Adjusted book value<sup>1</sup>, which excludes derivative liabilities and goodwill, was \$96.7 million as of December 31, 2024.

\* \* \*

[“]We launched a series of initiatives in October 2024 all focused on increasing revenue or lowering costs to improve profitability. ***We continue to make progress on these initiatives***, and we expect to start to see the impacts of these efforts reflected in our results for the second quarter and throughout 2025.”

***Revenue, net of sales discounts, for the fourth quarter 2024 was \$134.8 million, compared to \$116.8 million in the fourth quarter 2023.*** Home closings during the fourth quarter 2024 were 414 compared to 387 in the fourth quarter 2023. Net new orders during the fourth quarter 2024 were 351 compared to 294 in the fourth quarter 2023. ASP of 413 production-built homes (which excludes one percentage of completion home) closed during the fourth quarter 2024 was approximately \$324,000, compared to \$320,000 during the fourth quarter 2023 for 338 production-built homes (which excludes 13 percentage of completion homes and 36 build to rent homes), representing a 1.3% increase.

47. On March 14, 2025, the Company submitted its annual report for the fiscal year ended December 31, 2024 on a Form 10-K filed with the SEC. The annual report affirmed the previously reported financial results and further reported the Company's net loss, its stock compensation expenses, and its other distribution amounts, among other things. The report further purported to describe the manner in which the Board of Directors was able to monitor and

determine the amount of certain compensation awards. Specifically, the report stated as follows, in relevant part:

	Year Ended December 31,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Net income	\$ 46,905,740	\$ 125,060,284
Adjustments to reconcile net income to net cash flows from operating activities:		
Credit loss	49,103	192,248
Investment earnings in joint venture	(1,528,984)	(1,244,091)
Depreciation expense	194,182	199,413
Loss on sale of property and equipment	62,193	329,533
Loss on extinguishment of debt	103,754	—
Loss on extinguishment of Convertible Notes	45,642,497	—
Gain on lease modification	(197,427)	—
Amortization of intangible assets	390,586	36,690
Amortization of debt issuance costs	1,461,494	981,675
Amortization of discount on Convertible Notes	1,986,290	1,324,504
Amortization of discount on private investor debt	59,638	47,608
Non-cash interest income	—	(38,455)
Stock-based compensation expense	6,475,649	7,019,183
Amortization of operating lease right-of-use assets	1,238,609	1,097,281
Provision for deferred income taxes	(12,843,077)	(2,617,918)
Change in fair value of contingent earnout liability	(87,353,533)	(126,644,642)
Change in fair value of warrant liabilities	(960,091)	10,988,922
Change in fair value of equity incentive plan	(339,356)	(248,926)
Change in fair value of contingent consideration	(663,000)	181,000
Distribution from joint venture	2,205,000	—
Net change in operating assets and liabilities:		
Accounts receivable	(2,509,861)	153,819
Related party receivable, net	(99,688)	1,349,235
Inventories	45,572,678	22,247,292
Lot deposits	(12,081,297)	(25,380,030)
Prepaid expenses and other assets	17,630	(143,791)
Accounts payable	(21,153,737)	11,674,490
Operating lease liabilities	(1,016,135)	(943,153)
Income tax receivable/ payable	(3,144,915)	426,933
Other accrued expenses and liabilities	6,969,700	2,175,776
<b>Net cash flows provided by operating activities</b>	<b>15,443,642</b>	<b>28,224,880</b>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(31,750)	(162,328)
Proceeds from the sale of property and equipment	110,000	66,100
Proceeds from promissory note issued for sale of property and equipment	—	93,286
Proceeds from related party note receivable	78,400	—
Payments on business acquisitions, net of cash acquired	(12,742,895)	(24,298,043)
<b>Net cash flows used in investing activities</b>	<b>(12,586,245)</b>	<b>(24,300,985)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from homebuilding debt	73,000,000	72,500,000
Repayments of homebuilding debt	(103,956,663)	(105,055,992)
Proceeds from sale of real estate inventory not owned	18,048,898	—
Repayments of liabilities from real estate inventory not owned	(11,348,784)	—
Repayments on private investor loans	(4,012,000)	(105,000)
Payment of debt issuance costs	(2,811,948)	(3,240,984)
Proceeds from exercise of employee stock options	74,471	5,765
Repayment of the Convertible Notes payable	(70,822,938)	—
*	*	*
Proceeds from the Term Loan	67,900,000	—
Taxes related to net share settlement of performance stock units	(22,633)	—
Taxes related to net share settlement of restricted stock units	(28,202)	—
Proceeds from other affiliate debt	—	136,773
Distributions and net transfer to shareholders and Other Affiliates	—	(17,896,302)
Proceeds from Convertible Notes, 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)
<b>Net cash flows (used in) provided by financing activities</b>	<b>(33,979,799)</b>	<b>40,508,741</b>
Net change in cash, cash equivalents, and restricted cash	(31,122,402)	44,432,636
Cash, cash equivalents, and restricted cash, beginning of year	56,671,471	12,238,835
<b>Cash, cash equivalents, and restricted cash, end of year</b>	<b>\$ 25,549,069</b>	<b>\$ 56,671,471</b>

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### Equity Incentive Plans

Prior to the Business Combination, the Board of Directors of GSH approved and adopted the Great Southern Homes Inc. 2022 Equity Incentive Plan (the “2022 Plan”), under which GSH employees were granted equity-based awards. Effective as of March 30, 2023, in connection with the Business Combination, the Company’s Board of Directors adopted the United Homes Group, Inc. 2023 Equity Incentive Plan (the “2023 Plan”). The 2023 Plan defines 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, and 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, 2024, 7,591,326 common shares are authorized to be issued under the 2023 Plan.

48. On May 14, 2025, the Company announced its financial results for the period ended March 31, 2025 in a press release. The press release reported the Company closed 252 homes, a decrease of 19% year over year, resulting in \$87.0 million in revenue, a decrease of 14% year over year, and that the Company’s backlog value was \$75.3 million as of quarter end, a decrease of 10% year over year. The press release further provided a statement on the Company’s purported financial condition and its ability and efforts to execute on its stated business strategy, as follows, in relevant part:

***For the first quarter 2025, net income was \$18.2 million, or \$0.31 per diluted share, which included income from the change in fair value of derivative liabilities of \$21.2 million, with that change predominantly due to changes in fair value on potential earn-out consideration*** due to fluctuation in the stock price during the measurement period, representing a non-cash item. The earnout consideration would be paid in common shares upon reaching certain stock price hurdles. The Company is required to record the fair value of this earnout as derivative liabilities on the Condensed Consolidated Balance Sheets and to record changes in fair value of derivative liabilities on the Condensed Consolidated Statements of Operations, in each case until UHG shares reach certain predetermined values or expiration of the five year earnout period. Net income for the first quarter 2024 was \$24.9 million, or \$0.44 per diluted share, which included income from the change in fair value of derivative liabilities of \$26.4 million. Total

Stockholders' equity for the first quarter 2025 was \$87.1 million. Adjusted book value<sup>1</sup>, which excludes the derivative liability and goodwill, was \$95.7 million.

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Pirrello continued, "We continued to make progress moving completed homes of an older design with low gross margins. Sequentially we saw meaningful improvement in sales and gross margins during the quarter. Our new home designs continue to achieve significantly higher gross margins. Our strategy of moving away from building all-spec inventory, and now offering pre-sales, is also achieving higher gross margins than our traditional spec sales. ***Additionally, our direct cost reduction initiative is delivering meaningful results. We expect to generate a vast majority of these savings in the second half of the year as they run through cost of sales.***"

***Revenue, net of sales discounts, for the first quarter 2025 was \$87.0 million, compared to \$100.8 million in the first quarter 2024.*** Home closings during the first quarter 2025 were 252 compared to 311 in the first quarter 2024. Net new home orders during the first quarter 2025 were 296 compared to 384 in the first quarter 2024. ASP of 251 production-built homes (which excludes one percentage of completion home) closed during the first quarter 2025 was approximately \$345,000, compared to \$335,000 during the first quarter 2024 for 286 production-built homes (which excludes one percentage of completion home and 24 build to rent homes), representing a 2.9% increase.

49. On May 14, 2025, the Company submitted its quarterly report for the period ended March 31, 2025 on a Form 10-Q filed with the SEC. The quarterly report affirmed the previously reported financial results and further reported the Company's net loss, its stock compensation expenses, and its other distribution amounts, among other things, as follows, in relevant part:

	Three Months Ended March 31,	
	2025	2024
<b>Cash flows from operating activities:</b>		
Net income	\$ 18,180	\$ 24,938
Adjustments to reconcile net income to net cash flows from operating activities:		
Credit loss	(6)	(21)
Investment earnings in joint venture	(222)	(318)
Depreciation expense	40	51
Loss on disposal of property and equipment	5	20
Amortization of intangible assets	101	87
Amortization of deferred financing costs	380	314
Amortization of discount on Convertible Notes	—	488
Amortization of discount on private investor debt	—	56
Amortization of discount on term loan	80	—
Stock-based compensation expense	1,957	1,510
Amortization of operating lease right-of-use assets	306	415
Provision for deferred income taxes	809	(1,257)
Change in fair value of contingent earnout liability	(17,976)	(26,440)
Change in fair value of warrant liabilities	(3,143)	145
Change in fair value of equity incentive plan	(90)	(85)
Change in fair value of contingent consideration	14	(875)
Net change in operating assets and liabilities:		
Accounts receivable	(2,944)	898
Due from related party	(5)	11
Inventories	3,192	4,872
Lot deposits	1,273	(2,665)
Prepaid expenses and other assets	820	(1,043)
Accounts payable	1,870	(18,836)
Operating lease liabilities	(318)	(264)
Income tax receivable/ payable	(2,100)	93
Due to related parties	393	—
Other accrued expenses and liabilities	(1,395)	8
<b>Net cash flows provided by (used in) operating activities</b>	<b>1,221</b>	<b>(17,898)</b>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(8)	(29)
Proceeds from the sale of property and equipment	51	—
Payments on business acquisition	—	(12,743)
Proceeds from note receivable	20	20
<b>Net cash flows provided by (used in) investing activities</b>	<b>63</b>	<b>(12,752)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from syndicated line of credit	25,000	24,000
Repayments of syndicated line of credit	(22,000)	(33,740)
Proceeds from sale of real estate inventory not owned	—	14,164
Repayments of liabilities from real estate inventory not owned	(1,897)	—
Repayments on private investor loans	—	(1,335)
	*	*
	*	*
Payment of deferred financing costs	—	(464)
Proceeds from exercise of employee stock options	—	4
<b>Net cash flows provided by financing activities</b>	<b>1,103</b>	<b>2,629</b>

50. On May 19, 2025, the Company issued a press release announcing “that its Board of Directors has appointed *a special committee* [(the “Special Committee”)] *comprised solely of independent directors and initiated a review of strategic alternatives in order to explore ways to maximize shareholder value*. The review will include a range of potential strategic alternatives, including a sale of the Company, a sale of assets, and a refinancing of existing indebtedness, among others.”

51. On August 7, 2025, the Company announced its financial results for the period ended June 30, 2025 in a press release. The press release reported the Company closed 303 homes, a decrease of 10% year over year, resulting in \$105.5 million in revenue, a decrease of 4% year

over year, and that the Company's backlog value was \$74.9 million as of quarter end, a decrease of 13% year over year. The press release further provided a statement on the Company's purported financial condition and its ability and efforts to execute on its stated business strategy, as follows, in relevant part:

***For the second quarter 2025, net loss was \$6.3 million, or \$0.11 per diluted share, which included a loss from the change in fair value of derivative liabilities of \$6.2 million, with that change predominantly due to changes in fair value on potential earn-out consideration*** due to fluctuation in the stock price during the measurement period, representing a non-cash item. The earnout consideration would be paid in common shares upon reaching certain stock price hurdles. The Company is required to record the fair value of this earnout as derivative liabilities on the Condensed Consolidated Balance Sheets and to record changes in fair value of derivative liabilities on the Condensed Consolidated Statements of Operations, in each case until UHG shares reach certain predetermined values or expiration of the five year earnout period. Net income for the second quarter 2024 was \$28.6 million, or \$0.50 per diluted share, which included income from the change in fair value of derivative liabilities of \$32.1 million. Total Stockholders' equity for the second quarter 2025 was \$82.2 million. Adjusted book value<sup>1</sup>, which excludes the derivative liability and goodwill, was \$96.9 million.

"United Homes Group made progress on a number of fronts in the second quarter of 2025," said Jack Micenko, Chief Executive Officer and President of United Homes Group. "We continued to reap the benefits of the refreshed product initiative we implemented last year. ***We also made further strides in our efforts to improve our direct cost efficiency through the systematic rebidding of the materials and labor that go into our homes. We expect these initiatives, as well as several new communities set to be opened, to have a more significant impact on our results as we head into the second half of the year.***"

***Revenue, net of sales discounts, for the second quarter 2025 was \$105.5 million, compared to \$109.4 million in the second quarter 2024.*** Home closings during the second quarter 2025 were 303 compared to 337 in the second quarter 2024. Net new home orders during the second quarter 2025 were 304 compared to 323 in the second quarter 2024. ASP of 302 production-built homes (which excludes one percentage of completion home) closed during the second quarter 2025 was approximately \$349,000, compared to approximately \$341,000 during the second quarter 2024 for 299 production-built homes (which excludes two percentage of completion homes and 36 build to rent homes), representing a 2.5% increase.

52. On August 8, 2025, the Company submitted its quarterly report for the period ended June 30, 2025 on a Form 10-Q filed with the SEC. The quarterly report affirmed the previously reported financial results and further reported the Company's net loss, its stock compensation expenses, and its other distribution amounts, among other things, as follows, in relevant part:

	Six Months Ended June 30,	
	2025	2024
<b>Cash flows from operating activities:</b>		
Net income	\$ 11,839	\$ 53,578
Adjustments to reconcile net income to net cash flows from operating activities:		
Credit loss	64	39
Investment earnings in joint venture	(497)	(657)
Depreciation expense	102	101
Loss on disposal of property and equipment	43	20
Loss on extinguishment of debt	—	104
Gain on lease modification	—	(197)
Amortization of intangible assets	203	187
Amortization of deferred financing costs	756	661
Amortization of discount on Convertible Notes	—	1,001
Amortization of discount on private investor debt	—	60
Amortization of discount on term loan	164	—
Stock-based compensation expense	3,368	3,350
Amortization of operating lease right-of-use assets	613	771
Provision for deferred income taxes	(163)	(889)
Change in fair value of contingent earnout liability	(13,918)	(54,008)
Change in fair value of warrant liabilities	(1,044)	(4,262)
Change in fair value of equity incentive plan	(76)	(165)
Change in fair value of contingent consideration	46	(851)
Net change in operating assets and liabilities:		
Accounts receivable	(2,107)	743
Due from related party	(1)	88
Inventories	(131)	8,005
Lot deposits	3,215	(6,320)
Prepaid expenses and other assets	(1,979)	(890)
Accounts payable	4,456	(15,749)
Operating lease liabilities	(637)	(524)
Income tax receivable, payable	(2,831)	(4,231)
Due to related parties	(113)	75
Other accrued expenses and liabilities	1,408	817
<b>Net cash flows provided by (used in) operating activities</b>	<b>2,780</b>	<b>(19,143)</b>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(269)	(29)
Proceeds from the sale of property and equipment	51	—
Payments on business acquisition	—	(12,743)
Proceeds from related party note receivable	42	39
<b>Net cash flows used in investing activities</b>	<b>(176)</b>	<b>(12,733)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from syndicated line of credit	41,000	39,000
Repayments of syndicated line of credit	(27,000)	(47,429)
Proceeds from sale of real estate inventory not owned	—	18,050
*	*	*
Repayments of liabilities from real estate inventory not owned	(4,042)	(4,923)
Repayments on private investor loans	—	(4,012)
Payment of deferred financing costs	—	(577)
Taxes related to net share settlement of restricted stock units	(21)	—
Proceeds from exercise of employee stock options	—	11
<b>Net cash flows provided by financing activities</b>	<b>9,937</b>	<b>120</b>

53. The above statements identified in ¶¶41, 43-52 were materially false and/or misleading, and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) United Homes was not committed to maximizing value for all of our shareholders; (2) tensions within the Board and with Defendant Nieri specifically were causing operational disruptions, including preventing the Company from executing on its strategic plan; and (3) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

#### **Disclosures at the End of the Class Period**

54. On October 20, 2025, before the market opened, the Company filed a Form 8-K with the SEC announcing the outcome of the Special Committee review (the "Board Announcement"). The Board Announcement revealed the Special Committee, in conjunction with its legal and financial advisors, "***unanimously determined***" that "***continuing to execute on the Company's strategic plan as an independent, public company is in the best interests of the Company and its stockholders*** at this time." However, the Company also disclosed that its entire board, except for Nieri, had threatened to resign unless "***the Company's existing management team was fully empowered to execute on the Company's strategic plan***" and "***Mr. Nieri stepped down from his position as Executive Chairman of the Company and agreed to forego any remaining cash compensation*** to which he would be entitled under his existing employment agreement, in furtherance of Company cost-saving initiatives." The Company reported Nieri did not agree, and thus, six of the Company's seven board members resigned and only Nieri remained on the board. Specifically, the Board Announcement stated as follows, in relevant part:

United Homes Group, Inc. (the "Company"), today announced that the special committee of independent directors (the "Special Committee") previously appointed by the Board of Directors (the "Board") in May has, in conjunction with

its legal and financial advisors, concluded its review of strategic alternatives. After evaluating a full range of strategic alternatives, including a potential sale, merger or other transaction, the Special Committee has unanimously determined that, in light of current macroeconomic conditions, continuing to execute on the Company's strategic plan as an independent, public company is in the best interests of the Company and its stockholders at this time.

***In connection with the conclusion of the strategic review process, four members of the Board, Robert Dozier Jr., Jason Enoch, Alan Levine and James M. Pirrello, informed Michael Nieri, the controlling stockholder and Executive Chairman of the Company, that they were willing to remain on the Board so long as (i) the Company's existing management team was fully empowered to execute on the Company's strategic plan and (ii) Mr. Nieri stepped down from his position as Executive Chairman of the Company and agreed to forego any remaining compensation to which he would be entitled under his existing employment agreement, in furtherance of Company cost-saving initiatives. Mr. Nieri would not agree to the foregoing conditions.*** Accordingly, on October 19, 2025, certain members of the Board announced their intention to resign from the Board, effective no later than November 14, 2025, in the hope of facilitating an orderly transition by allowing the Company to timely file its upcoming quarterly report on Form 10-Q and enabling Mr. Nieri to identify new directors, as described further in Item 5.02 below.

55. On this news, United Homes' stock price fell \$2.23 per share, or 52.46%, to close at \$2.03 per share on October 20, 2025, on unusually heavy trading volume.

56. Finally, on February 23, 2026, before the market opened, United Homes announced that it had agreed to become a wholly owned subsidiary of Stanley Martin Homes, LLC in an all-cash transaction that represents an enterprise value of approximately \$221 million, cashing out all stockholders for consideration of \$1.18 per share. On the last trading day preceding the announcement, United Homes' stock closed at a price of \$2.38. The deal price thus represents an over 50% discount on the preceding trading price. The transaction is expected to close in the second quarter of 2026, subject to customary closing conditions. Specifically, on that date, the Company issued a press release which stated as follows, in relevant part:

RESTON, Va. & COLUMBIA, S.C.--(BUSINESS WIRE)-- Stanley Martin Homes, LLC ("Stanley Martin") and United Homes Group, Inc. (NASDAQ: UHG) ("United Homes") today announced that they have entered into a definitive

agreement under which Stanley Martin will acquire United Homes in an all-cash transaction that represents an enterprise value of approximately \$221 million.

Under the terms of the agreement, United Homes shareholders will receive \$1.18 per share in cash. The transaction is expected to close in the second quarter of 2026, subject to customary closing conditions.

57. On this news, United Homes' stock price fell \$1.23 per share, or 51.68%, to close at \$1.15 per share on February 23, 2026, on unusually heavy trading volume.

### **CLASS ACTION ALLEGATIONS**

58. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased or otherwise acquired United Homes securities between May 15, 2023 and February 22, 2026, inclusive, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

59. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, United Homes' shares actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or thousands of members in the proposed Class. Millions of United Homes shares were traded publicly during the Class Period on the NASDAQ. Record owners and other members of the Class may be identified from records maintained by United Homes or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

60. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

61. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

62. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of United Homes; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

63. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

#### **UNDISCLOSED ADVERSE FACTS**

64. The market for United Homes' securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, United Homes' securities traded at artificially inflated prices during the Class Period.

Plaintiff and other members of the Class purchased or otherwise acquired United Homes' securities relying upon the integrity of the market price of the Company's securities and market information relating to United Homes, and have been damaged thereby.

65. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of United Homes' securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. The statements and omissions were materially false and/or misleading because they failed to disclose material adverse information and/or misrepresented the truth about United Homes' business, operations, and prospects as alleged herein.

66. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about United Homes' financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein when the truth was revealed.

#### **LOSS CAUSATION**

67. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

68. During the Class Period, Plaintiff and the Class purchased United Homes' securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

### **SCIENTER ALLEGATIONS**

69. As alleged herein, Defendants acted with scienter since Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding United Homes, their control over, and/or receipt and/or modification of United Homes' allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning United Homes, participated in the fraudulent scheme alleged herein.

### **APPLICABILITY OF PRESUMPTION OF RELIANCE**

#### **(FRAUD-ON-THE-MARKET DOCTRINE)**

70. The market for United Homes' securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, United Homes' securities traded at artificially inflated prices during the Class Period. On May 19, 2023, the Company's share price closed at a Class Period high of \$16.60 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities

relying upon the integrity of the market price of United Homes' securities and market information relating to United Homes, and have been damaged thereby.

71. During the Class Period, the artificial inflation of United Homes' shares was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about United Homes' business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of United Homes and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company shares. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

72. At all relevant times, the market for United Homes' securities was an efficient market for the following reasons, among others:

(a) United Homes shares met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) As a regulated issuer, United Homes filed periodic public reports with the SEC and/or the NASDAQ;

(c) United Homes regularly communicated with public investors via established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public

disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) United Homes was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

73. As a result of the foregoing, the market for United Homes' securities promptly digested current information regarding United Homes from all publicly available sources and reflected such information in United Homes' share price. Under these circumstances, all purchasers of United Homes' securities during the Class Period suffered similar injury through their purchase of United Homes' securities at artificially inflated prices and a presumption of reliance applies.

74. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on Defendants' material misstatements and/or omissions. Because this action involves Defendants' failure to disclose material adverse information regarding the Company's business operations and financial prospects—information that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in making investment decisions. Given the importance of the Class Period material misstatements and omissions set forth above, that requirement is satisfied here.

#### **NO SAFE HARBOR**

75. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint.

The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as “forward-looking statements” when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of United Homes who knew that the statement was false when made.

**FIRST CLAIM**

**Violation of Section 10(b) of The Exchange Act and**

**Rule 10b-5 Promulgated Thereunder**

**Against All Defendants**

76. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

77. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase United Homes’ securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set forth herein.

78. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for United Homes' securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

79. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about United Homes' financial well-being and prospects, as specified herein.

80. Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of United Homes' value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about United Homes and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

81. Each of the Individual Defendants' primary liability and controlling person liability arises from the following facts: (i) the Individual Defendants were high-level executives and/or

directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

82. Defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing United Homes' financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

83. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of United

Homes' securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired United Homes' securities during the Class Period at artificially high prices and were damaged thereby.

84. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that United Homes was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their United Homes securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

85. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

86. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

## **SECOND CLAIM**

### **Violation of Section 20(a) of The Exchange Act**

#### **Against the Individual Defendants**

87. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

88. Individual Defendants acted as controlling persons of United Homes within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their ownership and contractual rights, participation in, and/or awareness of the Company's operations and intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

89. In particular, Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

90. As set forth above, United Homes and Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

(a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;

(b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

(c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) Such other and further relief as the Court may deem just and proper.

**JURY TRIAL DEMANDED**

Plaintiff hereby demands a trial by jury.

Dated: April \_\_, 2026

**[LOCAL COUNSEL]**

By: \_\_\_\_\_

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